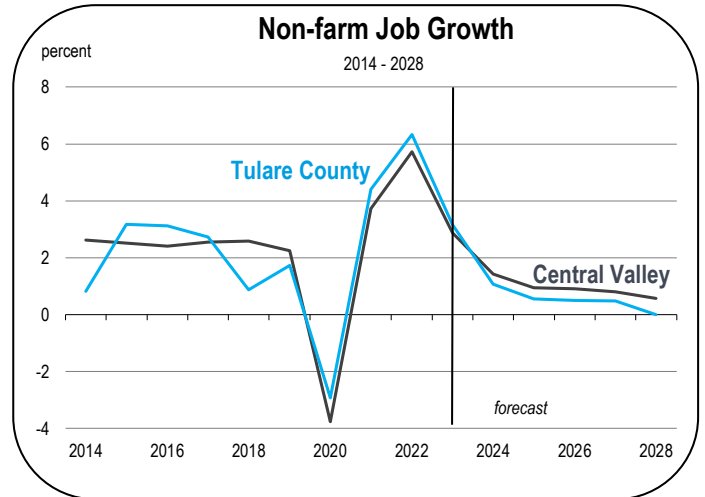


Tulare County Economic Forecast

Forecast Summary

- Total wage and salary employment in Tulare County increased by 9,900 jobs in 2022 and is expected to gain an additional 4,500 jobs in 2023. Most of the employment gains in 2023 will be in healthcare, leisure and hospitality services, and the transportation and warehousing sectors.
- The unemployment rate moved upward to 8.2 percent in 2022 and will rise to 10.1 percent in 2023.
- The largest expanding benefit for the Central Valley economies is their geographical advantage for assembly and/or distribution centers in California. Due to this advantage, large industrial and warehousing firms are forecast to expand rapidly in Stanislaus County.
- Manufacturing will add 500 new jobs in 2023.
- Transportation and warehousing will generate 800 new jobs in 2023.
- The Tulare County population is expected to grow more slowly than the broader Central Valley region during the forecast period.
- Home values rose sharply in 2022, increasing by 12.2 percent.
- Median selling values for the 2023 year will fall between 4 and 5 percent before resuming appreciation at an average annual rate of 3.0 percent over the forecast period.
- Approximately the same number of residential units will be built over the 2023-2028 period as were built during the previous six years.

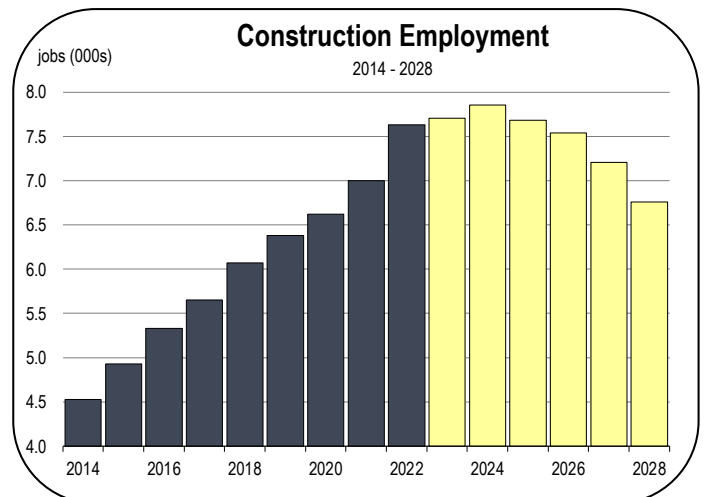
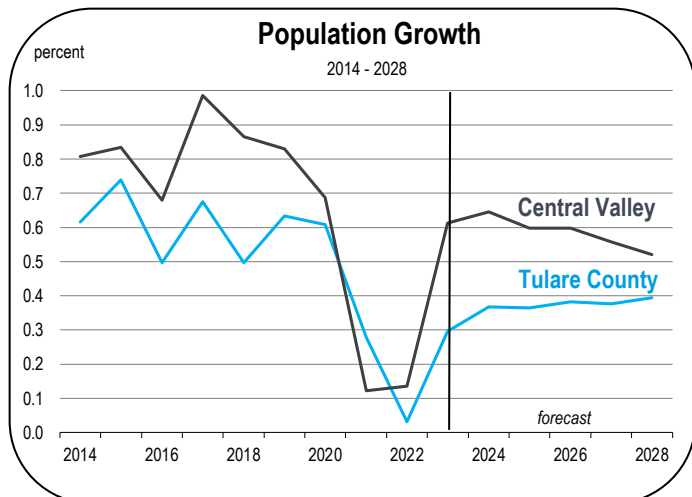


Job Growth

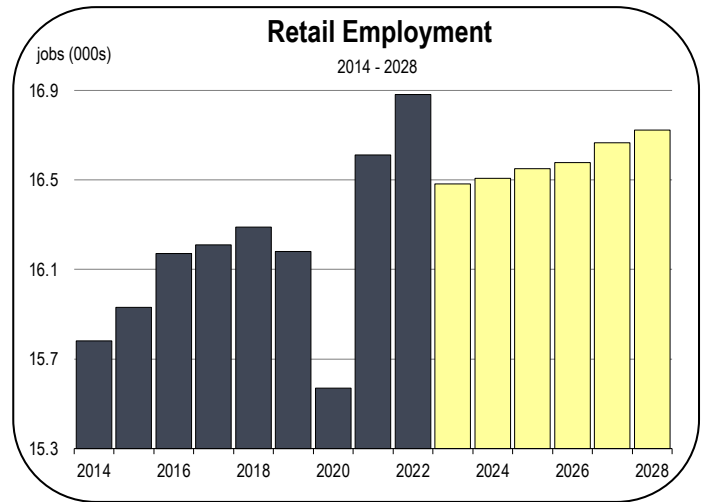
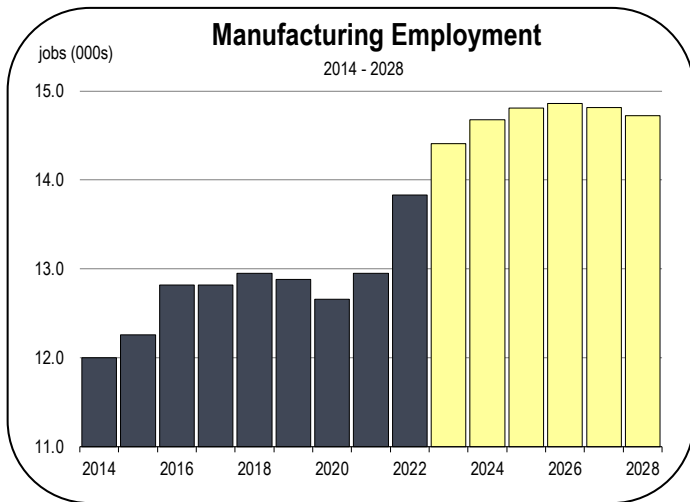
- Total employment in Tulare County increased 6.0 percent in 2022 and is on pace to rise 2.6 percent in 2023.
- The fastest growing sectors in 2022 were leisure and hospitality services (13.0 percent) and the transportation and warehousing (12.1 percent).
- Between 2024 and 2028 job growth will average 0.6 percent, below the average for the greater Central Valley region.

Construction Employment

- The construction workforce in the county has nearly doubled in size since 2012.



Tulare County Economic Forecast



- The industry created 630 new jobs in 2022, pushing the total construction workforce to the highest level ever recorded in the county. In 2023, moderate growth will continue at a rate of 1 percent.
- In the next few years, several thousand new units will be started and completed in the county. Employment within the construction trades will expand through 2024.

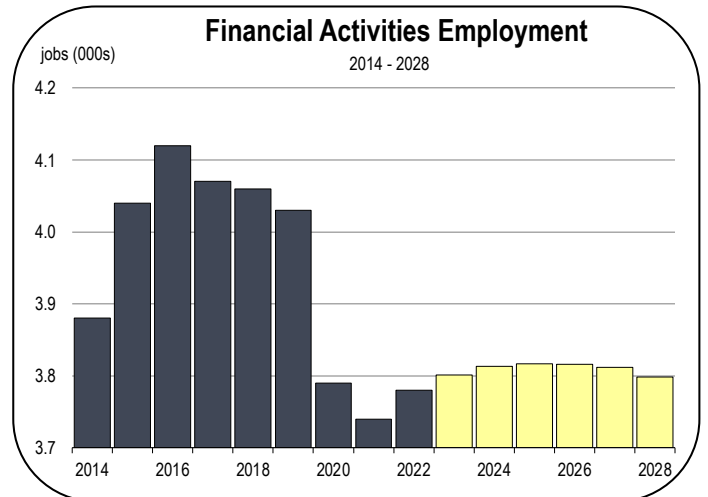
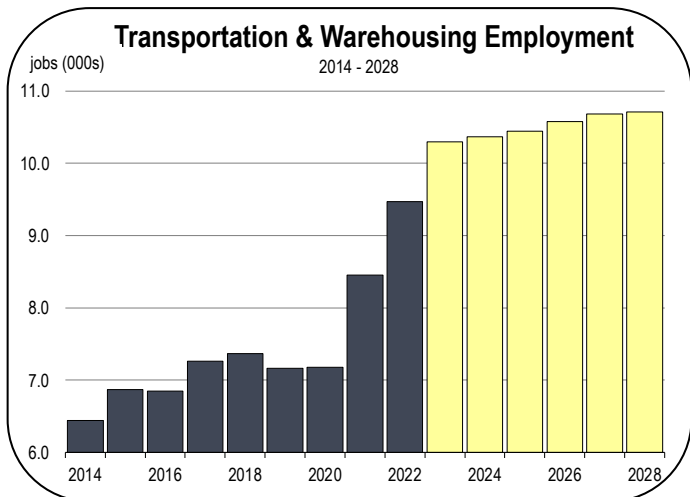
- The county is the location of major manufacturing/food companies, including:
 - Jostens
 - International Paper
 - Sonoco
 - Green Power Bus
 - California Dairies
 - Saputo Cheese
 - Land O’ Lakes Cheese
 - Kraft Foods
 - Ruiz Foods
 - Svenhards and
 - Kawneer

Manufacturing Employment

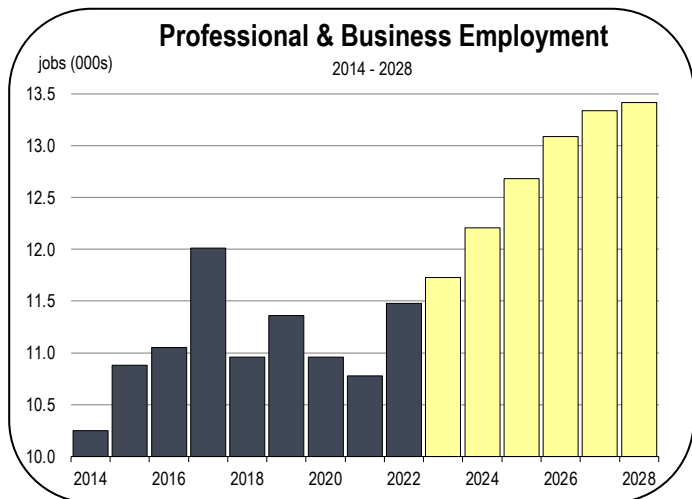
- In 2022, employment in manufacturing increased by 6.8 percent with the addition of 900 new workers.
- Job growth will continue in 2023 at a rate of 4.2 percent with the creation of 600 new jobs. Gains over the forecast period will be moderate with an average annual growth rate of 0.5 percent between 2024 and 2028.
- Food processing is a growing manufacturing sector for Tulare County and will remain so for the indefinite future.

Transportation and Warehousing Employment

- The sector is on pace to create over 800 jobs in 2023, following 12.1 percent growth and 1000 new jobs in 2022. Much of the job gain is due to the new Amazon warehouses in the Visalia Industrial Park.
- The Amazon Visalia operation is 1.3 million square feet and 1,500 workers are employed at the site. A second warehouse employs another 500 workers.



Tulare County Economic Forecast



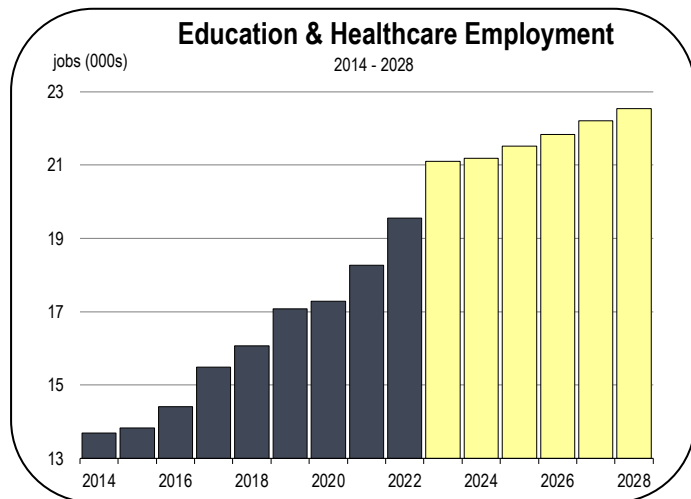
- Walmart is the second largest employer (to Amazon) in this sector with an estimated 1,692 workers at its 1.2 million square foot distribution center in Porterville.
- A spate of industrial development projects is planned for Visalia.
- 500 new jobs are forecast to be created in transportation and warehousing between 2023 and 2028.

Retail Trade Employment

- Employment in the retail sector reached a new high of almost 17,000 jobs in 2022.
- The longer-term pattern of retail consolidation that is forecast for most of California will cause a loss of 400 retail jobs in 2023.
- Nominal growth is expected during the forecast period, but not enough to recoup the jobs lost in 2023.

Financial Activities Employment

- Since 2016, there has been no net growth in finance/insurance/real estate jobs in the county.
- There was a negligible amount of job growth in this sector in 2022. This trend will continue into 2023.
- The recent pattern of job consolidation will generally persist over the forecast.
- Cigna Health Care is a major employer with 700 workers in their insurance claims processing center in Visalia.

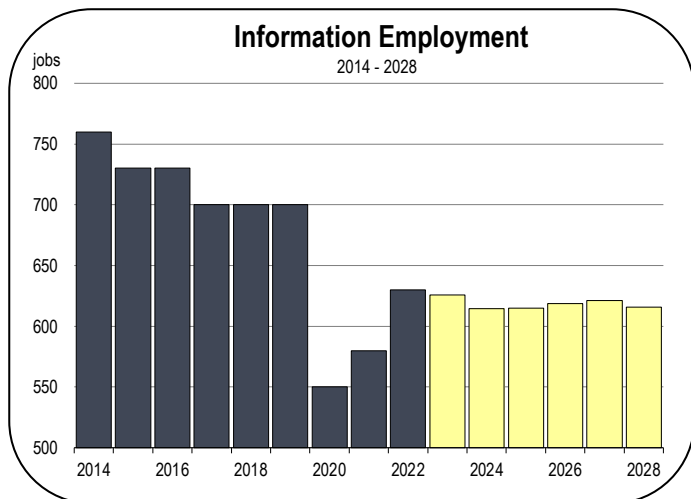


Professional and Business Services Employment

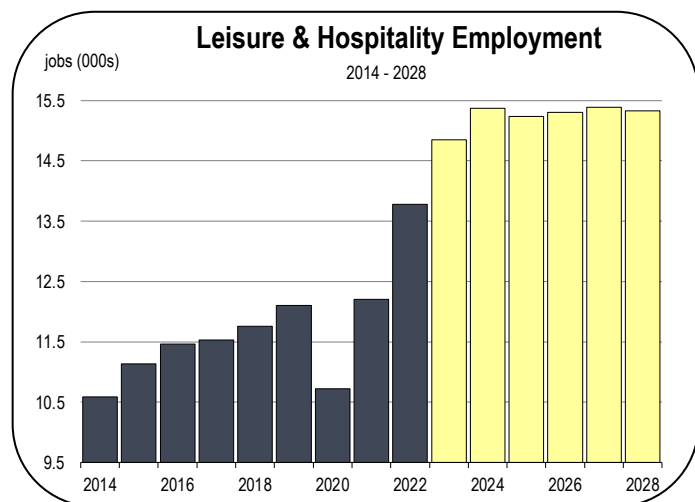
- The professional and business services sector is destined to create a major share of future jobs in the county over the next several years because of the growth in professional and technical sector jobs, especially in areas with available and affordable housing.
- Employment grew by 6.5 percent resulting in 700 new positions in 2022. Another 250 new jobs are forecast in 2023.
- With job growth expected to average 2.7 percent annually, over 1,600 new positions are anticipated in the period from 2024 to 2028.

Information Employment

- In Tulare County, the information sector is largely comprised of movie theaters, newspaper publishers, and telecommunications companies like Comcast.



Tulare County Economic Forecast



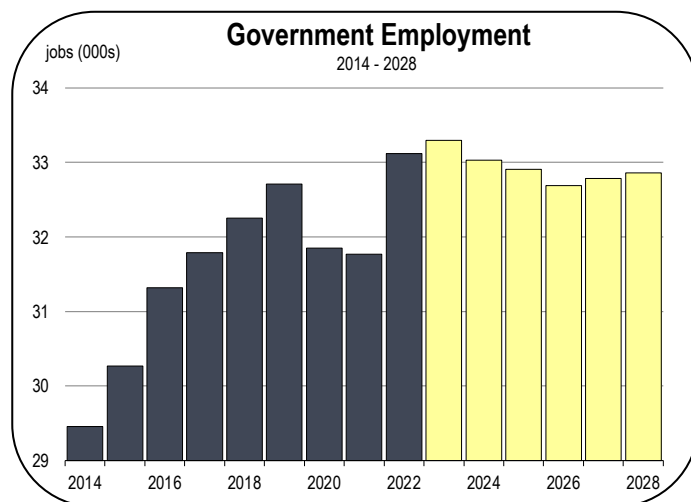
- The decline in job opportunities in information is the consequence of changing technologies that have resulted in downsizing the domestic telecommunications industry, cable and subscription programming, movie theaters, and newspaper publishing.
- While there was a modest gain of 50 jobs in 2022, negative net job growth is expected through 2028 and beyond.

Private Education and Healthcare Employment

- The sector is nearly all healthcare which is the largest private sector industry employer in the county.
- In fact, the two largest private employers in the County are Kaweah Delta Health Care and Sierra View District Hospital. They employ an estimated 2,000 and 1,800 workers, respectively.
- Healthcare added 1,300 new jobs in 2022 and is on pace to add an additional 1,550 positions in 2023.
- Growth of the sector is forecast from 2024 to 2028 with over 1,600 new jobs created.

Leisure and Hospitality Employment

- The sector created 1,600 jobs in 2022 growing by 13 percent. Employment growth will continue in 2023 with the addition of 1,100 jobs.

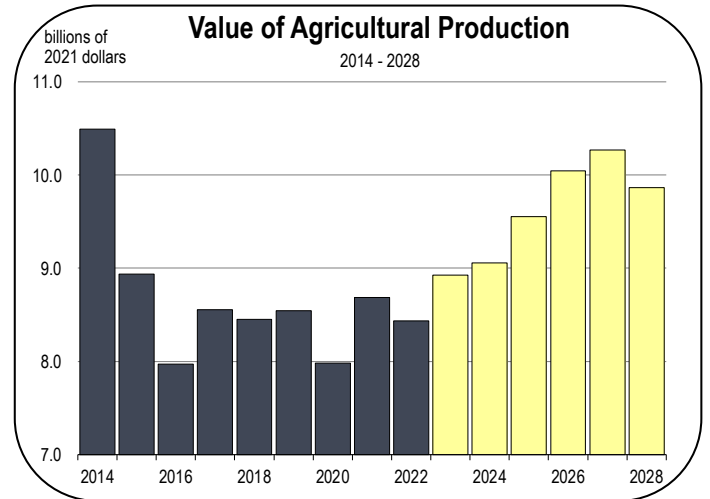
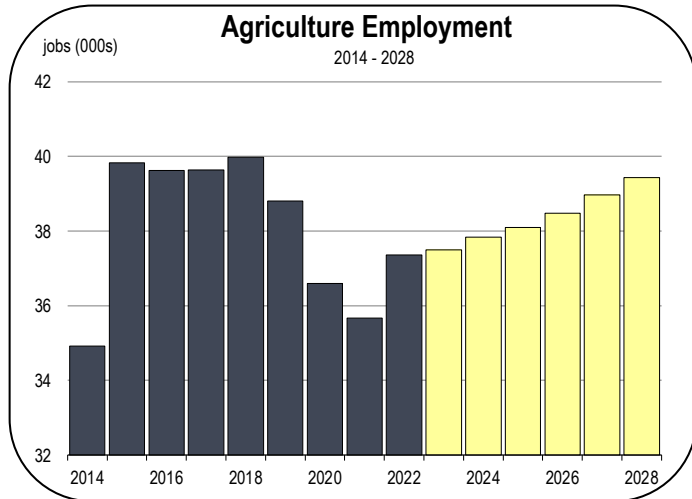


- Because the casinos attract more visitors to the county, and together with positive population growth, leisure, hospitality, and recreation employment will expand moderately averaging 0.7 percent annual growth over the forecast period.
- The Eagle Mountain Casino is one of the largest employers in the county with 2,500 employees.
- The 1,750-slot machine Eagle Mountain Casino is now located in Porterville.
- The Tule River Indian Tribe received approval from the Bureau of Indian Affairs in December 2020 to relocate the Casino from its reservation to other reservation land in the City of Porterville. The Grand Opening Celebration occurred in May of 2023.
- A new Eagle Mountain hotel and convention center will open later at the site, likely in 2024.

Government Employment

- State and local government departments including the K-12 schools added 1,350 workers to total public sector employment in 2022. An additional 200 jobs are forecast for 2023, after which there will be negative net job growth over the forecast period.
- Besides the K-12 schools, the largest public education facility is College of the Sequoias with 1,160 employees.
- Kings Canyon National Park is another large employer in Tulare County with 300 employees.

Tulare County Economic Forecast



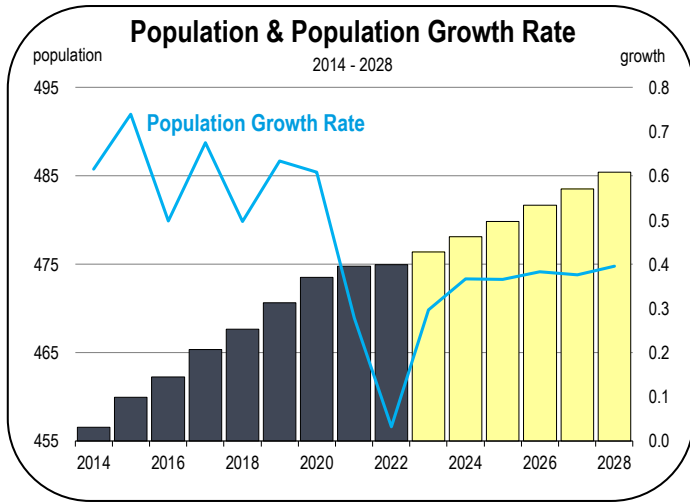
Farming

- The farm sector accounts for 21 percent of the total labor market in Tulare County.
- 1,700 jobs were created in this sector in 2022, an increase of 4.7 percent. There will be minimal growth in 2023, but farming is expected to grow at an average annual rate of 1 percent over the forecast period.
- Total farm product sales have been relatively constant since 2016, within a range of \$7 to \$8 billion annually.
- Real inflation adjusted crop values in the county declined 2.9 percent in 2022 resulting in a loss in sales of \$250 million.
- The agricultural market will rebound in 2023, increasing 5.8 percent and adding \$500 million to crop values. Crop values are predicted to grow at an annual average rate of 2.1 percent over the forecast period.
- Tulare County is the largest dairy-producing county in the nation. Milk is the leading agricultural crop in the county, accounting for 23 percent of total farm value. Fruit and nut crops, and in particular, pistachio nuts and tangerines generate more than a half billion dollars in annual sales.
- Farming is forecast to remain an important engine of growth in Tulare County, along with food products processing and distribution.
- Land O'Lakes Cheese is a major processing plant in Tulare and one of the largest employers in the County.
- The presence of a large farming industry contributes to other parts of the economy, including the leisure and hospitality industries which benefit from an influx of visitors that descend upon the county for the World Ag Expo.



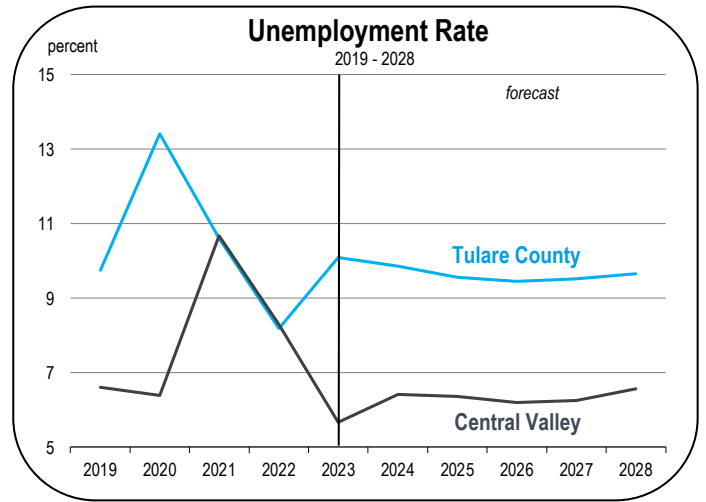
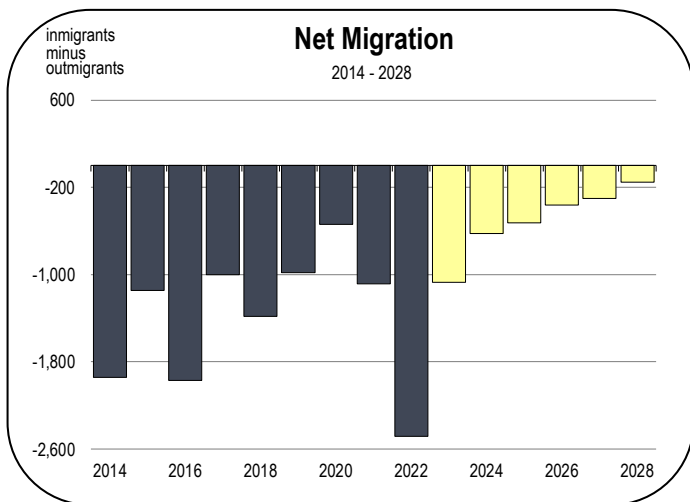
2023 World Ag Expo

Tulare County Economic Forecast



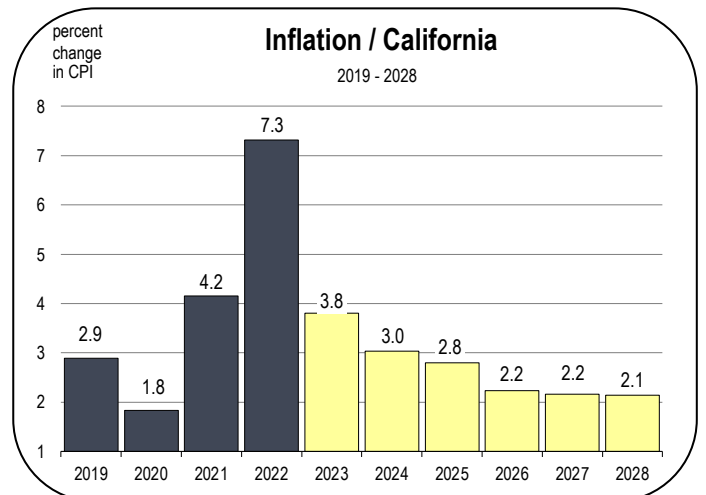
Population Growth

- Tulare County has a young population with a high birth rate. Between 2023 and 2028, the natural increase (the difference between births and deaths) is expected to add an average of 2,250 new residents to the population each year. New immigrating populations, however, continues to be negative.
- Net migration has been negative every year since 2010.
- The population expands at an annual average rate of 0.4 percent from 2023 to 2028. For the greater Central Valley region, population will grow at a rate of 0.9 percent per year. The population of Tulare County will reach the 485,000-resident threshold by 2028.



Unemployment and Inflation Rates

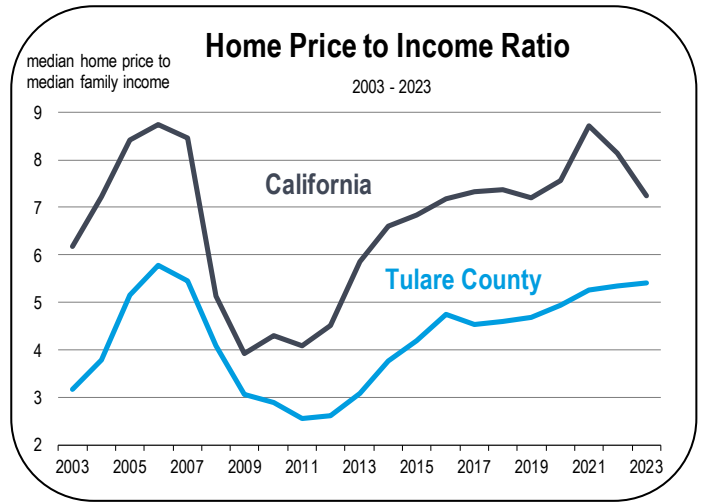
- The unemployment rate in Tulare County averaged 8.2 percent in 2022. An unemployment rate below 10.0 percent signifies a fully employed workforce in Tulare County.
- The unemployment rate is expected to average 10.1 percent in 2023, and 9.9 percent in 2024.
- Inflation soared to 7.3 percent in 2022, its highest rate in 40 years, but will decelerate in 2023 to 3.8 percent due largely to declining energy costs and the restoration of supply chains.
- Ultimately, inflation reduces the purchasing power of households and negatively impacts consumer confidence, limiting the growth potential of the economy in 2023.
- Disinflation will continue into 2024, and the inflation rate will eventually fall to below 3 percent by 2025 as the labor force is gradually restored and interest rates subside.



Tulare County Economic Forecast

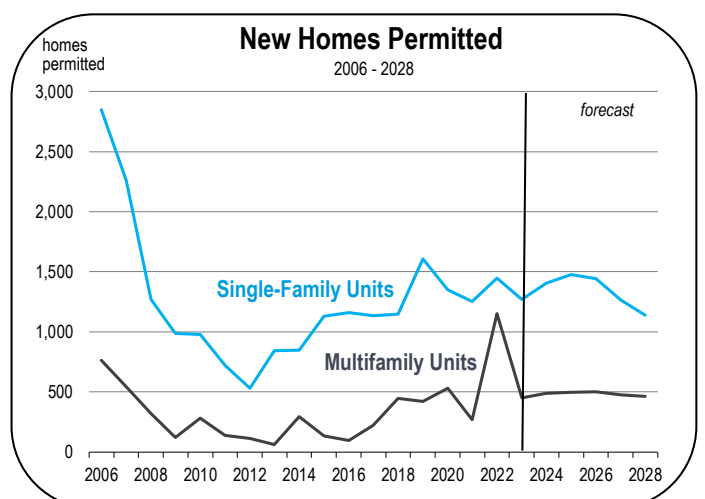
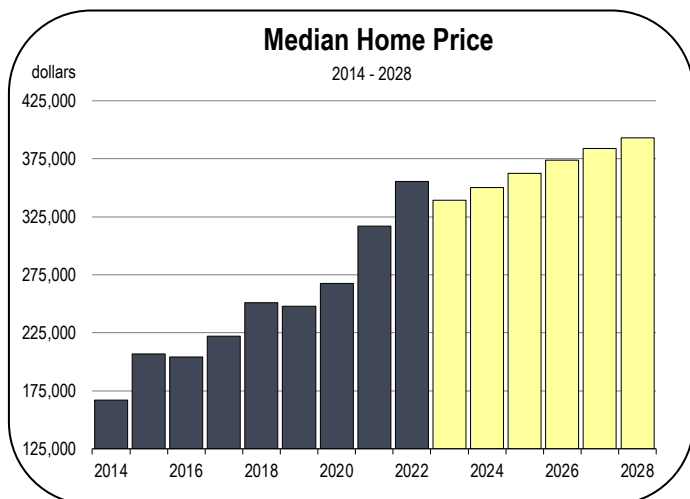
Home Prices and New Housing Production

- In 2022, the median home value in Tulare County jumped 12.2 percent to \$355,600. A contraction of home prices is underway with values projected to fall 4.6 percent in 2023. Home prices will resume appreciation at an average annual rate of 3.0 percent over the forecast period.
- Homes in Tulare County are more affordable than homes across California, especially Coastal California.
- In Tulare County, the typical household spends less than 25 percent of its pre-tax income on mortgage payments or rent.
- Along Coastal California the typical household spends more than 35 percent of income on housing costs, and in very expensive markets like San Francisco, housing costs often account for more than 50 percent of income.
- From 2017 to 2022, an average of 1,800 new homes were started per year in Tulare County. Approximately 72 percent of these units were single-family homes.
- Housing production is expected to continue at a rate of 1,800 units per year from 2023 to 2028, with single-family homes making up about 74 percent.
- Housing construction will predominantly come from small projects rather than large master-planned communities.



New Development in Tulare County

- The City of Tulare has been ramping up their housing development pipeline. In February 2023, over 2,500 homes were approved, under grading, or under construction.
- One of the larger development projects is:
 - The Chandler Grove (231 acres, mixed use, 1,197 residential units)
 - This project is pending annexation of the land's location into the City of Tulare.



Tulare County Economic Forecast

- Besides housing, the City of Tulare is also in the process of executing a substantial downtown redevelopment plan. Downtown development plans include:
 - \$5 million to redevelop Zumwalt Park with an amphitheater, dog park and splash pad
 - \$1.3 million to in office space and assistance to small businesses
 - \$2 million to build an emergency homeless shelter
 - \$1 million to downtown rehabilitation grants
 - \$100,000 to update the downtown master plan
 - Remodel and repurpose of Tulare Courthouse
- The City of Visalia is now observing new demand from developers for housing developments. 287 apartment units were permitted in 2022 with nearly 500 more apartment units under review. Over the past 10 years, Visalia has permitted a total of 862 apartment units. Recent apartment projects now completed in Visalia include:
 - Mill Creek Parkway Apartments (73 affordable housing units)
 - Caldwell Apartments (342 affordable units)
 - Packwood Apartments (144 units)
- There is more land available for future multifamily housing developments, including 320 acres for a new apartment complex, which would translate to about 4,200 units. This would put Visalia on track to meet the 6,000 affordable housing unit target by 2031 set by the Tulare County Regional Housing Needs Assessment.
- An Industrial facility boom is currently underway in Visalia. Already through mid-2023, Tulare County has added more than 3,000 jobs in the Transportation and Warehousing sector since 2020.
- The 1.55 million square feet development from YS Industries in North Visalia is now completed and as of mid-2023, about 20 percent of the space is still available for lease.
- Greenfield Partners of Irvine is planning a 2 million square foot industrial facility.
- Already approved projects include:
 - (1) a 313,000 square foot office/warehouse by Fowler Packing. The facility will have 48 loading docks, and
 - (2) 2.7 million more square feet that is coming to the Visalia Industrial Park by developer CapRock
- CapRock is planning to build four new concrete tilt-up buildings that are predicted to ultimately employ 2,000 workers. CapRock is also currently constructing a 1.1 million square foot warehouse, among the total of 6.5 million square feet either built or in the pipeline in Visalia.

Expanded University Center in Visalia

- In November of 2022, Tulare County voters approved a \$95 million ballot measure to build a new and much expanded university center in Visalia across the street from College of the Sequoias.
- The new University Center, expected to break ground in 2025 and open in 2027, will represent a major expansion of university-level offerings for Tulare and Kings counties even if it is not a full California State University campus.



CapRock partners is proposing a third phase of its Center Point development in Visalia.

Tulare County Economic Forecast

Socioeconomic Indicators

