



8/29/2023
City Council Special Meeting

Handouts received after
agenda posted



retail strategies

City Council Presentation

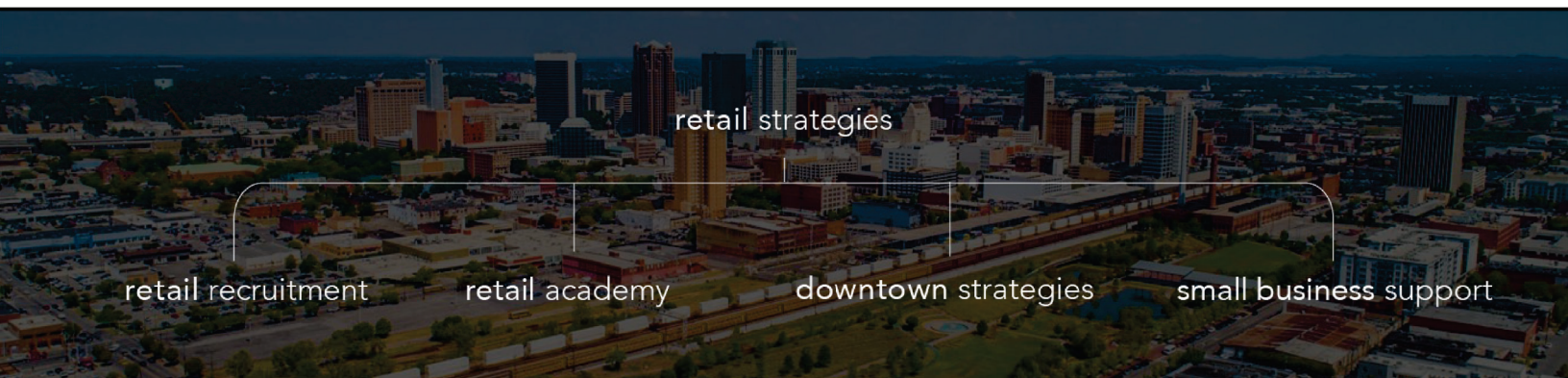
Lemoore, CA

INTRODUCTION

Retail Strategies

Founded in 2011, Retail Strategies is as a full-service advisory firm that works with municipalities on business recruitment through commercial real estate connections and networks.

Our team employs a commercial broker's mindset with a fiduciary responsibility for our municipal clients.



OUR PROCESS

Retail Strategies

- **Data & Demographic Analysis:** We refresh data for Lemoore's custom trade area annually. This allows us to see the market from the same perspective as national retailers.
- **Boots on the Ground:** We visit the market annually to update our inventory of real estate assets in Lemoore. Throughout the year we work to develop and nourish relationships with local brokers, developers, and property owners.
- **Trade Show Representation:** We attend ICSC shows in order to build better working relationships with key industry players, gather current retailer expansion information, and promote Lemoore market opportunities.
- **Pleasant Persistence:** Our team remains pleasantly persistent with national retail brands, and we actively promote viable sites in Lemoore. National retail brand reps are constantly receiving sites from around the country – we put Lemoore at the front of the line.
- **Investment Multiplier:** We act as an extension of Lemoore's on-going economic development efforts. Our goal is to multiply the results of your team by focusing specifically on retail recruitment.
- **Relationship Agent:** Our team is actively looking for ways to leverage our deep bench of industry relationships in order to promote retail opportunities in Lemoore.



retail strategies

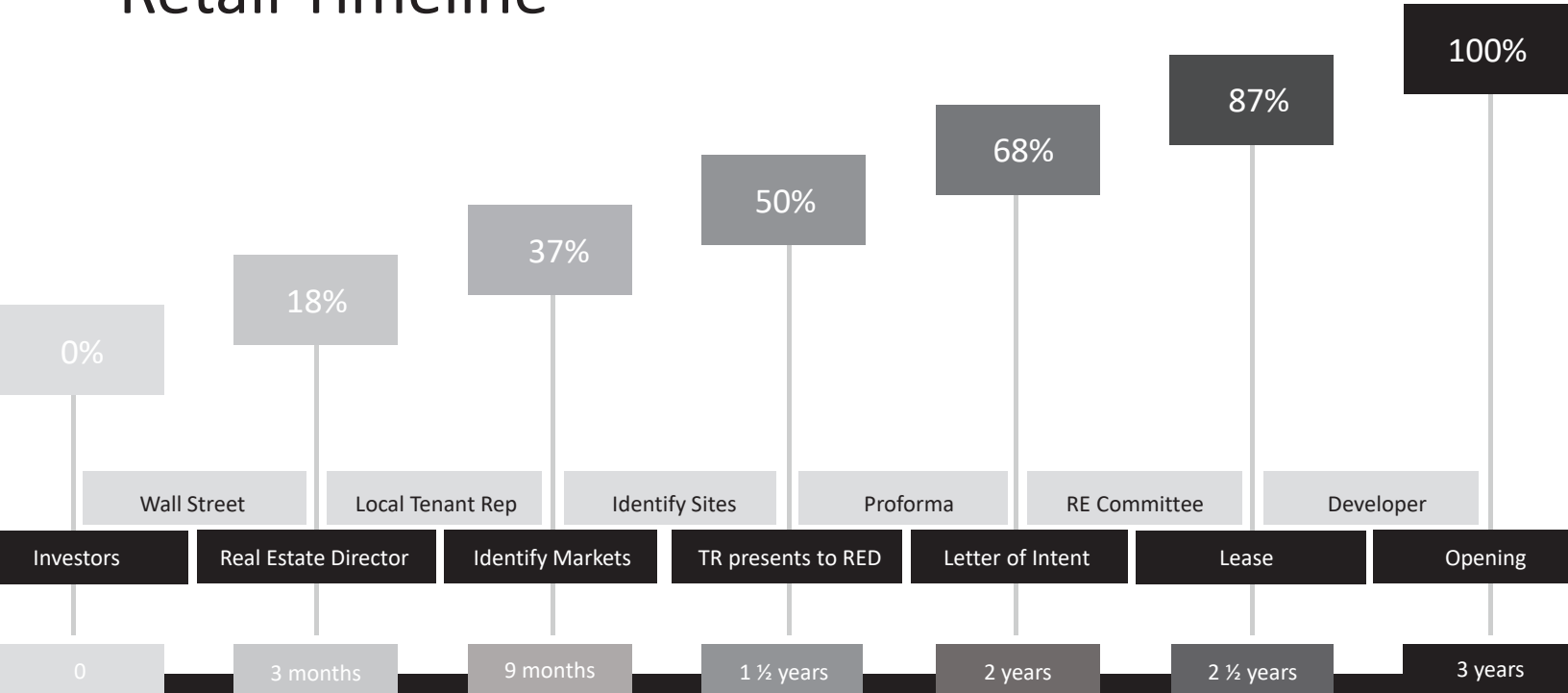
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RETAIL PROCESS

Retail Timeline

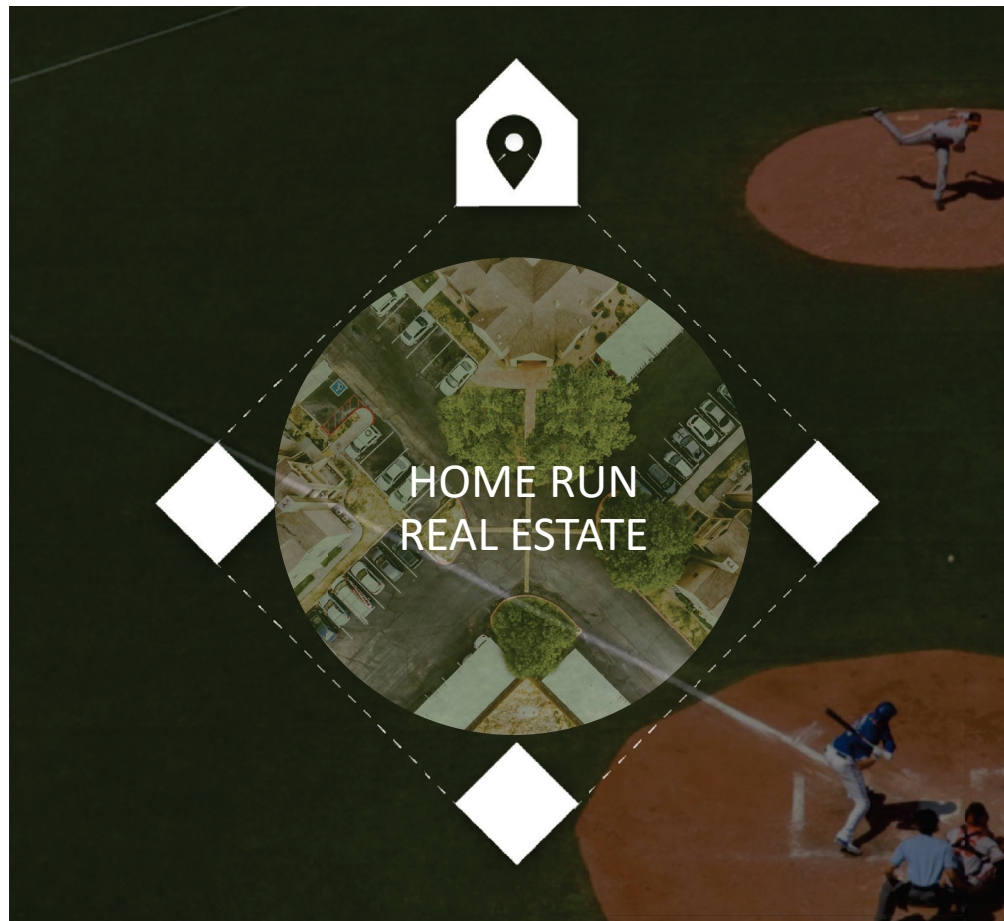
- The retailer drives the decision
- A small percentage of proposed sites equal new openings
- It's a long process
- It's all about profit



SITE SELECTION

Universal Site Metrics

- Signage/Visibility
- Parking
- Access
- Co-Tenancy
- Traffic



RETAIL PROGRESSION

Why Should a Municipality Invest Resources in Retail?

Retail builds on retail. Retail economic impact adds up quickly. Retail attracts the workforce that attracts the primary jobs. Retail influences executives looking to locate their company in your community. Retail enhances the quality of life. Quality of life encourages the future growth of your community.

retail recruitment
ladder



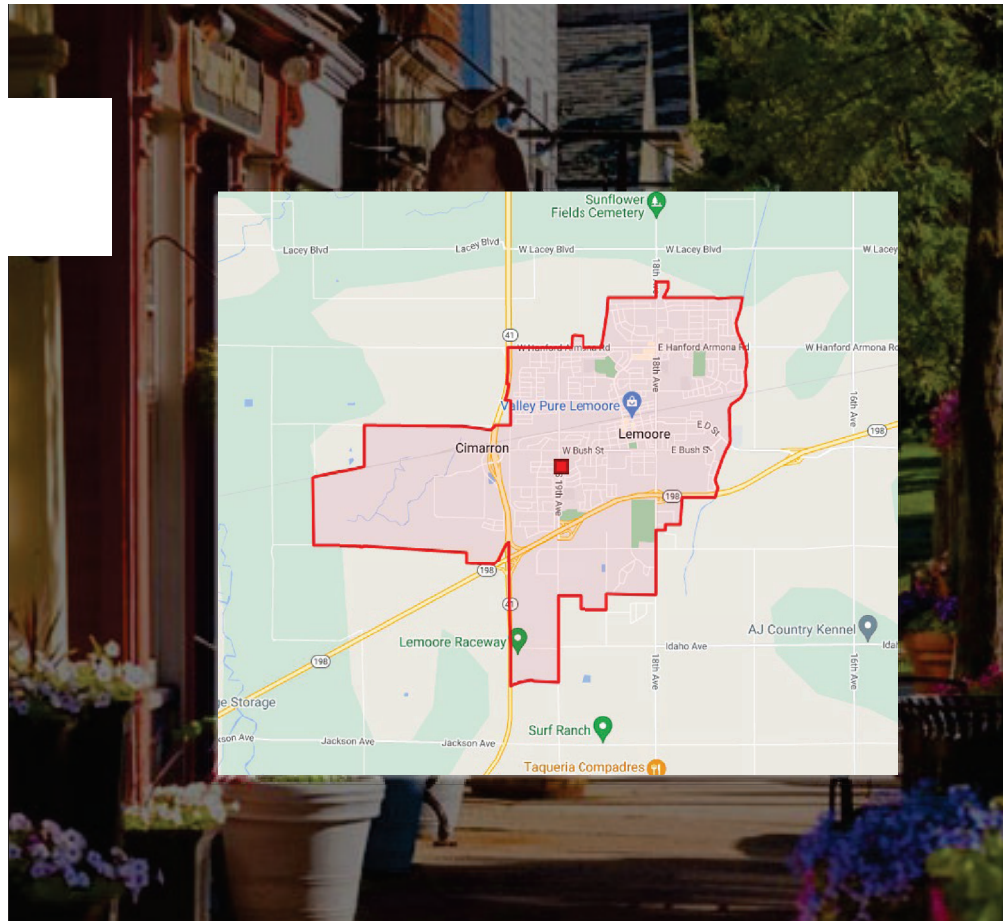
DISCOVER

How you see it

Lemoore, CA
Population 27,038



State of California
Population 39,538,223



DISCOVER

How retailers see it

Residential Population Density

• 1 dot = 100

Daytime Employee Population Density

• 1 dot = 100

Median Household Income

■ \$0-\$25,000
■ \$25,000-\$50,000
■ \$50,000-\$75,000
■ \$75,000-\$100,000
■ \$100,000-\$150,000
■ > \$150,000

Study Area

■ 3.00 mi
■ 5.00 mi
■ 0-5 min
■ 0-10 min



DISCOVER

Your Demographic Playbook

Category	3 Mi. Radius	5 Mi. Radius	10 Mi. Radius	5 Min. Drive Time	10 Min. Drive Time	15 Min. Drive Time
2022 Estimated Population	27,646	34,895	114,757	19,437	35,329	89,876
Number of Households	9,227	11,406	35,884	6,567	11,567	27,842
Median HH Income 2022	\$70,287	\$69,063	\$65,363	\$67,237	\$69,244	\$65,905
Daytime Population	24,031	30,401	103,545	15,913	30,934	86,341

Study Area Location Point: Grocery Outlet
17 W Spring Ln, Lemoore, CA

CUSTOM TRADE AREA

Mobile Insights

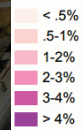


Lemoore Plaza
155 W Hanford Armona Rd
Lemoore, CA 93245
United States

Details

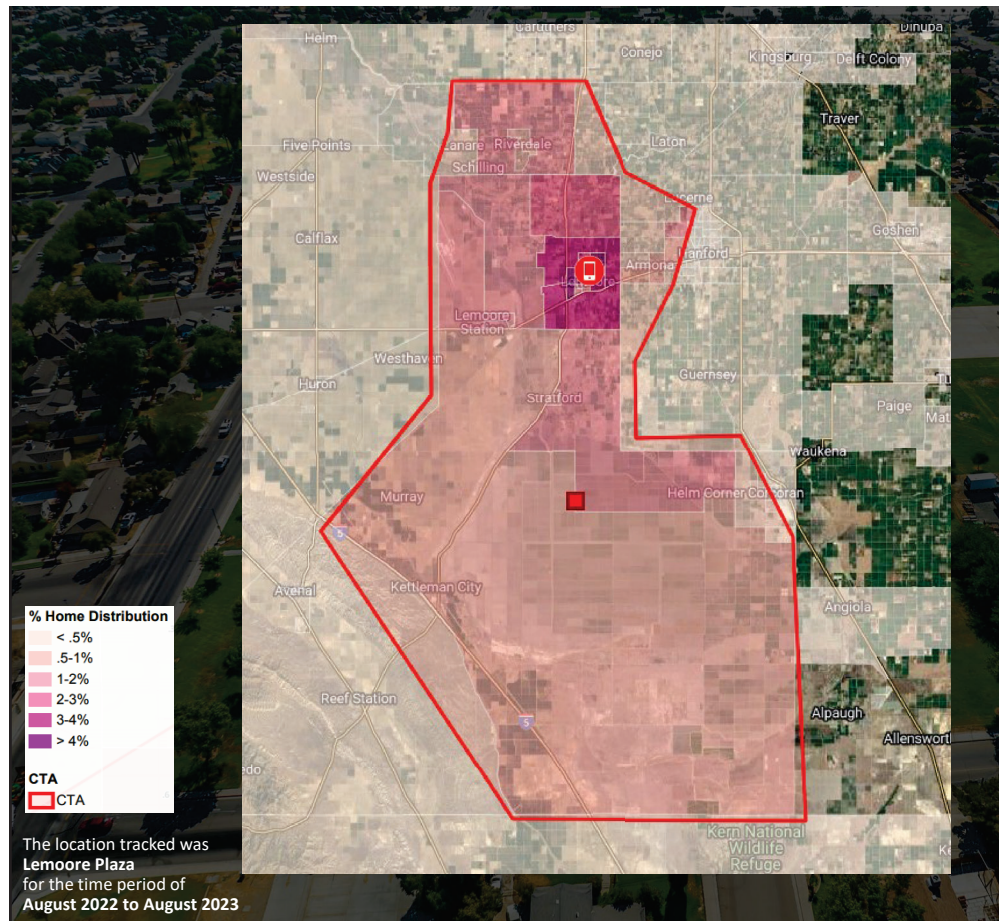
Estimated Annual Visits	281,853
Estimated Annual Visitors	77,085
Avg Distance from Home	1.0 miles
Average Dwell Time	23.0 min
Tourist Visits	16.7%
Sector	Malls and Shopping Centers
Sector - County Rank	#4 of 7
Sector - DMA Rank	#4 of 156
Brand	Shopping Centers & Malls
Brand Rank within State	#822 of 2796
Brand Rank within DMA	#56 of 156

% Home Distribution



CTA
CTA

The location tracked was
Lemoore Plaza
for the time period of
August 2022 to August 2023



CUSTOM TRADE AREA

Market Opportunity

Total Consumer Demand	Total Market Supply	Opportunity Gap
\$1,435,176,585	\$696,721,676	\$738,454,909

This means more people purchase items outside of the defined Lemoore trade area than in the Lemoore defined trade area for their consumer goods and services. Through our research, we can uncover the specific categories where consumers are leaving the market.



CUSTOM TRADE AREA

Market Opportunity

Establishment Type	Consumer Demand	Market Supply	Opportunity Gap
Building Material & Garden Equipment Stores	91,130,866	27,328,261	63,802,605
Clothing & Footwear Stores	55,815,801	7,238,844	48,576,956
Foodservice & Drinking Places	112,624,211	73,586,541	39,037,670
Home Furnishing Stores	26,202,062	6,159,018	20,043,044
Food & Beverage Stores	175,268,429	158,264,521	17,003,908
Sporting Goods, Hobby, Book, Music Stores	18,793,018	2,540,915	16,252,103
General Merchandise Stores	176,869,320	171,880,003	4,989,317



FOCUS PROPERTIES

Active Site Opportunities

Former Kmart: As a second-generation space, this box has been a focus for retail recruitment. We have been in conversations with the broker representing this space, and we have flagged this site for retailers. However, the broker has mentioned how this site has received multiple offers, but the owners have chosen not to pursue any so far. This site will continue to be a focus for our team, and we will continue conversations with the broker in hopes to find a deal that the ownership will consider.

Gateway Plaza Pad Sites: There are a few pad sites listed in this center. We had flagged this site for a developer for a potential build-to-suit opportunity. This developer had conversations with the owner, but there were differences regarding the structure of the deal. We will continue highlighting this site to retailers and developers.

New Commercial Development: We connected with a local developer that currently has two separate sites tied up in the market. We have reached out to potential retailers regarding these sites and passed along interest.



POTENTIAL RETAIL

Active Recruitment Prospects

Burger QSR: At ICSC Monterey 2023, we learned that this Burger QSR was interested in a new development site. However, this developer is no longer pursuing the site at this time. Our team then reached out to another developer working on sites in the market, and we have passed along this retail interest.

Mexican QSR: We connected with the tenant rep for this QSR brand to discuss their market interest as their previous deal had died due to their offer on a site being turned down by the landowner. However, this QSR remains interested in the Lemoore market. Currently, this QSR is pursuing another site in the market, and we will continue to monitor the potential deal.

Coffee Chain: At ICSC Monterey 2023, we learned that this Coffee Chain was interested in a new development site. However, this developer is no longer pursuing the site at this time. Our team then reached out to another developer working on sites in the market, and we passed along this retail interest.

National Hotel Brand: At ICSC Las Vegas 2023, our contact with this national hotel brand said they were working on a rollout for additional locations throughout the Western region. At that time, our contact did not have Lemoore as a priority market. We reached back out to him to discuss market opportunities and incentives, and there is now interest. We have sent him sites for consideration and are awaiting feedback.



DEAL PIPELINE POTENTIAL

Economic Impact

Retail builds on retail and the economic impact adds up quickly. Retail attracts the workforce that attracts the primary jobs. Retail influences executives looking to locate their company in your community. Retail enhances quality of life. Quality of life encourages future growth of your community.

Retailer	Estimated Average Annual Revenue	Estimated Average Employees	Local Sales Tax
Burger QSR	\$3,300,000	20	1%
Coffee Chain	\$1,600,000	15	1%

Estimated Total Revenue: \$4,900,000

Combined Estimated Number of Jobs for the Local Economy:

35

Combined Estimated Annual Sales Tax Revenue for the Local Economy:

\$49,000

Continued Outreach

We share a common goal to generate new retail communication that would not otherwise happen and to create market influence in the retail industry.

We have conducted outreach to over 45 retail prospects ranging from: grocers, coffee, quick serve restaurants, fast casual restaurants, sit-down restaurants, clothing and footwear, hotels, home furnishings, general merchandise, and more.

Together, we continue to collaborate and strategize with the Lemoore team to think creatively regarding new-to-market retail and ways the city can help through incentives.





retail strategies

THANK YOU

Lemoore, CA



General Fund Budget Strategy Workshop



NATHAN OLSON, CITY MANAGER

Purpose

- General Fund Budget Review
- Operational Objectives
- Budget Balancing Options



Historical Analysis

In May 2016, City Council adopted fiscal policies which outlined the requirement to adopt balanced budgets. The policy defined a balanced budget as one in which revenues + reserves must be greater than or equal to annual expenditures. It also requires that the general fund reserves be equivalent to 35%, or more, of the annual operating general fund expenditures.

For FY 2024, reserves must be held to at least \$6 million. Our projected general reserve fund balance at completion of FY 2024 is estimated to be \$8.1 million.

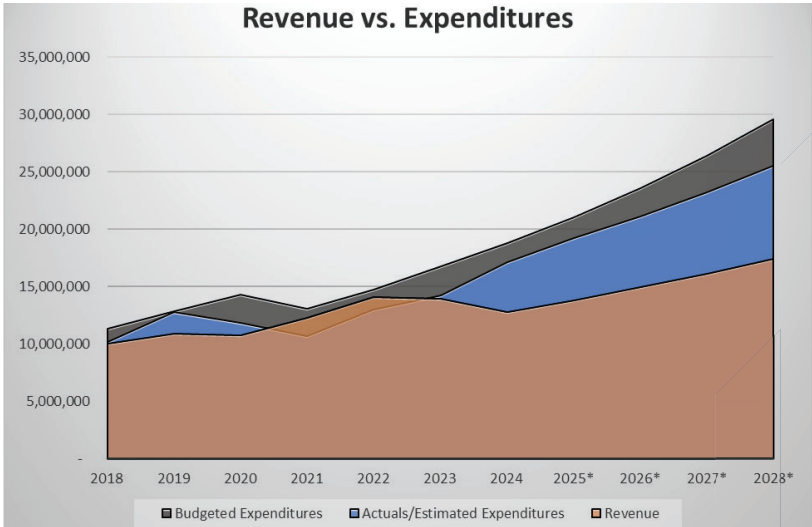


Trend

Annual deficits are a result of the following trends:

- Revenue
 - Average 8% increase per year (2018-2023)
- Expenditures
 - Average 12% increase per year (2018-2023)

Each year staff modifies expenditures in order to reduce the realized deficit.



Economic Development Successes

Since
2018

INCREASE IN
SALES TAX
REVENUE OF
85%

\$2.8M IN
CANNABIS
REVENUE
RAISING FEES

BB'S FLORAL
BOUTIQUE



All Smiles
Dental Hygiene



ARCO
ampm



DOLLAR
GENERAL



RARE EARTH COFFEE - LEMOORE LABYRINTH - LA PARILLA - THE HIVE RET - T-MOBILE - CALIFORNIA CANNABIS CO. - LEON'S ICE CREAM - BURGER SHACK - BIGGZ BBQ - ATT - BB FLORAL BOUTIQUE - GROCERY OUTLET - DUTCH BROS COFFEE - RAY'S LEMONADE - ALL SMILES DENTAL - ARCO AM/PM - ROUND TABLE - DOLLAR GENERAL (X2) - WIMPY'S - PASTA FRESH - DAY & NIGHT MARKETS - DAD'S COOKIES - FURY CHICKEN - TWISTED INDIAN - PEOPLE'S - NHC - VALLEY PURE - BIRD STREET BREWING - TACOS LOS JUANES

Housing Growth

- 406 permits have been issued for single family (sf) homes between January 2018 through August 18, 2023.

D·R·HORTON
America's Builder

51 homes

Tract 797

LENNAR

87 homes

Tract 920 Phase I

**WATHEN
CASTANOS
HOMES**

20 homes

Tract 908 Phase V

Woodside Homes
BETTER BY DESIGN

64 homes

Tract 921

G.J. Gardner.
HOMES

36 homes

Tract 839

Currently

**UNDER
CONSTRUCTION**

- Lennar (Tract 848 Phase I) - **152 homes**
- G.J. Gardner (Tract 820) - **29 homes**

Planned Future Growth

Tract No.	Developer	# of homes
845	Palmquist	51 (sf)
920 (II), 848 (II), 848 (III), 935	Lennar	445 (sf)
932	Assemi Group	547 (sf), 278 (mf)
793	Daley	31 (sf), 12 (mf)
939	Wathen Castanos	276
Smith/D Apts	AMG	108 (mf)

Economic Development Opportunities

dd's
DISCOUNTS



retail strategies



ADVENTURE'S FIRST STOP
MAVERIK



*Businesses
Coming Soon*

HELENA
PANDA EXPRESS
BASKIN ROBBINS
DD'S DISCOUNTS
MAVERIK

*Pro Business
Activities*

- ORDINANCE REVISIONS
- RESEARCH INCENTIVE OPPORTUNITIES
- COST SHARING PROGRAM

Operational Objective

TO BALANCE THE CITY'S GENERAL FUND OPERATING BUDGET THERE ARE

3 Options

1. INCREASE REVENUE
2. DECREASE EXPENDITURES
3. COMBINATION OF BOTH



Increase Revenue

ANY INCREASE TO TAX REVENUE MUST BE APPROVED BY THE VOTERS.

1. INCREASING SALES TAX REVENUES

- INCREASE THE NUMBER OF SALES TAX GENERATING BUSINESSES
- INCREASE THE DIRECT SALES TAX ALLOCATION TO THE CITY (SALES TAX MEASURE)

2. INCREASE TRANSIENT OCCUPANCY TAX RATE (TOT)

3. IMPLEMENT A USER UTILITY TAX (UUT)

4. IMPLEMENT A PARCEL TAX



Sales Tax Measure

- A LOCAL SALES TAX MEASURE HAS THE POTENTIAL TO SIGNIFICANTLY IMPACT GENERAL FUND REVENUES.
- A SIMPLE MAJORITY VOTE IS NEEDED TO PASS.
- A MEASURE WILL HELP MAINTAIN FISCAL STABILITY AND PROVIDES LOCALLY CONTROLLED FUNDING TO PROVIDE ESSENTIAL SERVICES.
- APPROVAL OF THE CITY COUNCIL IS NECESSARY IN ORDER FOR THE MEASURE TO BE PLACED ON THE NOVEMBER 2024 BALLOT.





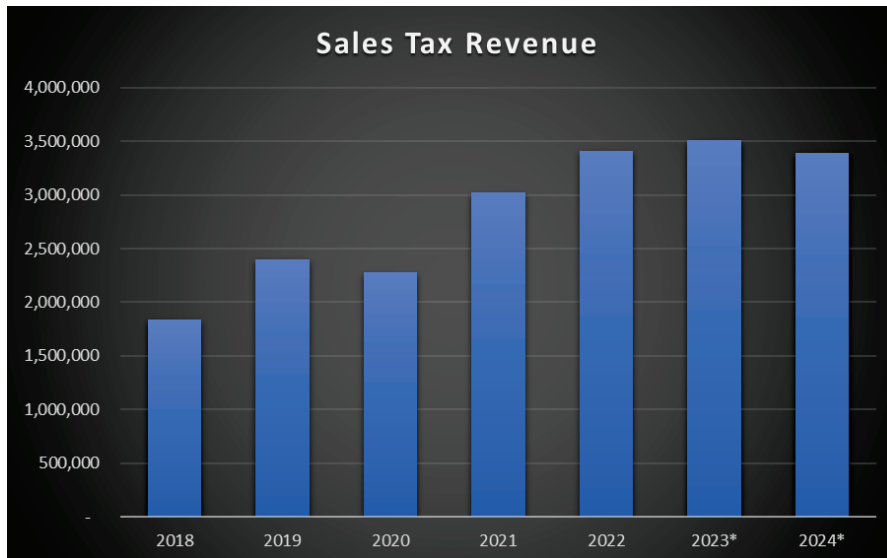
Additional Tax Options

User Utility Tax (UUT): A tax on the consumption of utility services including, but not limited to, electricity, gas, water, sewer, telephone, sanitation and cable television. The tax is generally 1%-11% and is collected by the utility provider through their billing process, and then remitted to the City.

Parcel Tax: A parcel tax is a tax on a parcel - or unit- of real property. Unlike the property tax, a parcel tax may not be based on the value of property. Instead, parcel taxes are generally based on a flat per-parcel rate. 7,700 parcels located in the City of Lemoore.

Transient Occupancy Tax (TOT): A tax on persons staying thirty days or less in hotels, motels and similar lodgings, including mobile homes. The current City of Lemoore TOT is 8% and generates approximately \$400,000.

Sales Tax History



- \$1.67M INCREASE IN SALES TAX SINCE 2018
- DIP IN SALES TAX REVENUE IN 2020 DUE TO COVID MANDATES
- INCREASES/DECREASES IN SALES TAX ALLOCATIONS TIED LARGELY TO FUEL COSTS

Current Sales Tax



For every \$1 collected,
7.25 cents is allocated
to sales tax



6 cents to the State



1 cent to local government
*this is the City of Lemoore
portion*



.25 of a cent to
local transportation fund

7.25%

Potential 1.5% Local Sales Tax



For every \$1 collected,
8.75 cents is allocated to
sales tax



8.75%



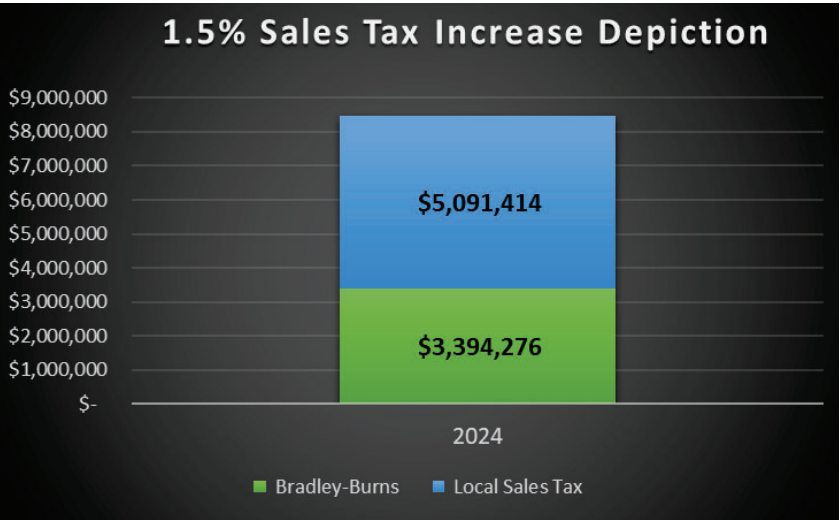
6 cents to the State



1 cent Bradley-Burns
1.5 cents local sales tax



.25 of a cent to
local transportation fund



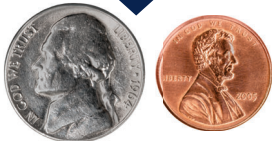
Potential 2% Local Sales Tax



For every \$1 collected,
9.25 cents is allocated to
sales tax



9.25%



6 cents to the State

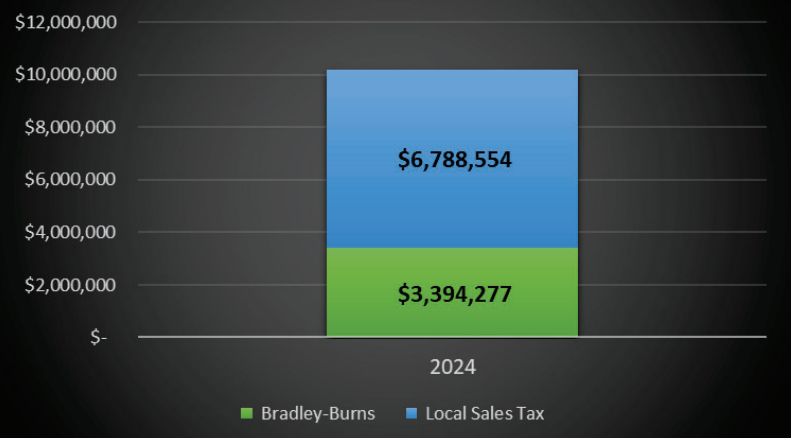


1 cent Bradley-Burns
2 cent local sales tax



.25 of a cent to
local transportation fund

2% Sales Tax Increase Depiction



Sales Tax Rates

LEMOORE
7.25%
27,185 population

Lemoore with
1.5% increase

8.75%

Lemoore with
2% increase

9.25%



Cities Rate Comparison

- HANFORD - 7.25% - (58,470 population)
- **LEMOORE - 7.25% - (Current)**
- FIREBAUGH - 7.975% - (8,418 population)
- SAN JOAQUIN - 7.975% - (3,689 population)
- AVENAL - 8.25% - (13,374 population)
- BAKERSFIELD - 8.25% - (410,647 population)
- CORCORAN - 8.25% - (22,837 population)
- DELANO - 8.25% - (50,843 population)
- MADERA - 8.25% - (68,050 population)
- SHAFER - 8.25% - (21,282 population)
- TULARE - 8.25% - (70,693 population)
- WASCO - 8.25% - (27,731 population)
- CLOVIS - 8.35% - (124,556 population)
- FRESNO - 8.35% - (545,567 population)
- SELMA - 8.48% - (24,430 population)
- DINUBA - 8.5% - (25,285 population)
- VISALIA - 8.5% - (143,966 population)
- CHOWCHILLA - 8.75% - (18,738 population)
- **LEMOORE - 8.75% - (1.5% increase)**
- LINDSAY - 8.75% - (12,537 population)
- EXETER - 8.75% - (10,267 population)
- WOODLAKE - 8.75% - (7,590 population)
- COALINGA - 8.975% - (17,024 population)
- FOWLER - 8.975% - (7,154 population)
- KERMAN - 8.975% - (16,208 population)
- KINGSBURG - 8.975% - (12,613 population)
- PARLIER - 8.975% - (14,691 population)
- MENDOTA - 9.225% - (12,618 population)
- REEDLEY - 9.225% - (25,441 population)
- SANGER - 9.225% - (26,600 population)
- **LEMOORE - 9.25% - (2% increase)**
- PORTERVILLE - 9.25% - (62,998 population)

Sales Tax Breakdowns

FIREBAUGH

7.975%

6% California Sales tax
0.25% Fresno County tax
1.725% Special tax

10% UUT

CORCORAN

8.25%

6% California Sales tax
0.25% Fresno County tax
1% Corcoran tax
1% Special tax

DINUBA

8.5%

6% California Sales tax
0.25% Tulare County tax
0.75% Dinuba tax
1.5% Special tax

7% UUT

EXETER

8.75%

6% California Sales tax
0.25% Tulare County tax
1% Exeter tax
1.5% Special tax

5% UUT

KERMAN

8.975%

6% California Sales tax
0.25% Fresno County tax
1% Kerman tax
1.725% Special tax

FOWLER

8.975%

6% California Sales tax
0.25% Fresno County tax
1% Fowler tax
1.725% Special tax

5% UUT

SELMA

8.975%

6% California Sales tax
0.25% Fresno County tax
1% Selma tax
1.725% Special tax

SANGER

9.225%

6% California Sales tax
0.25% Fresno County tax
1.25% Sanger tax
1.725% Special tax

5% UUT

REEDLEY

9.225%

6% California Sales tax
0.25% Fresno County tax
1.25% Reedley tax
1.725% Special tax

PORTERVILLE

9.25%

6% California Sales tax
0.25% Tulare County tax
1.50% Porterville tax
1.50% Special tax

6% UUT

Cost to the Average Citizen

- Household Median Income
 - \$71,503
- Current Average Spent on Taxable items at current rate
 - \$24.25/monthly

1.5% INCREASE

- Additional \$36.25/monthly

2% INCREASE

- Additional \$48.50/monthly




Information is based on US Bureau of Labor Statistics.



Impacts to Expenditures

If a revenue raising measure is not put to a vote or fails to pass, the City will be required to take measures to stabilize the budget through reduction of expenditures.

- Freeze merit increases
 - 4-day work week (reduction in energy costs)
 - Hiring freeze
 - Reduction of at least 50% of the Police Department workforce
 - Elimination of the Recreation Department
 - Additional staff reductions to other general fund departments (10-15 employees)
 - Furloughs of existing employees (must be negotiated)
 - Reduction to personnel benefits (must be negotiated)
 - Outsource of Departments
- 




Timeline

AUGUST 29, 2023




City Council
decision on a
sales tax
measure

JUNE 2024




FY2025
Budget
Presented
for Approval

NOVEMBER 2024




Possible Sale Tax
Measure/Other
Measures on the
ballot

MARCH 2025




Potential
increased revenue
begins if Sales Tax
Measure /Other
Measures passes.






Status Quo Timeline

JUNE 30, 2024




End of FY
2024 Fund
Balance
\$8,100,219

JUNE 30, 2025




End FY 2025
estimated
deficit of \$5.3M

**APPROXIMATELY
JANUARY 2026**



Midway into FY
2026 General
Fund is depleted.





Council Consensus

Staff would like to receive consensus from Council on which direction staff should take in an attempt to raise revenues.

- 1. Sales Tax Measure**
 - 2. UUT**
 - 3. TOT**
 - 4. Parcel Tax**
- 