

JUNE 2017



ECONOMIC DEVELOPMENT STRATEGIC PLAN

CITY OF RIDGECREST, CA

ACKNOWLEDGEMENTS

TIP Strategies would like to thank the many individuals who participated in the creation of this Economic Development Strategic Plan. We are especially grateful to the community and business leaders in the greater Ridgecrest area who contributed their time and input throughout this planning process. Their expertise helped us gain a deep understanding of the area's numerous assets and opportunities. We are also thankful for the US Department of Defense Office of Economic Adjustment for their visionary investments and support which helped make this project a reality. We also want to thank the leadership and staff of Kern County and the Kern EDC for their essential support, guidance, and feedback during the development of this plan.

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INTRODUCTION

Kern County engaged TIP Strategies (TIP), an Austin-based economic development consulting firm, to lead the preparation of an Economic Diversification Plan for East Kern County. This planning process, funded by the Department of Defense's Office of Economic Adjustment, launched in February 2016 with a completion date of February 2017. Chabin Concepts, a California-based economic development consulting firm, has assisted TIP and Kern County throughout the project. As part of the planning process, the consulting team worked with regional leaders to craft an East Kern Economic Diversification Plan. The team also worked with local community leaders to create individual strategic plans for each of the six communities in East Kern. **This strategic plan includes a set of strategies and actions to guide economic development efforts in the City of Ridgecrest.**

Throughout 2016 and early 2017, the consulting team visited Ridgecrest on several occasions to hold community input sessions, meet with community and business leaders, and conduct interviews with employers and other key stakeholders. These visits included discussions with representatives from NAWS China Lake and NAWC-WD. In addition to the qualitative analysis, we conducted a quantitative analysis (Appendix A of this document) of dozens of demographic and economic variables for Ridgecrest in relation to East Kern, Kern County, the Greater Antelope Valley, California, and the US. The economic research also compared Ridgecrest against its peer East Kern communities of Boron, California City, Mojave, Rosamond, and Tehachapi. The initiatives outlined below respond to the unique challenges and opportunities facing Ridgecrest and will guide the community's economic development efforts over the next five years and beyond.

INITIATIVES FOR RIDGECREST

INITIATIVE 1. NAWS CHINA LAKE: *Support the continued successful operations of Naval Air Weapons Station (NAWS) China Lake and fully capitalize on its unique opportunities for economic development in Ridgecrest.*

INITIATIVE 2. BUSINESS RETENTION & EXPANSION: *Respond to the needs of existing businesses to help them stay and grow in Ridgecrest.*

INITIATIVE 3. BUSINESS RECRUITMENT: *Recruit new companies and investments into the community, focusing on target sectors that align with Ridgecrest's assets.*

INITIATIVE 4. TALENT RETENTION & ATTRACTION: *Focus on initiatives and projects that make Ridgecrest a destination for talent in support of the community's science, engineering, and technical workforce needs.*

INITIATIVE 5. CERRO COSO COMMUNITY COLLEGE: *Expand the role of Cerro Coso Community College as the primary education and workforce-training provider for Ridgecrest and the entire East Kern region.*

INITIATIVE 6. SMALL BUSINESS DEVELOPMENT: *Strengthen the resources and support systems needed to encourage small business development, entrepreneurship, and innovation in Ridgecrest.*

INITIATIVE 7. SITES & INFRASTRUCTURE: *Ensure that appropriate real estate options and infrastructure are available to support the growth of existing employers and recruitment of new businesses.*

INITIATIVE 8. TOURISM & VISITOR ATTRACTION: *Elevate the role of tourism in greater Ridgecrest to bring in more visitors, generate more spending for local businesses, and enhance the community's image.*

INITIATIVE 9. ORGANIZATIONAL ALIGNMENT: *Clarify the roles and responsibilities of greater Ridgecrest's economic development partners to build a common understanding of desired outcomes among all stakeholders.*

INITIATIVE 1. NAWS CHINA LAKE

Support the continued successful operations of Naval Air Weapons Station (NAWS) China Lake and fully capitalize on its unique opportunities for economic development in Ridgecrest.

Any serious economic development planning effort in Ridgecrest should start with the acknowledgement that the local economy could not function at its current level without NAWS China Lake. The military installation has provided a strong foundation for thousands of families to live and prosper in the Ridgecrest area for decades.

NAWS China Lake is the primary driver of the greater Ridgecrest economy. The military installation contains nearly 5.5 million square feet of building space valued at \$3.9 billion, in an area covering more than 600,000 acres of land. The installation also contains a combined total of more than 4,600 full-time employees including active duty military personnel, reserve personnel, and civilian workers. This total does not include related suppliers and service providers located “outside the gate”.

The military is by no means the only source of economic activity in Ridgecrest, but it is by far the most important. The community must place a high priority on continuing to support the success of NAWS China Lake. This should include stronger community-Navy partnerships, more workforce training partnerships between Cerro Coso Community College and NAWS China Lake, and a greater emphasis on encouraging small business development associated with the military and its contracting opportunities.

FIGURE 1. NAWS CHINA LAKE REAL ESTATE ASSETS

TOTAL NUMBER OF BUILDINGS	TOTAL BUILDING SQ FT	TOTAL ACRES	PRV (\$M)
1,527	5,459,679	606,926	\$3,901.5

Source: FY 2015 Department of Defense Base Structure Report
NOTES: PRV (\$M): Indicates the total Plant Replacement Value for all facilities (buildings, structures, and linear structures). This value represents the calculated cost to replace the current physical plant (facilities and supporting infrastructure) using today’s construction costs (labor and materials) and standards (methodologies and codes). Total buildings include leased, owned, and other.

FIGURE 2. NAWS CHINA LAKE PERSONNEL

ACTIVE DUTY					RESERVE TOTAL	CIVILIAN TOTAL	COMBINED TOTAL
ARMY	NAVY	MARINE CORPS	AIR FORCE	TOTAL			
1	537	58	1	597	2	4,074	4,673

Source: FY 2015 Department of Defense Base Structure Report

STRATEGIES & ACTIONS:

- Establish stronger lines of communication between the military and the community. This should include regular reporting out from NAWS China Lake & NAWC-WD to the Ridgecrest City Council to keep the community informed about activities taking place at the installation.

CITY OF RIDGECREST, CA

- Work with the China Lake Alliance to host regular “military appreciation” events that bring together community leaders, business owners, military personnel, and other local citizens to celebrate the positive role of NAWS China Lake.
- Work with China Lake leadership to aggressively pursue opportunities related to the Navy’s goal of making China Lake and Ridgecrest an “innovation hub”. As part of this strategy, initiate a recruitment campaign that targets companies that have been awarded SBIR (Small Business Innovation Research) and STTR (Small Business Technology Transfer) grants from the federal government.
- Explore the potential to establish a PTAC (Procurement Technical Assistance Center) in Ridgecrest to serve businesses in East Kern and Kern County (there is no PTAC that serves Kern County) that are seeking to compete for government contracts. Partner with the CSU-Bakersfield SBDC and Cerro Coso Community College to create the PTAC. Use the PTAC to encourage business creation and expansion associated with contracting opportunities at China Lake and Edwards AFB.
- Enhance the connections and relationships between Naval facilities in Ridgecrest and San Diego.

INITIATIVE 2. BUSINESS RETENTION & EXPANSION

Respond to the needs of existing businesses to help them stay and grow in Ridgecrest.

NAWS China Lake is the largest employer in Ridgecrest and is the driving force behind the area's economy. However, it is not the only employer in the community. Ridgecrest's economy benefits from a wide range of small and mid-size employers. Ridgecrest Regional Hospital, Cerro Coso Community College, and the area's hotels, restaurants, and retail businesses collectively employ thousands of workers. Local manufacturers and other businesses (e.g., Firequick, Monarch Drones, Pertexa) also play an important role in the local economy.

A strong business expansion and retention program is more important than a recruitment program, not only because of job creation, but because it is difficult to recruit a new company if existing businesses are not thriving. A strong business retention and expansion program should also include efforts to mitigate risk and vulnerabilities facing existing employers. Businesses that have recently been acquired by out-of-state companies are at risk of downsizing or relocation. Ridgecrest's economy will benefit from new efforts to support the growth of existing employers.

STRATEGIES & ACTIONS:

- Work with the Kern EDC, GAVEA, and the Indian Wells Valley Economic Development Corporation to expand the community's business visitation program.
- Set goals to meet with a specific number of employers each quarter. Structure the employer visits to gain a qualitative understanding of the challenges faced by local businesses operating in Ridgecrest.
- Prioritize business visits using employer size, growth rates, and lease expiration dates.
- Coordinate with East Kern's economic development partners to build a database of employers in Ridgecrest and share this information with regional partners.
- Increase networking among local entrepreneurs, business executives, HR managers, and other local leaders to build a supportive culture among the Ridgecrest business community. Invite business leaders from other East Kern communities to participate in this group on a regular basis.
- Assist Ridgecrest's existing businesses in their efforts to expand operations and product/service lines to serve the contracting needs of NAWS China Lake.

INITIATIVE 3. BUSINESS RECRUITMENT

Recruit new companies and investments into the community, focusing on target sectors that align with Ridgecrest's assets.

Ridgecrest's economy will remain strong if the community can successfully retain and grow NAWS China Lake and other existing employers. But the community will only reach its highest potential if it also attracts new investments and business expansion projects. A focused business recruitment program that leverages the community's unique strengths can yield significant benefits for Ridgecrest. The creation of new high-wage employment opportunities and capital investments in the community will create lasting economic prosperity for local citizens.

STRATEGIES & ACTIONS:

- Package and promote the story of Ridgecrest's potential as a destination for business growth and investment. Highlight the stable role of NAWS China Lake and the highly educated, well-paid workforce that exists in the community because of the installation. Also, showcase the community's workforce advantages (the highest levels of educational attainment among East Kern communities and a large concentration of STEM workers).
- Focus the community's marketing and business recruitment efforts on target industries and companies that align well with local assets and opportunities.
- Identify and pursue prospective businesses looking for locations near a major military installation.
- Promote the greater Ridgecrest area as a great location for manufacturing firms seeking a relatively "out-of-the-way" location for production facilities. Certain businesses and industries require locations with large areas separated from residential uses.
- Work with regional economic development partners (Kern EDC and GAVEA) to build relationships with commercial real estate brokers, site location consultants, and other business "influencers" in Kern County, the greater Los Angeles area, and beyond.
- Actively manage and influence the image of Ridgecrest portrayed through online and social media channels. As part of this strategy, ensure that Ridgecrest's entry on Wikipedia is regularly updated with accurate and positive information since this is often the first (and sometimes only) source of information people use to learn about a community. Also, work with local organizations to use Facebook, Twitter, and other social media tools to provide up-to-date information about local businesses, developments, upcoming events, and other relevant information.

INITIATIVE 4. TALENT RETENTION & ATTRACTION

Focus on initiatives and projects that make Ridgecrest a destination for talent in support of the community's science, engineering, and technical workforce needs.

Access to a skilled workforce is the critical factor affecting the success of businesses in today's economy. According to Area Development's "30th Annual Survey of Corporate Executives (Q1 2016)", access to a skilled workforce ranked at the top of the list among 36 site selection factors. Communities that can attract and retain skilled workers have a competitive advantage in today's economy.

Ridgecrest is fortunate to have NAWS China Lake, a large, relatively stable employer that provides thousands of high-wage professional jobs for local residents. However, China Lake is in a constant battle for talent at the regional, state, and national levels. The high levels of STEM (science, technology, engineering, and math) expertise demanded by China Lake on a yearly basis cannot be satisfied by homegrown talent alone. The installation relies on large numbers of out-of-region and out-of-state workers to be recruited into Ridgecrest to live and work.

The greater Ridgecrest community must acknowledge these realities and work to provide an attractive environment which appeals to existing and potential skilled workers considering employment at China Lake and other area employers. It will be especially important for the community to attract and retain young, highly educated workers to live and work in Ridgecrest.

STRATEGIES & ACTIONS:

- Work with Sierra Sands Unified School District to support existing STEM programs and create new STEM programs for the area's K-12 students.
- Launch a Ridgecrest civic leadership program that brings together the area's young professionals, emerging leaders, and existing business and community leaders to discuss local challenges and opportunities impacting the community. Connect this program to similar efforts across other East Kern communities.
- Establish a communitywide young professionals group to encourage collaboration, networking, and relationship building among the area's young adults.
- Explore ways to align military veterans with local employers, tapping into the demand from veterans for secondary employment opportunities and linking them with the workforce needs of area employers.
- Encourage citywide investments in amenities and recreational infrastructure (e.g., parks, playgrounds, splash pads, hike/bike trails, dog runs) that will enhance Ridgecrest's appeal as a place to live.

INITIATIVE 5. CERRO COSO COMMUNITY COLLEGE

Expand the role of Cerro Coso Community College as the primary education and workforce-training provider for Ridgecrest and the entire East Kern region.

Ridgecrest is fortunate to have Cerro Coso Community College, the only higher education institution in East Kern. The college is one of Ridgecrest's strongest assets for economic development. The college benefits the community through its academic and workforce training programs, its role as a major employer, and through the facilities it provides to the community. However, the college's role in support of economic development could be enhanced.

The time is right to capitalize on Cerro Coso as a significant economic engine for Ridgecrest. Measure J was passed by Kern Community College District voters in the fall of 2016 by an overwhelming margin of 65 percent. This new funding stream will provide millions of dollars for a wide range of facility renovations, infrastructure upgrades, and other modernizations at Cerro Coso (and also for Porterville College and Bakersfield College). The college also received additional funding from the State of California to expand training for in-demand occupations. The recent collaborations for economic development across East Kern, spearheaded by the East Kern Economic Alliance, call for a more integrated approach to economic development and workforce development across the region. Cerro Coso should play a central role in building a pipeline of future workers for East Kern's employers (and even the employers in Lancaster/Palmdale with workforce needs that cannot be filled solely by their own higher education institutions). The community of Ridgecrest stands to benefit from the convergence of all these factors if it can partner with Cerro Coso to expand the college's role in local and regional economic development.

STRATEGIES & ACTIONS:

- Strengthen partnerships between Cerro Coso and NAWS China Lake. Encourage Navy personnel to take on adjunct professor positions at Cerro Coso. And encourage Cerro Coso faculty and staff to build relationships with China Lake personnel.
- Work closely with Cerro Coso to expand training programs that provide a pipeline of talent for in-demand occupations in Ridgecrest and for East Kern as a whole.
- Expand the use of dual-credit partnerships between Cerro Coso and Sierra Sands Unified School District.
- Cultivate new collaborative workforce training efforts between Cerro Coso and other large employers in East Kern, especially the aerospace businesses at Mojave Air & Spaceport.
- Explore the potential for Cerro Coso to serve as a pipeline of talent for high-wage, in-demand occupations in the Greater Antelope Valley, starting with the needs related to Northrop Grumman's B-21 long-range bomber expansion in Palmdale, which will be creating up to 5,000 new jobs over the next few years.
- Encourage close collaboration between NAWS China Lake, the Ridgecrest business community, and Cerro Coso Community College to capitalize on the upcoming campus improvements funded by Measure J. Work to ensure that new investments lend themselves a higher level of employer/academic collaboration and link the college with the community in a stronger way.

INITIATIVE 6. SMALL BUSINESS DEVELOPMENT

Strengthen the resources and support systems needed to encourage small business development, entrepreneurship, and innovation in Ridgecrest.

The CSU-Bakersfield SBDC (Small Business Development Center) has announced it will open a new office to serve the growing small business community in Ridgecrest during 2017. This is a significant opportunity for the community and should receive support and promotion from the City of Ridgecrest, NAWS China Lake, Cerro Coso Community College, and other local organizations. The establishment of this facility is a recognition of the importance of small businesses to the local economy and of the potential for additional growth among existing businesses and the creation of new ventures. The new SBDC office should also play a central role in the growth of business activity tied to the contracting opportunities at NAWS China Lake.

STRATEGIES & ACTIONS:

- Support the launch and successful operation of the new CSU-Bakersfield SBDC (Small Business Development Center) office in Ridgecrest.
- Ensure that the new Ridgecrest SBDC facility is adequately supported, promoted, and leveraged by the entire community, including connections to NAWS China Lake.
- Expand access to capital for new and growing businesses in Ridgecrest. Work with local banks, financial services firms, and other professional services firms to pursue initiatives aimed at increasing the availability of capital for small businesses in the area.
- Leverage the community's pool of highly skilled retirees and former military and business leaders to support the growth of local small businesses through business coaching, mentoring, and networking.

INITIATIVE 7. SITES & INFRASTRUCTURE

Ensure that appropriate real estate options and infrastructure are available to support the growth of existing employers and recruitment of new businesses.

It is critical for communities to have the appropriate infrastructure available to attract new businesses and to take advantage of the economic development opportunities available to them. Well-functioning basic infrastructure (water, wastewater, electricity, and natural gas) and transportation networks (including highways and rail, public transportation, and air travel access) that allow for the efficient flow of people, products, and ideas (digital infrastructure) are essential for the long-term success of regional economies. While it will be important to maintain the region's existing infrastructure, there are also opportunities to make strategic improvements that will boost the region's economic potential.

The lack of commercial flights to/from Inyokern Airport is a significant barrier to the attraction of new businesses. The importance of airport access to the business world cannot be overstated. Cities have tackled this challenge in different ways. Amarillo, Texas, used millions of dollars from its economic development fund to subsidize the cost of large jet service to/from DFW International Airport. Austin has utilized a business-led task force to generate support for additional nonstop destinations. This has helped Austin-Bergstrom International Airport secure many new nonstop flights to domestic airports and even a daily nonstop flight to London-Heathrow via British Airways. It will be important for the greater Ridgecrest area's future economic success to regain commercial air service. Efforts currently underway to provide daily flights between Inyokern and LAX must be supported by the community.

REDEFINING THE INFRASTRUCTURE NEEDS FOR ECONOMIC DEVELOPMENT

During the early 1800s, waterways were the most important infrastructure to support economic growth in the US. By the late 1800s, railroads and electrical lines became essential for economic development. Highways served as the drivers of growth during most of the 1900s. Each of these systems remains critical; however, digital infrastructure (e.g., affordable broadband internet and cellular networks) has become the new lynchpin for economic development. People, businesses, and communities need efficient access to technology and communications tools to prosper in today's highly connected global economy.

Beyond the movement of people and goods, today's economy is equally driven by the movement of ideas and information. Communities need access to reliable, high-speed internet to attract and retain talented people and successful businesses. Investments in broadband internet capacity are no longer a luxury, but are a critical underpinning of economic development. Places that have made the biggest, boldest investments in digital connectivity are reaping the rewards of attracting entrepreneurs and technology firms. Public investments in high-speed internet in Chattanooga, Tennessee and the first Google Fiber network in Kansas City are two examples of the economic benefits of a robust digital infrastructure.

STRATEGIES & ACTIONS:

- Work with the City of Ridgecrest and the area real estate community to ensure that the community has appropriate sites and infrastructure available for business expansion projects.
- Continue working to secure daily commercial air service between Inyokern Airport and LAX.
- Support the Digital 395 broadband effort and other initiatives aimed at developing the community's broadband internet infrastructure.

INITIATIVE 8. TOURISM & VISITOR ATTRACTION

Elevate the role of tourism in greater Ridgecrest to bring in more visitors, generate more spending for local businesses, and enhance the community's image.

Tourism and visitor attraction are important and underappreciated components of the greater Ridgecrest economy. NAWS China Lake brings thousands of visitors—military personnel, defense contractors, other suppliers, and service providers—into the community each year. These individuals are not “tourists” per se, but they generate a wide range of economic benefits for the community. Beyond the direct benefits (jobs, spending at local businesses, tax base), visitors also support the local economy through talent attraction. Many people who visit the Ridgecrest area develop an affinity for the community. This often translates to a desire to return, either as visitors or as permanent residents.

Beyond the many visitors that come to Ridgecrest for business and professional reasons, the community also brings in people for purely recreational purposes. Events such as the Ridgecrest Petroglyph Festival and amenities like the Pacific Crest Trail play an important role in supporting the local tourism sector. The planned casino development is another potential asset that would provide a significant boost to the local economy. Moreover, the Ridgecrest area can benefit from its unique geography and location in proximity to other nearby attractions such as Death Valley National Park and Mount Whitney (the highest point in the lower 48 states). The community's economic development and tourism partners should work together to promote the Ridgecrest as the “jumping off point” for a wide range of California's tourist destinations.

STRATEGIES & ACTIONS:

- Promote the success of events such as NAWS China Lake's “Industry Day” and the Ridgecrest Petroglyph Festival. Work with local organizations to better connect local businesses with visitors that come to the area during these events.
- Bring together a group of leaders from the Ridgecrest's hospitality sector (tourist destinations, hotels, and restaurants) to identify opportunities to leverage the area's visitor amenities to support broader economic development outcomes, including the attraction of businesses, talented workers, and capital investments.
- Work closely with the developers and investors behind the planned casino to ensure that it is developed in a way that maximizes the local economic benefits and provides a high-quality venue for the community. The City of Ridgecrest should also work with the area real estate community to ensure that additional sites are made available for business expansions once the casino site is developed.

INITIATIVE 9. ORGANIZATIONAL ALIGNMENT

Clarify the roles and responsibilities of greater Ridgecrest's economic development partners to build a common understanding of desired outcomes among all stakeholders.

The greater Ridgecrest area benefits from a wide range of local and regional organizations that support economic development in the community through different programs and focus areas. The City of Ridgecrest, Kern County, the Kern EDC, the Greater Antelope Valley Economic Alliance (GAVEA), the Ridgecrest Chamber of Commerce, the Indian Wells Valley Economic Development Corporation, the China Lake Alliance, Cerro Coso Community College, the Ridgecrest Area Convention & Visitors Bureau, and other organizations all play a role in increasing economic activity in the Ridgecrest area. However, there has been a lack of focus in the area's economic development efforts.

An opportunity exists through this planning process and with new leadership in place at the Indian Wells Valley Economic Development Corporation to align all the groups involved in promoting the area's economic growth behind a common set of initiatives and strategies. This plan can serve as the catalyst to coordinate and streamline the community's efforts toward a shared understanding of what constitutes success for the local economy.

STRATEGIES & ACTIONS:

- Convene all the community's economic development partners for regular meetings (at least quarterly) to share knowledge and coordinate activities.
- Work with the City of Ridgecrest and the Indian Wells Valley EDC to determine the appropriate lead organization for specific actions identified in this plan. Develop a shared understanding of which organization should serve as the "go-to" resource for an agreed-upon set of economic development activities.
- Put together a local "economic development team" made up of economic development partners, local business leaders, and service providers (e.g., education and workforce training organizations) to respond to business recruitment prospects and to assist local businesses with expansion plans.
- Host an annual Ridgecrest economic forecast event and summit that brings together all the area's business, military, and community leaders to discuss the area's economic trends and opportunities. Use the event as an opportunity to educate local leadership about the importance of economic development and about the roles of each partner organization.

PERFORMANCE METRICS

A critical component of successful strategic plans is the set of metrics by which the plan's implementation is tracked. Below are the suggested measures of success that should be tracked on a continual basis (monthly or quarterly if possible, but at least annually):

- **EMPLOYMENT GROWTH.** Increase the number of jobs from existing and new employers.
- **HIGH-WAGE EMPLOYMENT GROWTH.** Increase the number of jobs that pay above local median wages and/or above the median wage within the industry.
- **CAPITAL INVESTMENT.** Attract a higher level of new investment from new and existing companies, real estate developers, and other investors.
- **BUSINESS STARTUPS.** Increase the number of new businesses created locally.
- **BUSINESS RECRUITMENT AND RELOCATION.** Attract business expansion and/or relocation projects from outside of the community.
- **EDUCATIONAL ATTAINMENT.** Increase the share of adults in the community with bachelor's degrees and associate's degrees.
- **TAX BASE GROWTH.** Expand the local property tax and sales tax base.

APPENDIX A: ECONOMIC ASSESSMENT & SWOT ANALYSIS

To provide a foundation for the planning process, TIP conducted an assessment of demographic and economic factors that impact Ridgecrest’s competitiveness. Our economic assessment provides a quantitative understanding of the demographic and economic trends impacting the community. Except where specified, the data in this section is for the two ZIP Codes in the greater Ridgecrest area: 93527 (Inyokern) and 93555 (Ridgecrest).

SWOT ANALYSIS

In addition to our review of economic and demographic data, our understanding of Ridgecrest was informed by discussions with local community leaders, business owners, and representatives from China Lake. Based on this work, as well as our experience working in communities across the US, we have developed an analysis of the community’s strengths, weaknesses, opportunities, and threats, commonly referred to as a SWOT analysis. The results of this analysis are outlined below.

	STRENGTHS
• NAWS (Naval Air Weapons Station) China Lake • NAWC-WD (Naval Air Warfare Center-Weapons Division) • Large pool of highly skilled workers at China Lake • Recent “locality adjustment” for federal jobs raised the wages at China Lake to a level equivalent with Los Angeles • Inyokern Airport • Maturango Museum • China Lake Museum of Armament and Technology • Little Petroglyph Canyon • Ridgecrest Petroglyph Festival • Proximity to outdoor recreation (Red Rock Canyon State Park, Death Valley National Park, Mount Whitney) • Ridgecrest Regional Hospital • Several small, innovative firms (Pertexa, Firequick, Monarch) • Cerro Coso Community College main campus • Inyokern Airport • New, larger Walmart • Desert Empire Fairgrounds & Events Center	
	WEAKNESSES
• Isolated location away from the remainder of the East Kern communities • Lack of commercial air service • Challenges with branding the greater Ridgecrest area as Indian Wells Valley • Limited inventory of available housing • Not enough activities and amenities for young adults	



OPPORTUNITIES

- Potential to better connect China Lake to the community
- Leverage China Lake to support innovation and entrepreneurship, suppliers, and service providers
- Establish a PTAC (Procurement Technical Assistance Center)
- City-owned business park can be used as an incentive to attract new businesses
- Build on the city's role as a regional service center (hub for retail, restaurants, health care)
- Reinstate commercial airline service at Inyokern Airport
- Potential for joint use (commercial and military) of Inyokern Airport
- Potential for a rail spur to connect Ridgecrest to Trona Railway south of the community
- Expand higher education to include 4-year degree options through partnerships
- US Navy Blue Angels show in Ridgecrest March 18-19, 2017
- Digital 395 broadband infrastructure project
- Parks and recreation facilities and fairgrounds are under-utilized
- China Lake annual "Industry Day" event
- Communitywide young professional group



THREATS

- Water availability is a big challenge
- Potential loss of retail businesses
- New Walmart could negatively impact sales of existing local retailers
- Aging workforce at China Lake

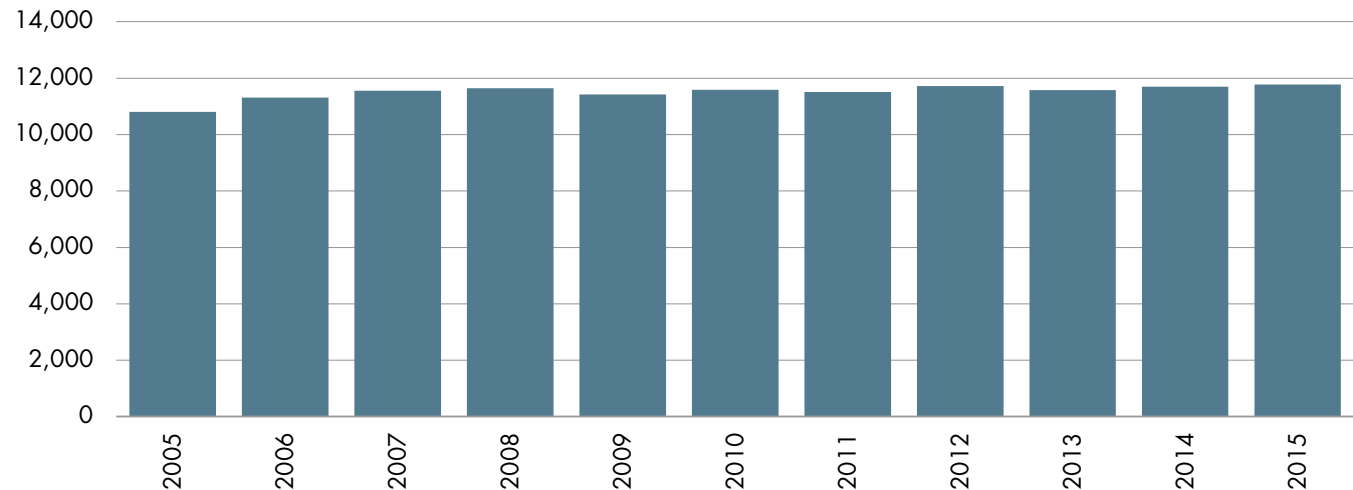
BUSINESS, INDUSTRY, & EMPLOYMENT TRENDS

EMPLOYMENT

Total employment in Ridgecrest (93527 & 93555) is approximately 11,800 jobs, representing 40 percent of all jobs in East Kern. Annual job growth has been relatively flat, but there were more jobs in Ridgecrest in 2015 than at any other point during the last ten years.

FIGURE 3. EMPLOYMENT TRENDS, 2005-2015

TOTAL ANNUAL EMPLOYMENT IN RIDGECREST (93527 & 93555)



Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Total employment growth in Ridgecrest was 1.6 percent between 2010 and 2015, trailing the East Kern region as a whole (2.4 percent), as well as state and national benchmarks. The median wage in Ridgecrest is \$24.48 per hour, which, like most of the East Kern area, is higher than the countywide and state median wage.

FIGURE 4. EMPLOYMENT & WAGES

EMPLOYMENT CHANGE, 2010-2015 & MEDIAN HOURLY WAGE, 2015

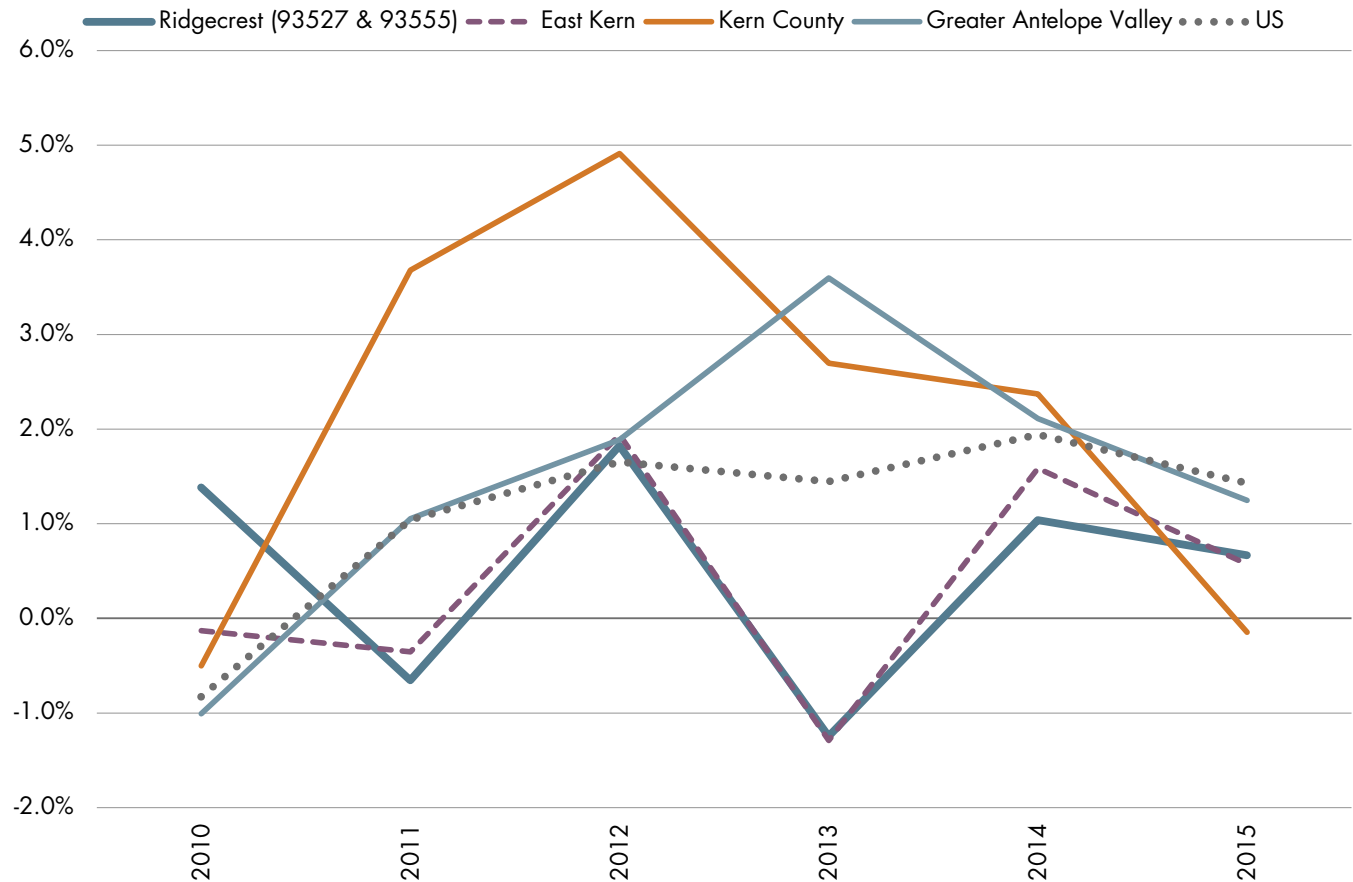
Geography	2010	2015	2010 to 2015		Median Hourly Wage
			Net Chg.	% Chg.	
Boron (93516)	1,047	1,268	+221	+21.1%	\$21.86
Kern County	304,055	347,169	+43,114	+14.2%	\$19.81
California	16,565,942	18,392,737	+1,826,795	+11.0%	\$23.28
Greater Antelope Valley	106,645	117,602	+10,957	+10.3%	\$22.17
US	144.2 M	155.3 M	+11.2 M	+7.7%	\$20.82
Tehachapi (93531 & 93561)	5,741	6,013	+272	+4.7%	\$21.01
East Kern	28,754	29,456	+702	+2.4%	\$24.17
Rosamond (93560)	2,477	2,532	+55	+2.2%	\$23.55
Ridgecrest (93527 & 93555)	11,586	11,772	+186	+1.6%	\$24.48
Mojave (93501)	2,828	2,812	-16	-0.6%	\$23.64
California City (93505)	2,414	2,384	-30	-1.2%	\$27.82

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed. Median hourly wages above the US average are shaded.

With the exception of a sharper slowdown from 2010 to 2011, annual job growth in Ridgecrest has largely followed the employment trend of East Kern as a whole. In 2015, job growth in Ridgecrest trailed the US and the Greater Antelope Valley, but outperformed Kern County, which experienced a net loss of jobs due primarily to the decline oil prices.

FIGURE 5. EMPLOYMENT TRENDS, 2010-2015

ANNUAL JOB GROWTH RATE (PERCENT CHANGE FROM PRIOR YEAR)



Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

The federal government accounts for a significant portion of the local economy in Ridgecrest. Federal government jobs are approximately 27 percent of total employment in Ridgecrest, roughly equivalent to the next two largest industry sectors, healthcare and retail, combined. The strong influence of Naval Air Weapons Station (NAWS) China Lake and Naval Air Warfare Center-Weapons Division (NAWC-WD) can be seen in these figures. As the area's largest employment center, Ridgecrest and East Kern share the same top three industries; however, healthcare and social assistance provide a larger share of total employment in Ridgecrest compared to East Kern as a whole.

FIGURE 6. INDUSTRY DISTRIBUTION (% OF TOTAL), 2015

COMPARISON OF RIDGECREST (93527 & 93555) WITH SELECTED GEOGRAPHIES AND US

NAICS Code & Description	Ridgecrest (93527 & 93555)	East Kern	Kern County	Greater Antelope Valley	US
9011 Federal govt. (civilian)	27.1%	21.1%	2.9%	7.5%	1.9%
62 Healthcare & social assistance	15.2%	9.3%	10.5%	19.2%	13.3%
44-45 Retail trade	12.3%	10.4%	9.7%	15.9%	10.6%
72 Lodging, restaurants, & bars	7.7%	8.3%	6.6%	10.5%	8.5%
54 Professional services	7.7%	8.2%	3.6%	5.9%	6.4%
61 Education	4.4%	8.0%	8.8%	8.0%	9.4%
81 Personal & other services	4.4%	4.7%	3.6%	5.7%	4.9%
56 Admin. & support services	4.2%	5.3%	4.6%	5.5%	6.3%
48-49 Transportation & warehousing	2.9%	2.3%	2.9%	2.7%	3.4%
23 Construction	2.5%	3.0%	6.2%	4.6%	5.4%
52 Finance & insurance	2.0%	1.5%	1.7%	2.0%	3.9%
42 Wholesale trade	1.8%	1.5%	2.8%	1.5%	3.9%
9039 Local govt.	1.8%	2.9%	3.8%	2.8%	3.6%
53 Property sales & leasing	1.6%	1.7%	1.2%	1.8%	1.7%
31-33 Manufacturing	1.3%	4.6%	4.3%	3.0%	8.2%
71 Arts, entertainment, & recreation	1.1%	1.2%	0.9%	0.8%	1.7%
9029 State govt.	1.1%	1.7%	2.2%	0.6%	1.5%
51 Information	0.7%	0.5%	0.8%	0.9%	1.9%
11 Agriculture & forestry	0.0%	0.0%	18.0%	0.1%	1.3%
21 Mining (incl. oil & gas)	0.0%	2.4%	3.4%	0.6%	0.5%
22 Utilities	0.0%	0.8%	0.3%	0.3%	0.4%
55 Corporate & regional offices	0.0%	0.3%	1.0%	0.1%	1.4%

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. Education includes public schools, colleges, and universities. Healthcare & social assistance includes public hospitals. The three largest industries in each geography are highlighted.

Location quotient (LQ) analysis can provide an understanding of an area's relative strengths. With an LQ of 14.28, federal government (civilian) employment is heavily concentrated in Ridgecrest, at an even higher rate than East Kern. The only other sectors with LQs above 1.00 are retail, healthcare, and professional services, which reflects the city's role as a regional commerce center within East Kern. The community's geography limits the size of some industries. Manufacturing, agriculture, and corporate headquarters all have LQs below 0.20. However, there may be an opportunity to attract specific manufacturers and other firms seeking a location away from major population centers and with large, relatively unconstrained real estate options.

LOCATION QUOTIENT (LQ) ANALYSIS is a statistical technique used to suggest areas of relative advantage based on a region's employment base. LQs are calculated as an industry's share of total local employment divided by the same industry's share of employment at the national level. If the local industry and national industry are perfectly proportional, the LQ will be 1.00. LQs greater than 1.25 are presumed to indicate a comparative advantage; those below 0.75 suggest areas of weakness but may also point to opportunities for expansion or attraction.

FIGURE 7. CONCENTRATION OF EMPLOYMENT BY SECTOR, 2015
LOCATION QUOTIENT (LQ) ANALYSIS BY MAJOR INDUSTRY SECTOR, US=1.00

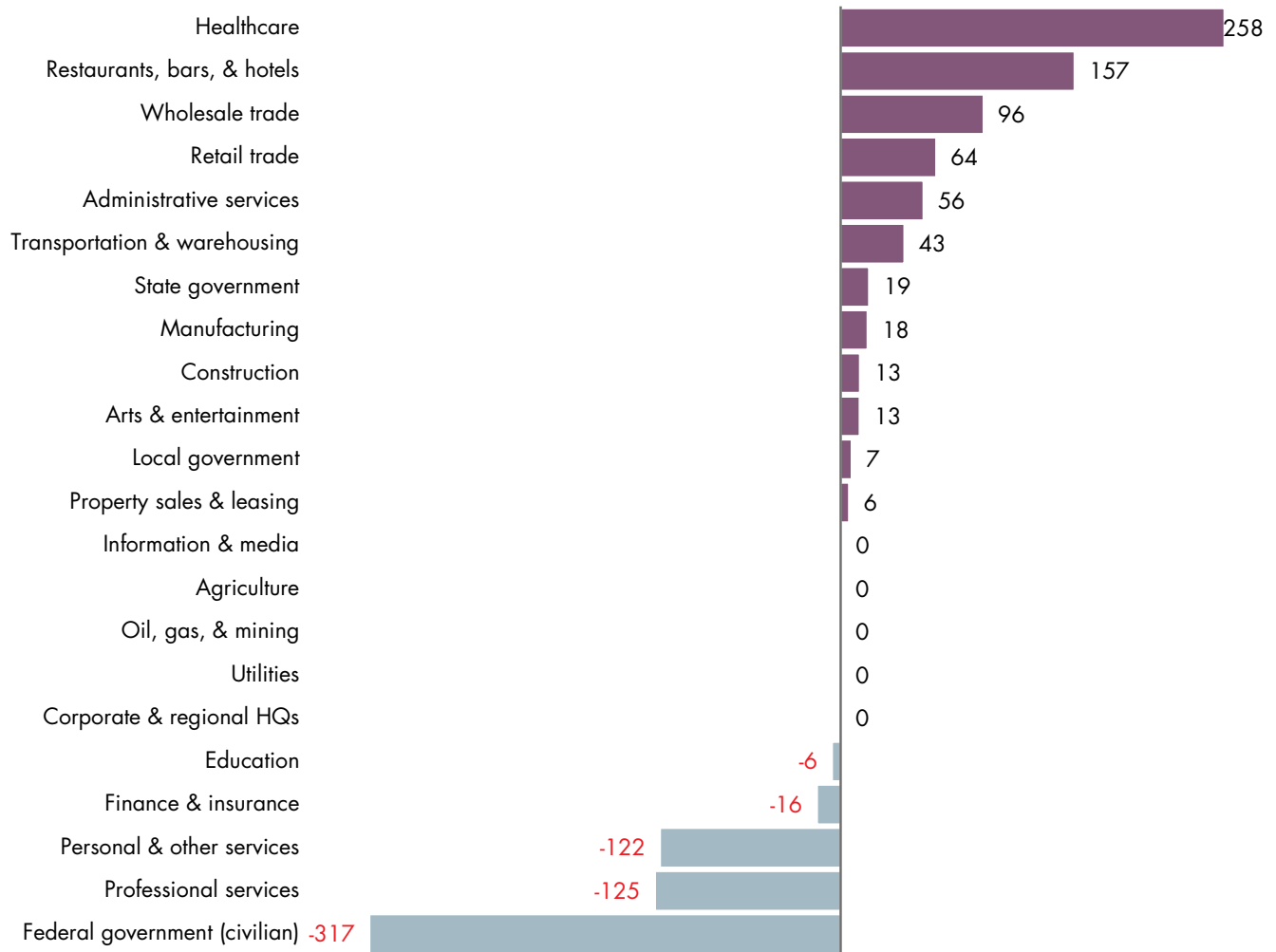
NAICS Code & Description	Ridgecrest (93527 & 93555)	East Kern	Kern County	Greater Antelope Valley	US
9011 Federal govt. (civilian)	14.28	11.23	1.55	4.03	1.00
44-45 Retail trade	1.22	1.05	0.96	1.51	1.00
62 Healthcare & social assistance	1.14	0.70	0.79	1.44	1.00
54 Professional services	1.11	1.20	0.53	0.90	1.00
53 Property sales & leasing	0.95	1.03	0.72	1.07	1.00
72 Lodging, restaurants, & bars	0.94	1.02	0.82	1.26	1.00
48-49 Transportation & warehousing	0.87	0.70	0.89	0.78	1.00
81 Personal & other services	0.84	0.90	0.70	1.15	1.00
9029 State govt.	0.73	1.19	1.58	0.38	1.00
71 Arts, entertainment, & recreation	0.69	0.72	0.58	0.53	1.00
56 Admin. & support services	0.63	0.81	0.71	0.85	1.00
52 Finance & insurance	0.50	0.37	0.42	0.51	1.00
9039 Local govt.	0.50	0.81	1.08	0.77	1.00
61 Education	0.47	0.85	0.94	0.85	1.00
51 Information	0.44	0.30	0.50	0.49	1.00
42 Wholesale trade	0.44	0.38	0.70	0.37	1.00
23 Construction	0.42	0.50	1.05	0.86	1.00
31-33 Manufacturing	0.16	0.52	0.51	0.35	1.00
21 Mining (incl. oil & gas)	0.06	4.93	6.15	1.31	1.00
11 Agriculture & forestry	0.03	0.02	14.89	0.07	1.00
55 Corporate & regional offices	0.02	0.20	0.67	0.07	1.00
22 Utilities	0.01	2.23	0.87	0.81	1.00

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. Education includes public schools, colleges, and universities. Healthcare & social assistance includes public hospitals. LQs greater than 1.25 are presumed to show competitive advantage and are highlighted.

Industries fueled by consumer spending, such as restaurants and retail, have helped absorb job losses in federal government and professional services since 2010. The majority of health care jobs added in the East Kern region during the 2010-2015 period were in Ridgecrest.

FIGURE 8. EMPLOYMENT TRENDS BY SECTOR, 2010-2015
NET CHANGE IN JOBS BY SECTOR IN RIDGECREST (93527 & 93555)



Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. Education includes public schools, colleges, and universities. Healthcare & social assistance includes public hospitals.

NAWS CHINA LAKE

NAWS China Lake is the primary driver of the greater Ridgecrest economy. The military installation contains nearly 5.5 million square feet of building space valued at \$3.9 billion, in an area covering more than 600,000 acres of land. The installation also contains a combined total of more than 4,600 full-time employees including active duty military personnel, reserve personnel, and civilian workers. This total does not include related suppliers and service providers located “outside the gate.”

FIGURE 9. NAWS CHINA LAKE REAL ESTATE ASSETS

TOTAL NUMBER OF BUILDINGS	TOTAL BUILDING SQ FT	TOTAL ACRES	PRV (\$M)
1,527	5,459,679	606,926	\$3,901.5

Source: FY 2015 Department of Defense Base Structure Report
Note: PRV (\$M): Indicates the total Plant Replacement Value for all facilities (buildings, structures, and linear structures). This value represents the calculated cost to replace the current physical plant (facilities and supporting infrastructure) using today’s construction costs (labor and materials) and standards (methodologies and codes). Total buildings include leased, owned, and other.

FIGURE 10. NAWS CHINA LAKE PERSONNEL

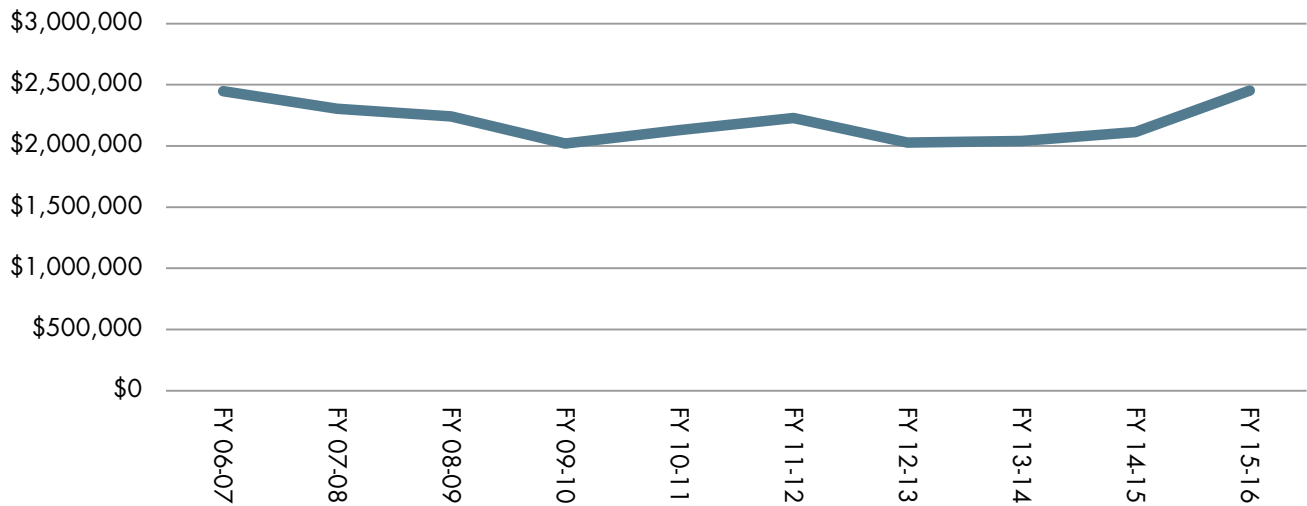
ACTIVE DUTY					RESERVE TOTAL	CIVILIAN TOTAL	COMBINED TOTAL
ARMY	NAVY	MARINE CORPS	AIR FORCE	TOTAL			
1	537	58	1	597	2	4,074	4,673

Source: FY 2015 Department of Defense Base Structure Report

SALES TAX

Sales tax revenue performance in Ridgecrest was relatively flat for several years coming out of the 2008-2009 recession, but showed an upward trend in Fiscal Year 2015-2016, approaching \$2.5 million in payments to the City, roughly equivalent to where payments were in Fiscal Year 2006-2007, not adjusted for inflation.

FIGURE 11. PAYMENTS TO CITIES AND COUNTIES FROM THE 1% LOCAL SALES AND USE TAX FUND
RIDGECREST (CITY ONLY. DOES NOT INCLUDE SURROUNDING AREAS IN ZIP CODES 93527 & 93555)



Source: California State Board of Equalization

Note: Figures not adjusted for inflation.

RETAIL LEAKAGE

Employment figures suggest the retail sector in Ridgecrest is growing, with an analysis of consumer spending data suggesting there is more room to grow. Ridgecrest is losing an estimated \$149 million in retail sales as a result of residents shopping outside the community. The largest market opportunities for existing or aspiring small businesses in Ridgecrest are in motor vehicle and parts dealers (\$64 million), clothing stores (\$26 million), and electronics and appliances (\$21 million).

FIGURE 12. RETAIL GAP ANALYSIS
RIDGECREST (93527 & 93555)

Retail Sector	NAICS	Estimated Retail Sales of Area Stores (Supply)	Estimated Retail Purchases of Area Residents (Demand)	Retail Leakage/ Surplus	Leakage/ Surplus Percent
Total Retail Sales Incl. Food & Drink		\$392,135,369	\$538,640,708	-\$146,505,339	27.2%
Motor Vehicle & Parts Dealers	441	\$45,828,556	\$109,384,019	-\$63,555,463	58.1%
Automobile Dealers	4411	\$35,054,070	\$90,520,335	-\$55,466,265	61.3%
Other Motor Vehicle Dealers	4412	\$4,682,875	\$12,319,588	-\$7,636,713	62.0%
Auto Parts, Accessories & Tire Stores	4413	\$6,091,611	\$6,544,096	-\$452,485	6.9%
Furniture & Home Furnishings Stores	442	\$9,497,075	\$16,424,274	-\$6,927,199	42.2%
Furniture Stores	4421	\$9,037,028	\$9,079,462	-\$42,434	0.5%
Home Furnishings Stores	4422	\$460,047	\$7,344,812	-\$6,884,765	93.7%
Electronics & Appliance Stores	443	\$4,547,011	\$25,779,130	-\$21,232,119	82.4%
Bldg Materials, Garden Equip. & Supply Stores	444	\$26,588,890	\$22,730,346	\$3,858,544	17.0%
Bldg Material & Supplies Dealers	4441	\$26,588,890	\$20,192,405	\$6,396,485	31.7%
Lawn & Garden Equip & Supply Stores	4442	\$0	\$2,537,941	-\$2,537,941	100.0%
Food & Beverage Stores	445	\$101,482,683	\$92,615,997	\$8,866,686	9.6%
Grocery Stores	4451	\$90,124,788	\$79,510,679	\$10,614,109	13.3%
Specialty Food Stores	4452	\$10,356,301	\$8,486,284	\$1,870,017	22.0%
Beer, Wine & Liquor Stores	4453	\$1,001,594	\$4,619,034	-\$3,617,440	78.3%
Health & Personal Care Stores	446	\$20,498,343	\$32,975,751	-\$12,477,408	37.8%
Gasoline Stations	447	\$26,781,169	\$29,843,383	-\$3,062,214	10.3%
Clothing & Clothing Accessories Stores	448	\$5,851,778	\$32,227,102	-\$26,375,324	81.8%
Clothing Stores	4481	\$1,743,607	\$23,306,236	-\$21,562,629	92.5%
Shoe Stores	4482	\$1,165,293	\$3,402,750	-\$2,237,457	65.8%
Jewelry, Luggage & Leather Goods Stores	4483	\$2,942,878	\$5,518,116	-\$2,575,238	46.7%
Sporting Goods, Hobby, Book & Music Stores	451	\$11,961,144	\$13,955,965	-\$1,994,821	14.3%
Sporting Goods/Hobby/Musical Instr Stores	4511	\$10,419,150	\$12,033,951	-\$1,614,801	13.4%
Book, Periodical & Music Stores	4512	\$1,541,994	\$1,922,014	-\$380,020	19.8%
General Merchandise Stores	452	\$82,585,152	\$74,653,319	\$7,931,833	10.6%
Department Stores Excluding Leased Depts.	4521	\$74,959,420	\$49,615,659	\$25,343,761	51.1%
Other General Merchandise Stores	4529	\$7,625,732	\$25,037,660	-\$17,411,928	69.5%
Miscellaneous Store Retailers	453	\$20,280,147	\$25,293,733	-\$5,013,586	19.8%
Florists	4531	\$948,056	\$1,028,699	-\$80,643	7.8%

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FIGURE 12. RETAIL GAP ANALYSIS (continued)

Retail Sector	NAICS	Estimated Retail Sales of Area Stores (Supply)	Estimated Retail Purchases of Area Residents (Demand)	Retail Leakage/ Surplus	Leakage/ Surplus Percent
Office Supplies, Stationery & Gift Stores	4532	\$3,931,654	\$3,616,131	\$315,523	8.7%
Used Merchandise Stores	4533	\$10,270,406	\$1,694,666	\$8,575,740	506.0%
Other Miscellaneous Store Retailers	4539	\$5,130,031	\$18,954,237	-\$13,824,206	72.9%
Nonstore Retailers	454	\$1,560,770	\$12,127,522	-\$10,566,752	87.1%
Electronic Shopping & Mail-Order Houses	4541	\$0	\$9,559,210	-\$9,559,210	100.0%
Vending Machine Operators	4542	\$585,188	\$272,776	\$312,412	114.5%
Direct Selling Establishments	4543	\$975,582	\$2,295,536	-\$1,319,954	57.5%
Food Services & Drinking Places	722	\$34,672,651	\$50,630,167	-\$15,957,516	31.5%
Full-Service Restaurants	7221	\$15,562,282	\$28,363,384	-\$12,801,102	45.1%
Limited-Service Eating Places	7222	\$17,629,267	\$20,290,821	-\$2,661,554	13.1%
Special Food Services	7223	\$0	\$1,099,733	-\$1,099,733	100.0%
Drinking Places - Alcoholic Beverages	7224	\$1,481,102	\$876,229	\$604,873	69.0%

Source: ESRI Community Analyst

HOUSING INDICATORS

The housing stock in Ridgecrest looks quite similar to the average US market. Owner-occupied housing accounts for about 56 percent of the nearly 16,000 housing units in the community, the same percentage as the US. Ridgecrest's 14 percent vacancy rate is only slightly higher than the 12.5 percent US vacancy rate. Median contract rent in Ridgecrest is \$701 per month, significantly lower than the statewide median, and at about the midpoint among communities in the region.

FIGURE 13. HOUSING CHARACTERISTICS
SELECTED INDICATORS, RANKED BY % VACANT

Geography	Total Housing Units	% Owner Occupied	% Renter Occupied	% Vacant	Median Contract Rent	Median Yr. Structure Built
Boron (93516)	1,259	39.2%	27.8%	33.0%	\$561	1959
California City (93505)	6,117	48.1%	28.7%	23.3%	\$638	1991
Mojave (93501)	2,360	42.8%	39.0%	18.2%	\$571	1975
East Kern	48,191	53.2%	29.4%	17.4%	\$725	1984
Rosamond (93560)	7,307	53.0%	30.5%	16.5%	\$842	1992
Tehachapi (93531 & 93561)	13,334	59.5%	24.6%	15.9%	\$774	1987
Ridgecrest (93527 & 93555)	15,985	56.2%	29.8%	14.0%	\$701	1980
US	132.7 M	56.3%	31.2%	12.5%	\$767	1976
Greater Antelope Valley	172,738	56.2%	32.0%	11.9%	\$896	1986
Kern County	287,775	51.2%	38.4%	10.4%	\$746	1981
California	13,781,929	50.1%	41.4%	8.5%	\$1,138	1974

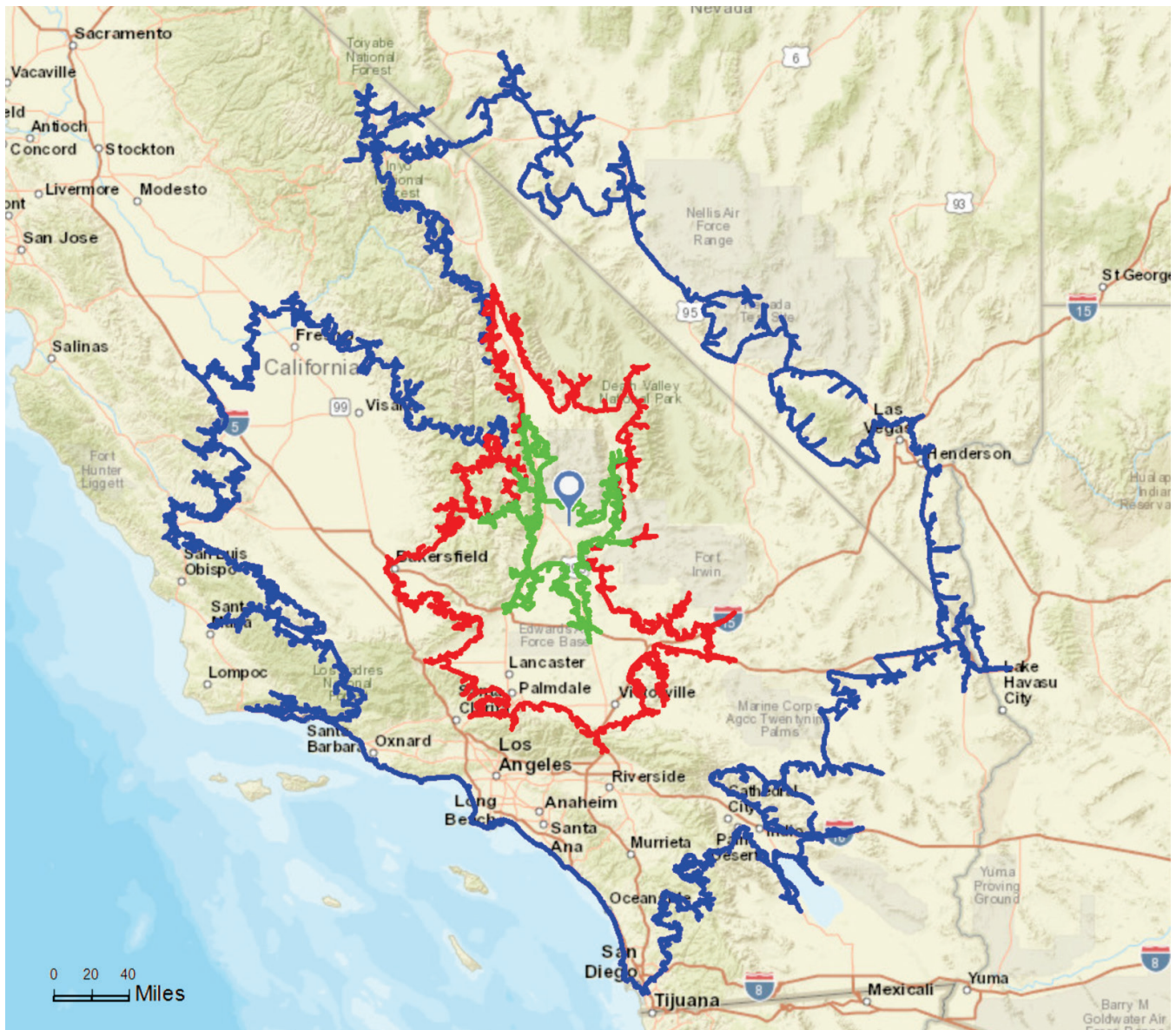
Source: US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates (accessed via ESRI Community Analyst). Shaded figures are above the US average (median rent) or more recent than US (median year built).

MARKET ACCESS

Ridgecrest's market area ranges from approximately 48,000 people living in ZIP Codes within a one-hour drive time to more than 26 million in a four-hour drive time. Population growth is occurring at a faster pace in the larger areas, as they stretch into more heavily populated urbanized areas in and around Los Angeles and Riverside.

FIGURE 14. DRIVE TIME MAP: RIDGECREST

ZIP CODES WITHIN 1-, 2-, & 4-HOUR DRIVE TIMES FROM RIDGECREST



Source: ESRI Community Analyst

Of the communities in the East Kern region, Ridgecrest has the fewest number of people in its one-hour and two-hour drive time areas. However, all East Kern communities have a similarly sized population of roughly 26 to 28 million accessible within a four-hour drive.

FIGURE 15. MARKET ACCESS

POPULATION LIVING IN ZIP CODES WITHIN 1-, 2-, & 4-HOUR DRIVE TIMES OF EACH COMMUNITY

1 HOUR

Geography	2010	2016	2010 to 2016	
			Net Chg.	% Chg.
Tehachapi	874,066	929,606	+55,540	+6.4%
Rosamond	607,199	638,756	+31,557	+5.2%
Mojave	544,491	569,639	+25,148	+4.6%
California City	414,164	431,520	+17,356	+4.2%
Boron	372,399	391,943	+19,544	+5.2%
Ridgecrest	46,832	48,136	+1,304	+2.8%

2 HOURS

Geography	2010	2016	2010 to 2016	
			Net Chg.	% Chg.
Rosamond	13,059,979	13,559,907	+499,928	+3.8%
Mojave	9,373,018	9,736,283	+363,265	+3.9%
Boron	6,908,695	7,224,771	+316,076	+4.6%
California City	5,252,195	5,478,493	+226,298	+4.3%
Tehachapi	4,654,457	4,858,354	+203,897	+4.4%
Ridgecrest	1,198,858	1,253,281	+54,423	+4.5%

4 HOURS

Geography	2010	2016	2010 to 2016	
			Net Chg.	% Chg.
Rosamond	26,280,775	27,518,233	+1,237,458	+4.7%
Boron	26,216,513	27,476,390	+1,259,877	+4.8%
Mojave	25,936,745	27,170,207	+1,233,462	+4.8%
California City	25,856,592	27,084,228	+1,227,636	+4.7%
Ridgecrest	25,365,524	26,586,529	+1,221,005	+4.8%
Tehachapi	25,049,873	26,203,551	+1,153,678	+4.6%

Source: ESRI Community Analyst

WORKFORCE TRENDS & CHARACTERISTICS

Ridgecrest's current (2016) population is estimated at approximately 35,900 people, up by nearly 900 people since 2010, and accounting for an estimated one out of three net new residents of East Kern. Ridgecrest's population is growing slightly faster than East Kern as a whole, but trailing statewide and US growth rates by a significant margin. The median age of the Ridgecrest population is 37.9 years, on par with the national median age, and among the older populations in the East Kern area.

FIGURE 16. POPULATION & MEDIAN AGE
POPULATION CHANGE, 2010-2016 & MEDIAN AGE, 2016

Geography	2010	2016	2010 to 2016		Median Age
			Net Chg.	% Chg.	
Mojave (93501)	5,408	5,753	+345	6.4%	34.9
Kern County	839,631	888,823	+49,192	5.9%	31.3
US	308.7 M	323.6 M	+14.8 M	4.8%	38.0
California	37,253,956	38,986,171	+1,732,215	4.6%	35.8
Greater Antelope Valley	495,354	517,023	+21,669	4.4%	33.0
Rosamond (93560)	18,850	19,548	+698	3.7%	33.4
Ridgecrest (93527 & 93555)	35,023	35,899	+876	2.5%	37.9
California City (93505)	14,054	14,361	307	2.2%	35.2
East Kern	114,449	116,749	+2,300	2.0%	36.9
Tehachapi (93531 & 93561)	35,149	35,260	+111	0.3%	40.6
Boron (93516)	2,295	2,200	-95	-4.1%	40.1

Source: ESRI Community Analyst (2016 forecast); US Census Bureau, Census 2010 (2010 figures). Median age higher than US is shaded.

Median household income in Ridgecrest is \$57,957, second-highest behind Tehachapi (\$58,847) among East Kern communities. Similarly, Ridgecrest has the second-lowest poverty rate (14.7 percent) in the region.

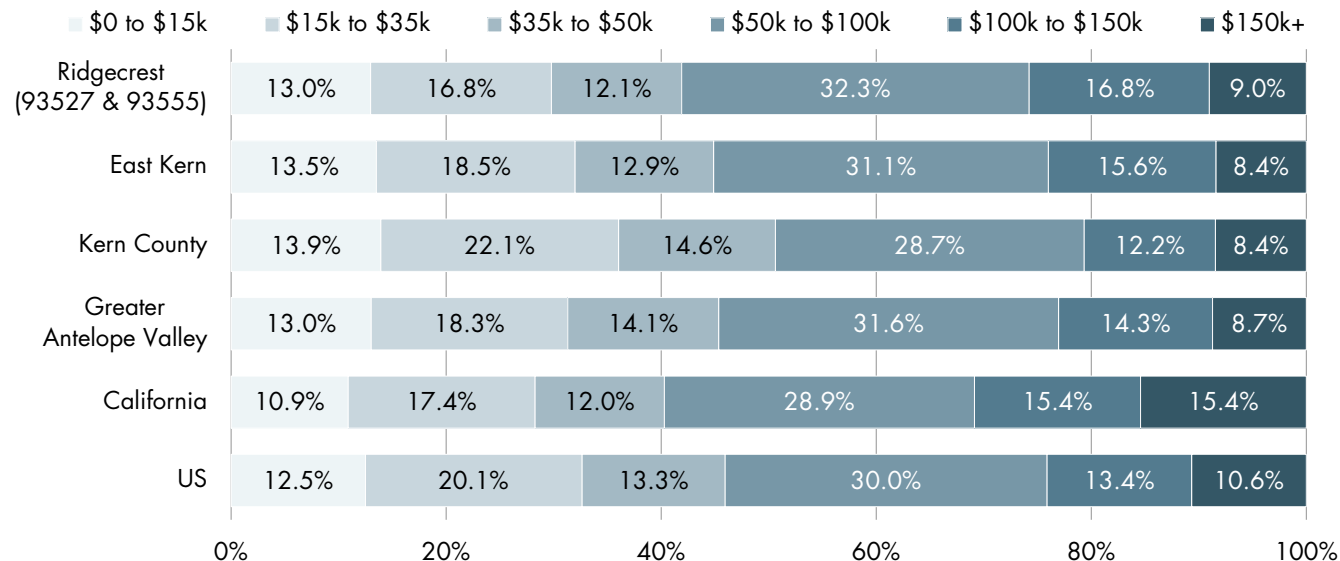
FIGURE 17. INCOME LEVELS
INCOME LEVELS, 2016 & POVERTY RATE, 2014

Geography	Median Household Income	Average Household Income	Per Capita Income	Poverty Rate
California	\$62,554	\$90,812	\$30,905	16.4%
Ridgecrest (93527 & 93555)	\$57,957	\$74,855	\$29,488	14.7%
US	\$54,149	\$77,008	\$29,472	15.6%
Tehachapi (93531 & 93561)	\$58,847	\$82,949	\$28,002	12.2%
East Kern	\$54,987	\$72,580	\$26,109	17.0%
Rosamond (93560)	\$53,125	\$67,216	\$22,677	18.0%
California City (93505)	\$51,824	\$63,378	\$22,322	23.9%
Greater Antelope Valley	\$54,580	\$71,887	\$22,318	20.4%
Kern County	\$49,123	\$68,628	\$21,178	23.4%
Boron (93516)	\$36,567	\$49,015	\$19,183	36.8%
Mojave (93501)	\$36,564	\$50,250	\$18,733	35.6%

Source: ESRI Community Analyst (2016 forecast); US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates (poverty rate)

The household income distribution in Ridgecrest is slightly wealthier compared to the rest of the region. As a share of the total, households in the \$50,000-\$100,000 range (32.3 percent) and in the \$100,000 or higher range (25.8 percent) are more prevalent in Ridgecrest than East Kern and the Greater Antelope Valley.

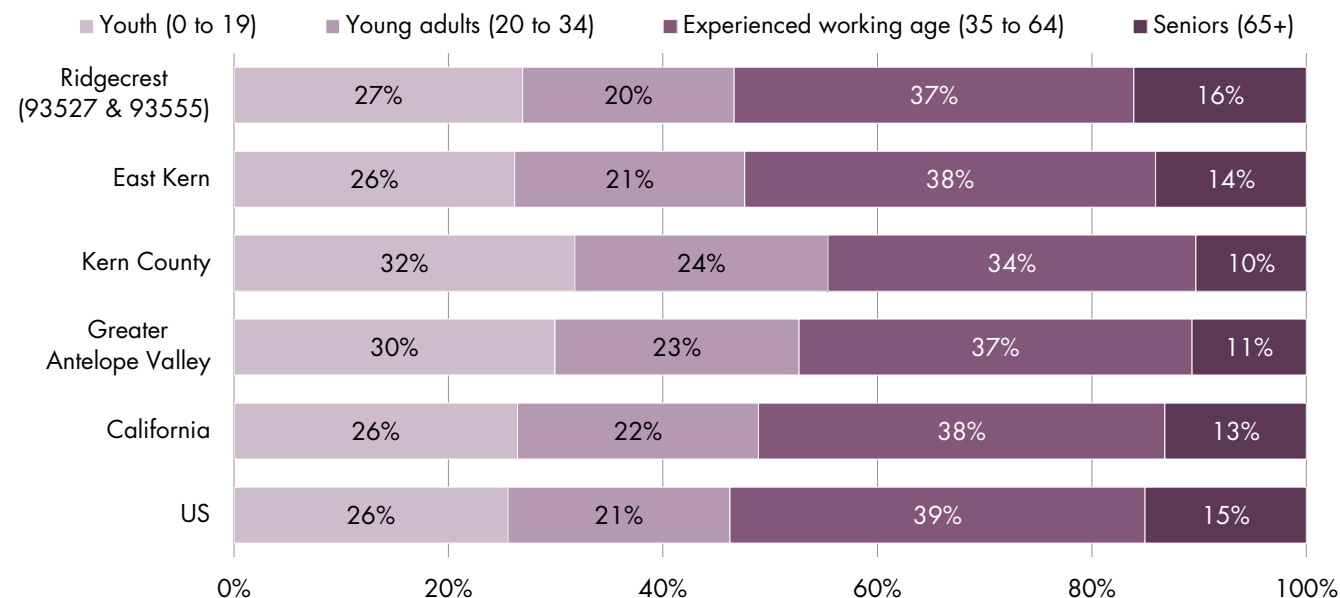
FIGURE 18. HOUSEHOLD INCOME DISTRIBUTION
SHARE OF HOUSEHOLDS BY SELECTED INCOME CATEGORIES



Source: 2010-2014 American Community Survey 5-Year Estimates (DP-02).

Ridgecrest's population, like East Kern is older than Kern County and the Greater Antelope Valley. More than one-half (53 percent) of the population in the Greater Antelope Valley is under the age of 35, compared to only 47 percent in Ridgecrest. As a share of total population, the age 65+ cohort is also larger in Ridgecrest (16 percent) compared to the rest of the region, as well as the state and US.

FIGURE 19. AGE STRUCTURE
SHARE OF POPULATION BY SELECTED AGE GROUPS

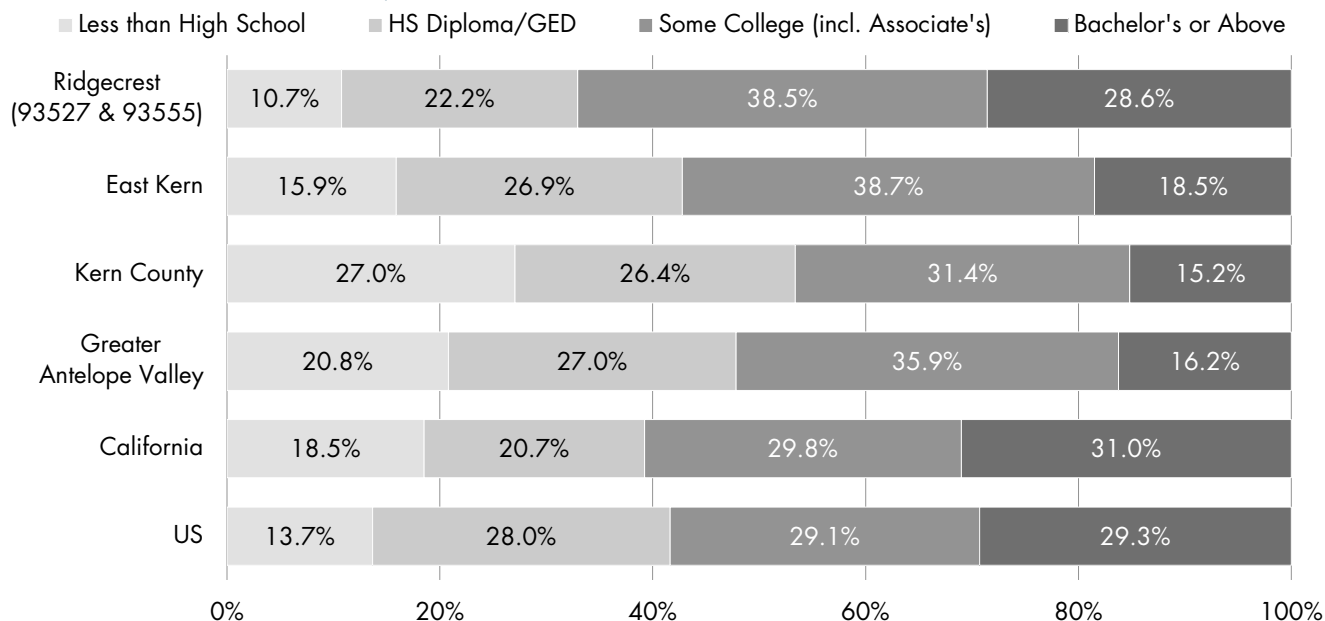


Source: ESRI Community Analyst

Educational attainment is a major advantage for Ridgecrest compared to the rest of the region. Approximately 29 percent of Ridgecrest residents age 25 and older have a bachelor's degree or higher, roughly equivalent to the US and approaching the statewide average. Ridgecrest also has the lowest share of residents (10.7 percent) that lack a basic high school diploma credential among all the comparison geographies.

FIGURE 20. EDUCATIONAL ATTAINMENT

HIGHEST LEVEL OF ATTAINMENT, POPULATION AGE 25+



Source: 2010-2014 American Community Survey 5-Year Estimates (DP-02).

The labor market in Ridgecrest appears to be performing better than most other communities in the East Kern area. The unemployment rate in Ridgecrest is second lowest among communities in the region, and Ridgecrest is the only community in the region with labor force participation above 60 percent, approaching the statewide and US rate.

FIGURE 21. LABOR FORCE & UNEMPLOYMENT

LABOR FORCE, UNEMPLOYMENT & LABOR FORCE PARTICIPATION RATES

Geography	Population Age 16+	Labor Force	Unemployment	Unemployment Rate	Labor Force Participation Rate
Boron (93516)	1,664	627	165	26.3%	37.7%
California City (93505)	10,595	5,751	1,345	23.4%	54.3%
Mojave (93501)	3,928	2,210	497	22.5%	56.3%
Greater Antelope Valley	373,976	209,844	27,778	13.2%	56.1%
Kern County	630,972	372,092	49,041	13.2%	59.0%
Rosamond (93560)	14,843	8,401	1,085	12.9%	56.6%
East Kern	88,971	49,097	6,020	12.3%	55.2%
California	29,934,838	19,108,876	2,084,564	10.9%	63.8%
Ridgecrest (93527 & 93555)	27,036	16,835	1,668	9.9%	62.3%
US	248.8 M	159.0 M	14.5 M	9.1%	63.9%
Tehachapi (93531 & 93561)	28,197	13,570	1,118	8.2%	48.1%

Source: US Census Bureau, 2010-2014 American Community Survey 5-Year Estimates.

The occupational distribution of jobs in the workforce in Ridgecrest looks generally similar to East Kern, the Greater Antelope Valley, and the US, with white-collar jobs in office and administrative support and sales accounting for roughly one-fourth of all employment. Ridgecrest does stand out, however, due to its large share of business and financial operations, which account for the third-largest share of jobs in the local workforce. By comparison, food and beverage occupations rank third in East Kern, the Greater Antelope Valley, and the US.

FIGURE 22. OCCUPATIONAL DISTRIBUTION (% OF TOTAL), 2015
COMPARISON OF RIDGECREST (93527 & 93555) WITH SELECTED GEOGRAPHIES AND US

SOC Code & Description	Ridgecrest (93527 & 93555)	East Kern	Kern County	Greater Antelope Valley	US
43 Office & Administrative Support	14.1%	12.9%	11.2%	15.4%	15.4%
41 Sales & Related	9.5%	8.4%	8.1%	12.1%	10.3%
13 Business & Financial Operations	8.7%	7.5%	3.5%	4.9%	5.0%
35 Food Preparation & Serving Related	7.1%	7.8%	6.5%	10.2%	8.4%
17 Architecture & Engineering	7.0%	6.1%	2.2%	2.3%	1.7%
29 Healthcare Practitioners & Technical	6.5%	4.8%	3.9%	6.6%	5.4%
53 Transportation & Material Moving	5.4%	6.2%	7.5%	5.8%	6.6%
49 Installation, Maintenance, & Repair	5.2%	5.5%	4.2%	3.6%	3.8%
11 Management	5.0%	5.0%	4.9%	5.0%	5.5%
39 Personal Care & Service	4.4%	3.6%	3.0%	4.5%	4.0%
25 Education, Training, & Library	3.5%	6.0%	6.2%	5.6%	5.8%
15 Computer & Mathematical	3.5%	3.7%	1.4%	2.5%	2.7%
33 Protective Service	3.3%	4.0%	3.0%	2.2%	2.3%
37 Building/Grounds Cleaning & Maint.	2.8%	3.0%	3.1%	3.7%	3.9%
21 Community & Social Service	2.7%	2.1%	1.9%	2.4%	1.6%
19 Life, Physical, & Social Science	2.4%	2.0%	0.9%	1.1%	0.8%
47 Construction & Extraction	2.3%	3.4%	6.0%	3.8%	4.5%
31 Healthcare Support	2.3%	1.8%	2.0%	3.0%	2.8%
51 Production	2.2%	3.6%	3.6%	3.1%	6.1%
27 Arts, Design, Entertainment, & Media	1.4%	1.5%	1.1%	1.3%	1.8%
45 Farming, Fishing, & Forestry	0.5%	0.5%	15.4%	0.2%	0.8%
23 Legal	0.5%	0.4%	0.4%	0.6%	0.8%

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. The three largest occupations in each geography are highlighted.

Ridgecrest's workforce is heavily specialized in architecture and engineering, and life, physical, and social science jobs, with location quotients of more than 2.0. The large federal presence in Ridgecrest gives the community high LQs in several science, technology, engineering, and math (STEM) fields, as well as protective service and installation, maintenance, and repair occupations.

FIGURE 23. CONCENTRATION OF EMPLOYMENT BY OCCUPATION, 2015

LOCATION QUOTIENT (LQ) ANALYSIS BY MAJOR GROUP, US=1.00

SOC Code & Description	Ridgecrest (93527 & 93555)	East Kern	Kern County	Greater Antelope Valley	US
17 Architecture & Engineering	4.15	3.66	1.32	1.35	1.00
19 Life, Physical, & Social Science	2.93	2.45	1.07	1.31	1.00
13 Business & Financial Operations	1.73	1.51	0.70	0.98	1.00
21 Community & Social Service	1.62	1.29	1.18	1.46	1.00
33 Protective Service	1.44	1.76	1.32	0.98	1.00
49 Installation, Maintenance, & Repair	1.35	1.43	1.10	0.93	1.00
15 Computer & Mathematical	1.26	1.36	0.51	0.92	1.00
29 Healthcare Practitioners & Technical	1.19	0.88	0.73	1.22	1.00
39 Personal Care & Service	1.08	0.90	0.74	1.11	1.00
43 Office & Administrative Support	0.92	0.84	0.73	1.00	1.00
11 Management	0.92	0.92	0.90	0.92	1.00
41 Sales & Related	0.92	0.82	0.78	1.17	1.00
35 Food Preparation & Serving Related	0.85	0.93	0.78	1.22	1.00
53 Transportation & Material Moving	0.82	0.94	1.13	0.89	1.00
31 Healthcare Support	0.81	0.65	0.72	1.08	1.00
27 Arts, Design, Entertainment, & Media	0.80	0.83	0.60	0.72	1.00
37 Building/Grounds Cleaning & Maint.	0.73	0.78	0.81	0.95	1.00
45 Farming, Fishing, & Forestry	0.69	0.62	20.11	0.27	1.00
25 Education, Training, & Library	0.61	1.04	1.06	0.97	1.00
23 Legal	0.56	0.52	0.43	0.67	1.00
47 Construction & Extraction	0.50	0.76	1.33	0.84	1.00
51 Production	0.36	0.59	0.58	0.51	1.00

Source: EMSI 2016.2 – QCEW Employees, Non-QCEW Employees, and Self-Employed

Note: Figures exclude military and unclassified employment. LQs greater than 1.25 are presumed to show competitive advantage and are highlighted.

COMMUTING PATTERNS

Commuting data from the US Census Bureau helps to illustrate the flow of workers in/out of a given geography. This dataset does not include employment associated with military installations, so its usefulness is limited in areas defined by a major military facility. Nonetheless, it can offer some insights on the area's workforce.

Excluding NAWS China Lake, Ridgecrest is a net exporter of workers to the regional labor market. The majority of Ridgecrest residents with jobs (57 percent or 5,300 people), commute to work locations outside the Ridgecrest community, compared to the 2,225 people who commute to jobs in Ridgecrest but live elsewhere. Ridgecrest is less reliant on inbound commuters to fill jobs than the region as a whole. More than one-third (36 percent) of jobs in Ridgecrest are filled by non-Ridgecrest residents, compared to 46 percent of jobs region-wide in East Kern.

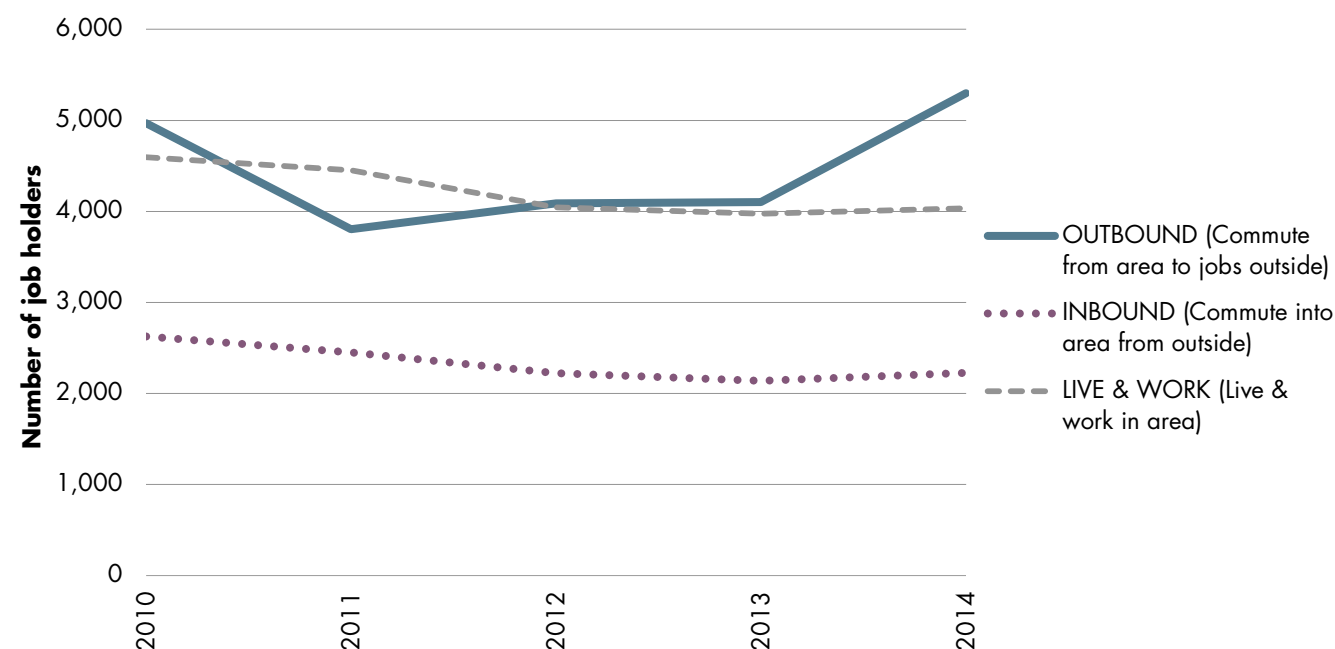
FIGURE 24. INFLOW/OUTFLOW FOR RIDGECREST (93527 & 93555), 2014
FLOW OF WORKERS TO/FROM THE AREA



Source: US Census Bureau, Local Employment Dynamics.

Notes: Overlay arrows are for illustrative purposes and do not indicate directionality of worker flow between home and employment locations.

FIGURE 25. COMMUTING FLOWS, 2010-2014

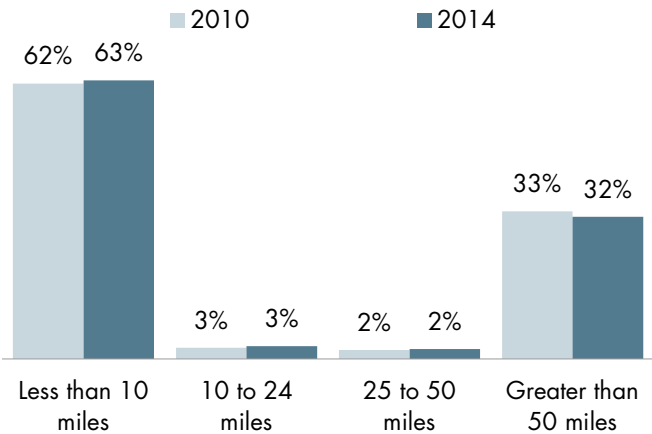


Source: US Census Bureau, Local Employment Dynamics.

A large and growing portion of working Ridgcrest residents are traveling more than 50 miles to work each day, with the largest share headed in a southward direction. Employers in Ridgcrest also draw a considerable portion of their workforce from communities to the south of Ridgcrest, but they are commuting shorter distances. Nearly two out of five of jobs in Ridgcrest (37 percent) are held by people who live at least 10 miles away, compared to 57 percent of employed Ridgcrest residents who travel at least 10 miles between home and work.

FIGURE 26. DISTANCE TRAVELED, 2010 VS. 2014
SHARE OF JOB HOLDERS

**PEOPLE WHO WORK IN
RIDGECREST (93527 & 93555)**

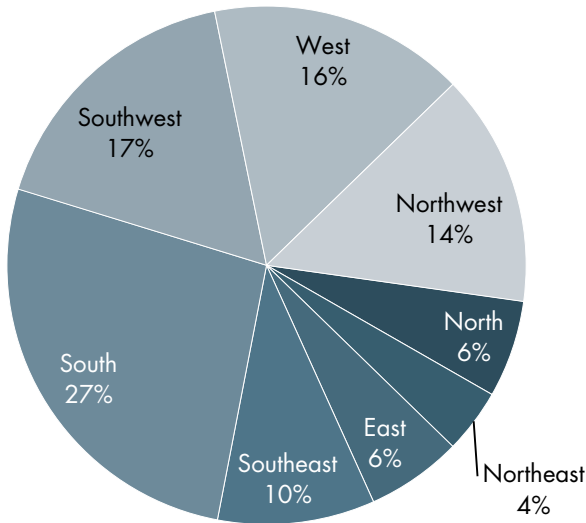


**EMPLOYED PEOPLE WHO LIVE IN
RIDGECREST (93527 & 93555)**



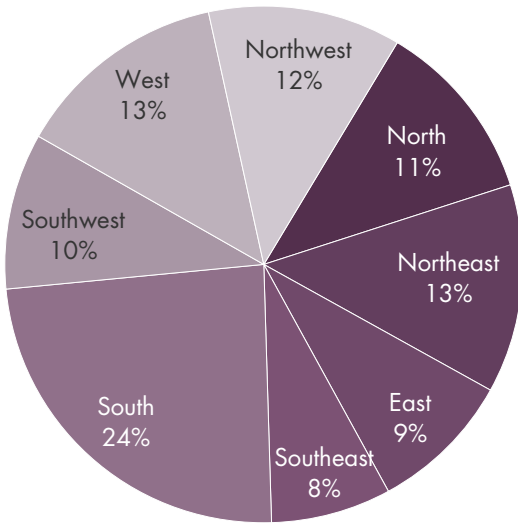
Source: US Census Bureau, Local Employment Dynamics.

**FIGURE 27. DIRECTION TRAVELED
FROM WORK TO HOME, 2014**
SHARE OF PEOPLE THAT WORK IN
RIDGECREST (93527 & 93555)



Source: US Census Bureau, Local Employment Dynamics.

**FIGURE 28. DIRECTION TRAVELED
FROM HOME TO WORK, 2014**
SHARE OF PEOPLE THAT LIVE IN
RIDGECREST (93527 & 93555)



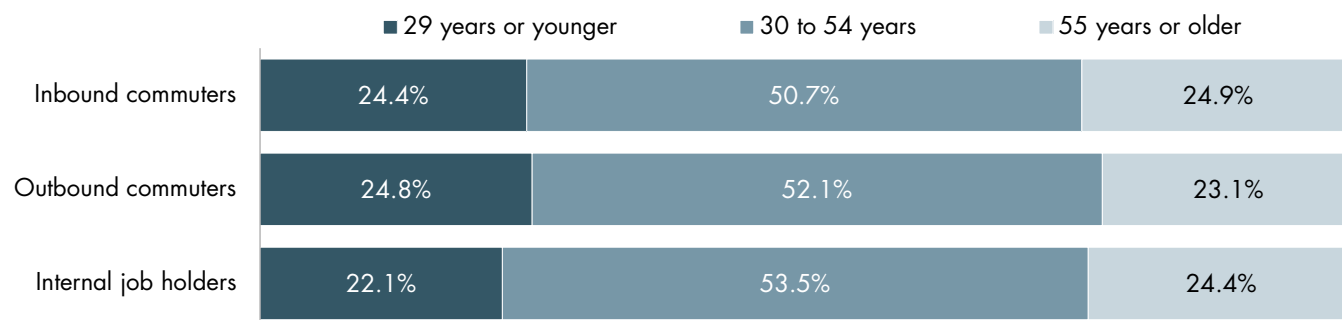
Source: US Census Bureau, Local Employment Dynamics.

FIGURE 29. SELECTED JOBHOLDER CHARACTERISTICS, 2014

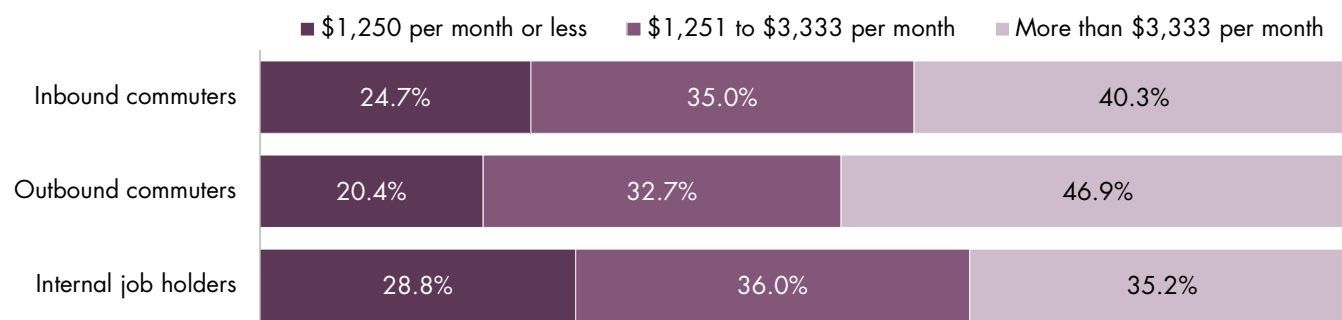
SHARE OF WORKERS BY TYPE OF COMMUTING FLOW

AGE

The majority of internal jobholders (people living and working in Ridgecrest), outbound commuters, and inbound commuters are in the age 30 to 54 cohort, although internal jobholders are slightly more likely to be age 30 or older compared to commuters. Young workers (age 29 or younger) living in Ridgecrest are slightly more likely to work outside the community.

**EARNINGS**

Outbound commuters are significantly more likely to be in higher-wage jobs than internal jobholders are. Approximately 47 percent of outbound commuters are in jobs earning more than \$3,333 per month, compared to 35 percent of internal jobholders, suggesting a surplus of workers with higher levels of education or training in Ridgecrest that could present an opportunity for high-wage job creation strategies locally.

**INDUSTRY CLASS**

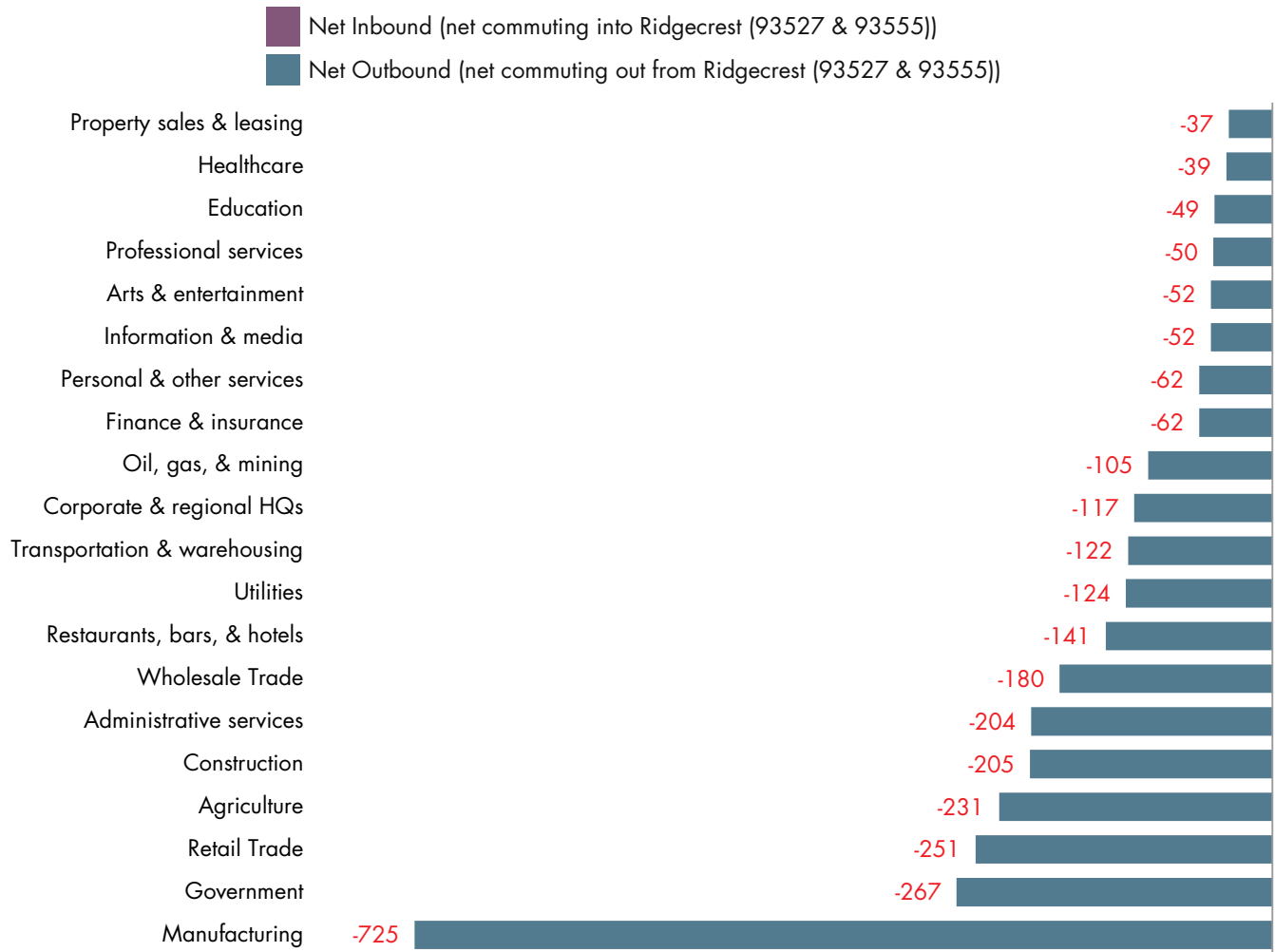
Nearly 83 percent of internal jobholders are in the service sector in Ridgecrest, a significantly higher share than outbound and inbound commuters. One-quarter of working Ridgecrest residents (26 percent) commute to goods-producing jobs outside the community—offering the potential for the city to demonstrate a local manufacturing workforce.



Source: (all above) US Census Bureau, Local Employment Dynamics

Ridgecrest exports workers to jobs outside the community across every major industry sector. The most significant net outflow of workers is in manufacturing, with more than 700 workers flowing to jobs outside of the community than commuting in to work in the sector locally.

FIGURE 30. DAILY NET INFLOW/OUTFLOW OF WORKERS BY SECTOR, 2014
NET INBOUND/OUTBOUND COMMUTING FLOWS BY SECTOR



Source: US Census Bureau, Local Employment Dynamics.

CITY OF RIDGECREST, CA

More than one-half (53 percent) of jobs located in the Ridgecrest area (93527 and 93555) are filled by people who live in the city of Ridgecrest, with 100 or more commuters coming from China Lake Acres, San Diego, and Inyokern. The city of Ridgecrest is also a common work location for residents of the Ridgecrest area. Approximately 41 percent of employed Ridgecrest-area residents commute to jobs in the city of Ridgecrest. Other popular destinations for work are Searles Valley, Bakersfield, Los Angeles, and Lancaster, each with 200 or more commuters.

FIGURE 31. LABORSHED & COMMUTE SHED DESTINATIONS, 2014

TOP 10 PLACES IN RIDGECREST'S LABORSHED (WHERE WORKERS LIVE) & COMMUTE SHED (WHERE EMPLOYED RESIDENTS WORK)

WHERE RIDGECREST (93527 & 93555) WORKERS LIVE

City (Place)	Count	Share
1 Ridgecrest city, CA	3,303	52.8%
2 China Lake Acres CDP, CA	200	3.2%
3 San Diego city, CA	115	1.8%
4 Inyokern CDP, CA	111	1.8%
5 Bakersfield city, CA	86	1.4%
6 Searles Valley CDP, CA	67	1.1%
7 Los Angeles city, CA	65	1.0%
8 Palmdale city, CA	62	1.0%
9 California City city, CA	58	0.9%
10 Lancaster city, CA	51	0.8%
All Other Locations	2,141	34.2%
Total	6,259	100.0%

WHERE EMPLOYED RIDGECREST (93527 & 93555) RESIDENTS WORK

City (Place)	Count	Share
1 Ridgecrest city, CA	3,793	40.6%
2 Searles Valley CDP, CA	561	6.0%
3 Bakersfield city, CA	435	4.7%
4 Los Angeles city, CA	415	4.4%
5 Lancaster city, CA	220	2.4%
6 Lone Pine CDP, CA	156	1.7%
7 Palmdale city, CA	101	1.1%
8 Fresno city, CA	100	1.1%
9 San Diego city, CA	90	1.0%
10 Inyokern CDP, CA	80	0.9%
All Other Locations	3,383	36.2%
Total	9,334	100.0%

Source: US Census Bureau, Local Employment Dynamics

Note: The commuting patterns analysis was conducted for the 93527 and 93555 ZIP Codes, not the city of Ridgecrest, to be consistent with other data elements presented in this report. The discrepancy between the number of workers that live in the city of Ridgecrest (3,303) and the number of employed Ridgecrest residents that work in the city of Ridgecrest (3,793) is a result of the difference in the boundaries of the two geographies.

TIP strategies
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