



Location **Advisory**

Paramount Logistics Park
Comprehensive Labor Study

September 12, 2014



Contents

Executive Summary	3
-------------------	---

Data Findings

Affordable and transferable skills	4
Demographics overview	5
Workforce accessibility	6
Increased labor draw	7
Household income alignment	8
Cost-of-living and wages	9
Age/Workforce growth	10
Management Talent	11
Language	12
Transient workforce	13

Appendix A – Interview Notes

Executive Summary

JLL was engaged by Roll Real Estate to evaluate the workforce availability around Paramount Logistics Park.

Paramount logistics Park is located in Kern County, CA between Bakersfield and Shafter. Where appropriate, the Bakersfield-Delano, CA Metropolitan Area (Kern County) is compared to the distribution markets of Reno-Sparks, NV, Riverside-San Bernardino-Ontario, CA, Stockton, CA, and the state of California.

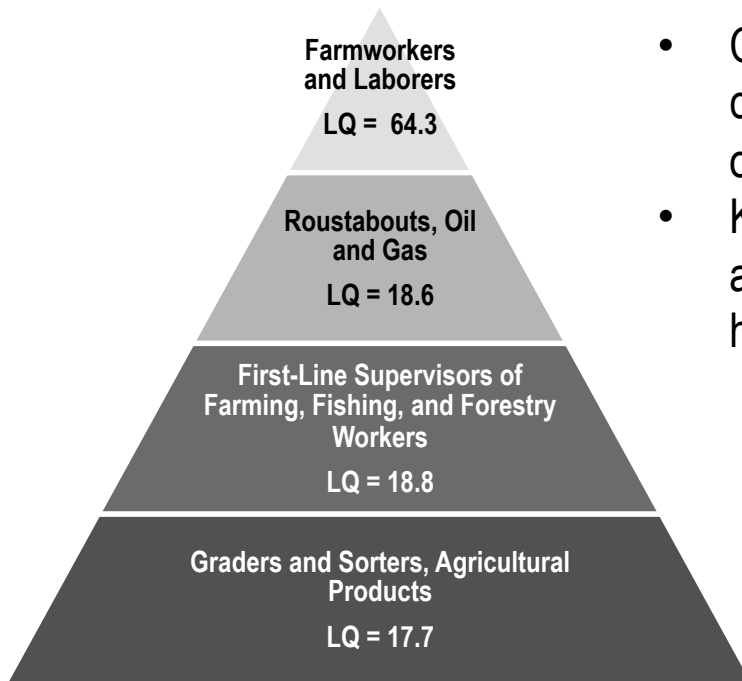
Data findings herein illustrate the following:

- Kern County is dominated by farming and food manufacturing, but with affordable and transferable skills to warehousing and logistics
- Paramount Logistics park is easily accessible to the Kern County population
- The labor draw of Paramount Logistics park is growing as Bakersfield grows Northwest
- Household income and cost-of-living levels are low and align with typical warehouse workers
- Seasonal workforce does not mean transient

Anecdotal findings heard during employer interviews:

- Miles = minutes (commute is easy and people are willing to drive)
- Family oriented culture (loyalty=low turnover; seasonal employers see 75% return rate each season)
- Hardworking no matter what the temperature (even DCs have limited or no cooling)
- Very low union presence (Ikea's only non-union DC)
- Culture adjusted to shift work (day care operators have extended hours to accommodate shift workers)

Kern County is an economy dominated by farming and food manufacturing, but with affordable and transferable skills to warehousing and logistics.



Detailed occupation codes, Occupational Employment Statistics, Bureau of Labor Statistics, 2013. U.S. = 1.0

- Kern County has experienced warehouse labor (23,510 people in Material Moving)

- Concentration (Location Quotient – LQ – is a measure of concentration; U.S. Average = 1.0) can indicate community image, but overall headcount translates to skill availability
- Kern County has a high *concentration* of occupations in oil & agriculture, however, Kern County does not have a high *headcount* in high-paying oil (only 2,760 roustabouts)

Farming, Fishing, and Forestry Occupations
Headcount = 39,620

Office and Administrative Support Occupations
Headcount = 35,500

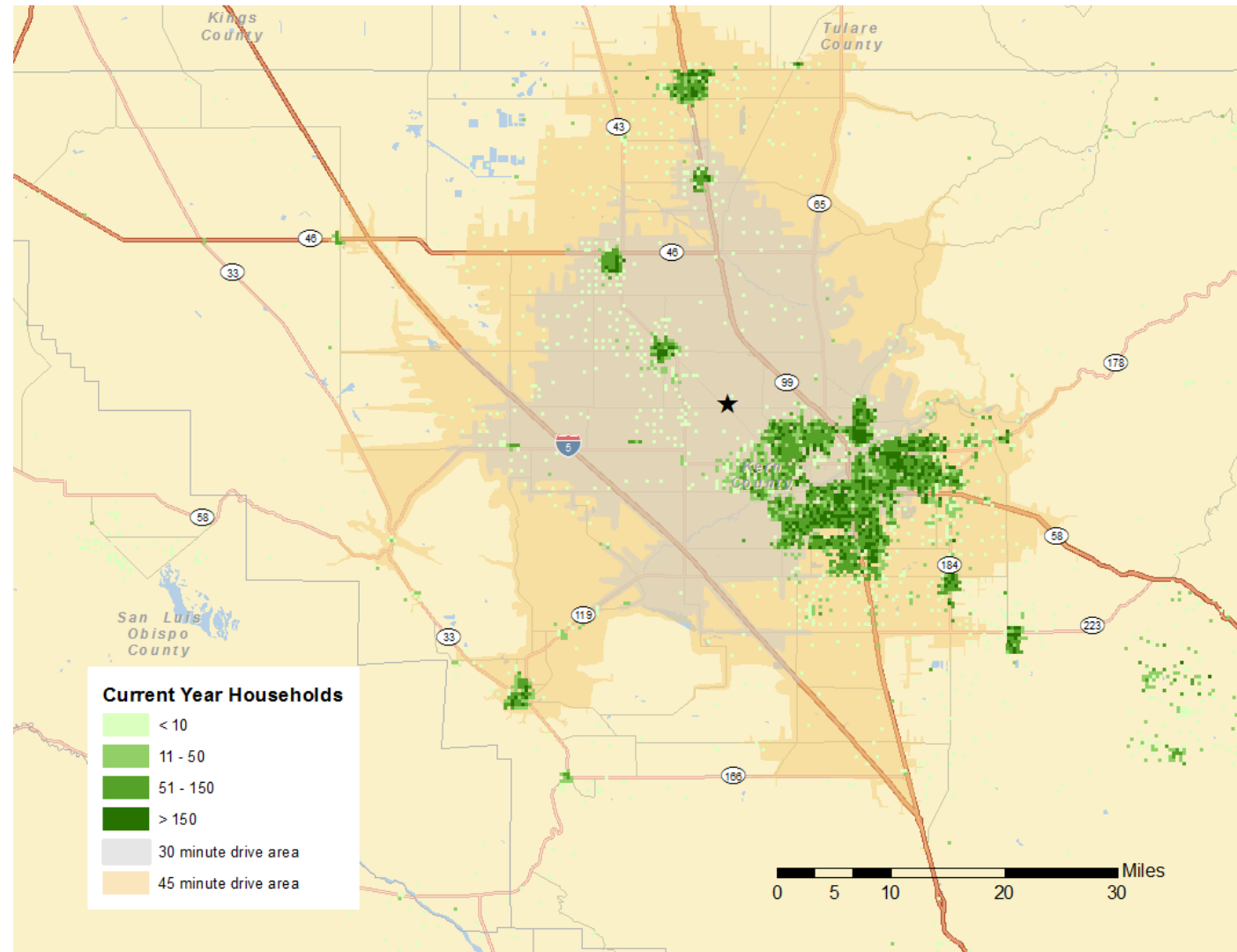
Transportation and Material Moving Occupations
Headcount = 23,510

Sales and Related Occupations
Headcount = 22,820

Major occupation codes, Occupational Employment Statistics, Bureau of Labor Statistics, 2013.

Paramount Logistics Park is easily accessible by the majority of the Kern County Population.

Paramount Logistics Park is 12 miles from downtown Bakersfield which is only a 14 minute drive.



Data is from popstats in quarter mile grids. Note multicolor shaded background is 30 minute and 45 minute commute zones.

Demographics Overview

- Paramount Logistics Park is easily accessible to Kern County residents.
- A 30 minute drive-time around Paramount Logistics Park reaches the largest population centers of Kern County.
- A 45 minute drive-time around Paramount Logistics Park touches all the population centers of Kern County.
- Population and labor force numbers exceed all headcount requirements for warehouse/distribution employers.

30 Minute drive-time area

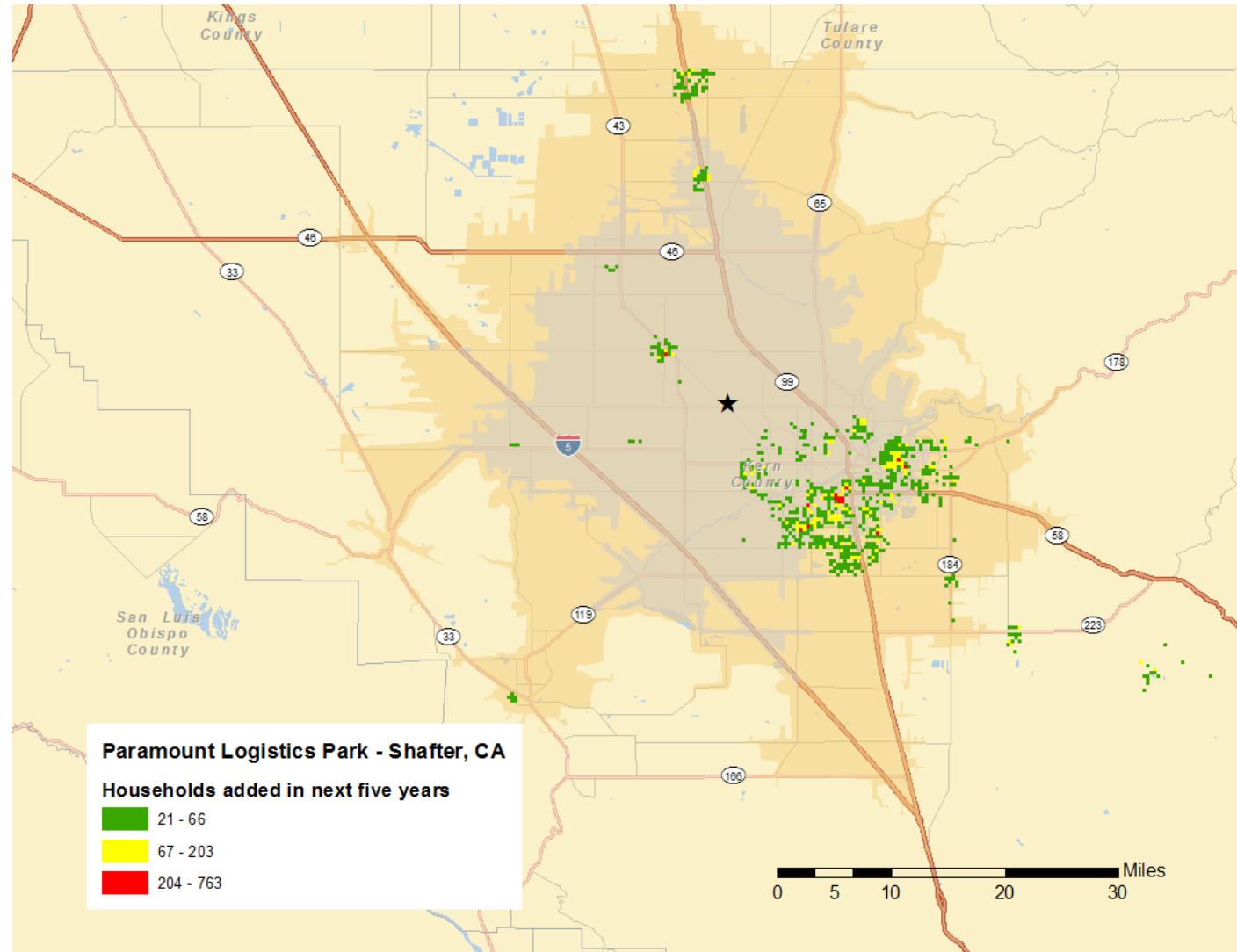
	Population 2014	Labor Force	Households 2014	Projected Household Growth 2014-2019	Average Household Income
Paramount	417,085	266,022	133,611	8.2%	\$58,276
Reno	414,345	268,008	160,730	5.6%	\$62,373
Riverside	1,314,184	854,127	383,586	8.8%	\$58,429
Stockton	634,005	405,617	197,164	3.1%	\$63,429
Tejon Ranch	58,537	38,141	15,967	9.8%	\$57,952

45 Minute drive-time area

	Population 2014	Labor Force	Households 2014	Projected Household Growth 2014-2019	Average Household Income
Paramount	714,549	460,812	210,671	7.9%	\$55,672
Reno	460,862	297,744	178,474	5.5%	\$63,197
Riverside	3,001,602	1,952,202	889,153	9.0%	\$63,387
Stockton	1,266,224	811,798	406,598	3.3%	\$70,350
Tejon Ranch	481,142	308,998	147,410	8.0%	\$56,222

The labor draw of Paramount Logistics Park is growing as the population expands.

Household growth in Kern County is happening within easy commute distance of Paramount Logistics Park.

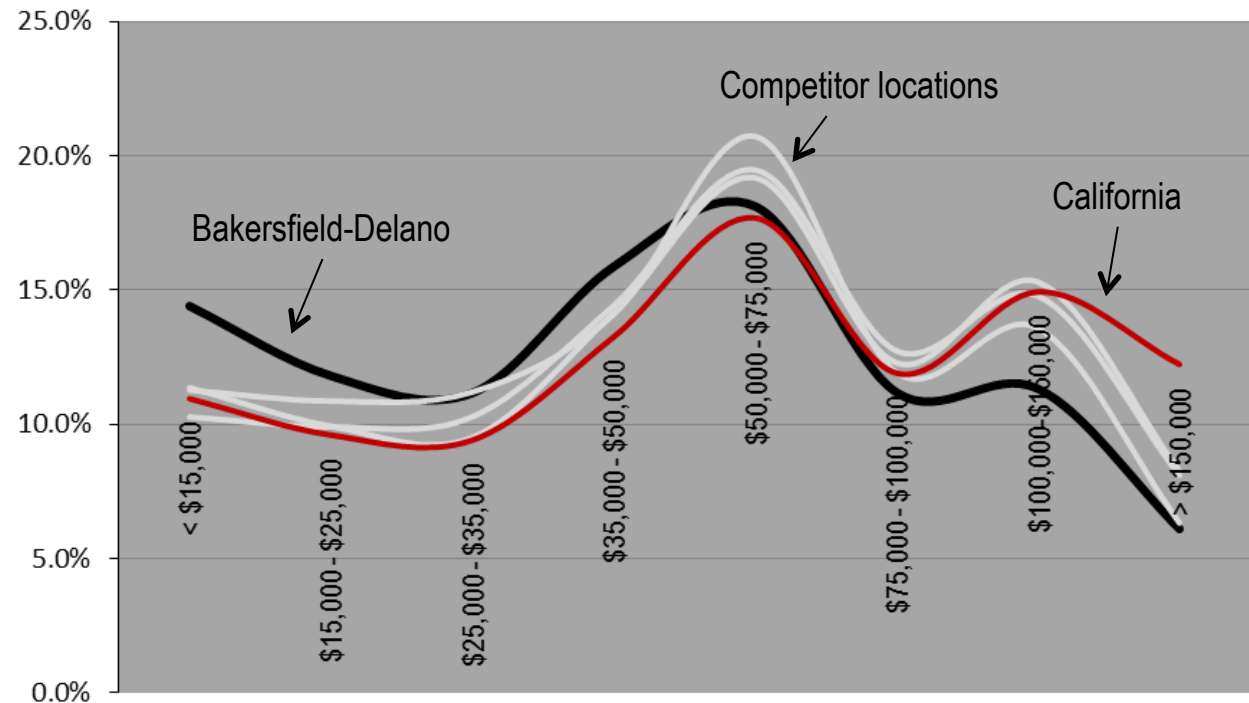


Data is from popstats in quarter mile grids. Note multicolor shaded background is 30 minute and 45 minute commute zones.

Households proximate to Paramount Logistics Park have incomes that align with typical warehouse wages.

- Kern County has a higher percentage of households earning less than \$50,000 per year
- The state of California and other competitor locations all have a much higher percent earning more than \$100,000 (a professional household).

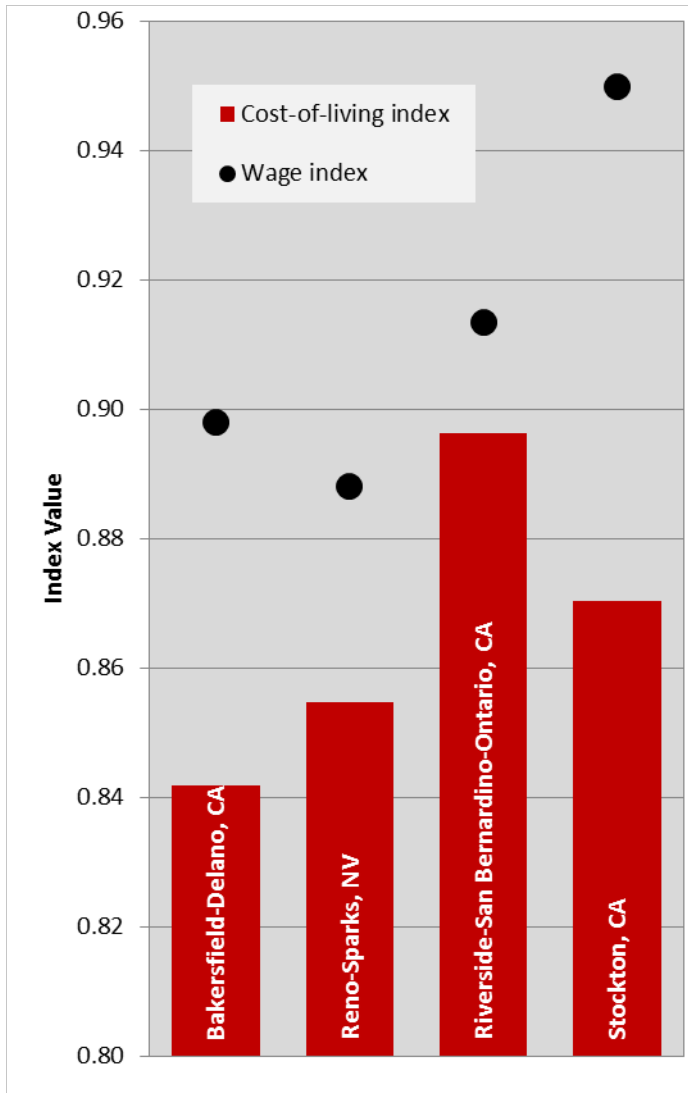
Household Income Distribution



Metro Area	< \$50,000 Income
Bakersfield-Delano, CA	53.3%
Reno-Sparks, NV	47.5%
Stockton, CA	45.0%
Riverside-San Bernardino-Ontario, CA	44.9%
California	43.2%

Data is from popstats and is presented at the Metropolitan Area (CBSA) level geography.

Wages are low and align with the low cost of living.

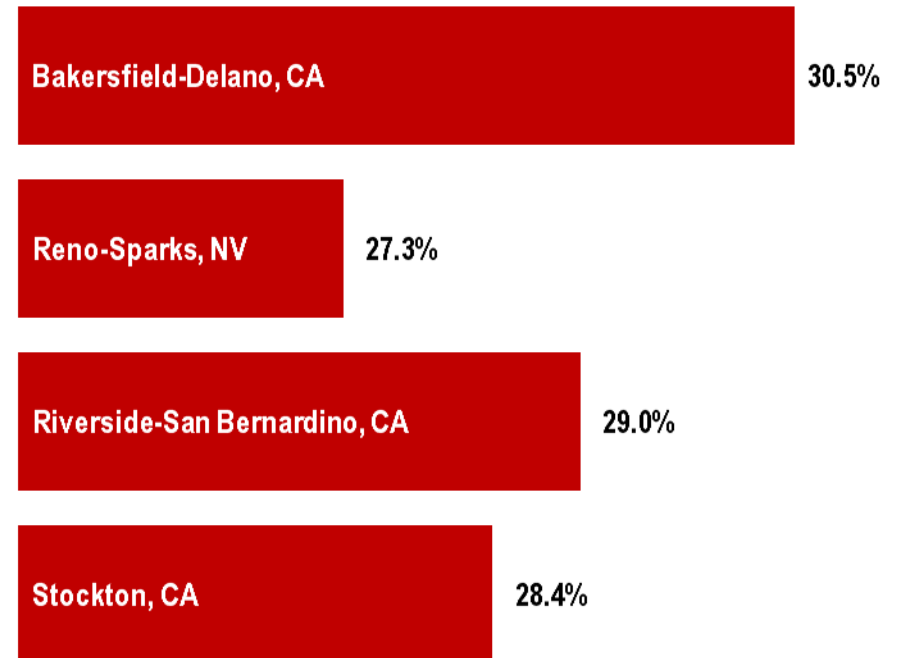


- Bakersfield-Kern County is the most affordable place for a warehouse worker to live.
- Competitor locations will experience greater wage pressure than Bakersfield-Kern County due to their high cost-of-living.

Cost-of-living is from Economic Research Institute (ERI), July 2014. Data is for a 15 mile radius around the population center. Wage data is from ERI and CareerBuilder for a Forklift Operator. Values are indexed against the state of California. CA = 1.00.

The typical warehouse worker is between 20 and 34 years old.

- A larger entry-worker aged population offers easier hiring for companies seeking warehouse workers.
- Bakersfield-Kern County has the highest percent of 20-34 year olds compared to competitor locations.



Data is from popstats and is presented at the Metropolitan Area (CBSA) level geography.

Bakersfield-Kern County has a broad spectrum of management talent.

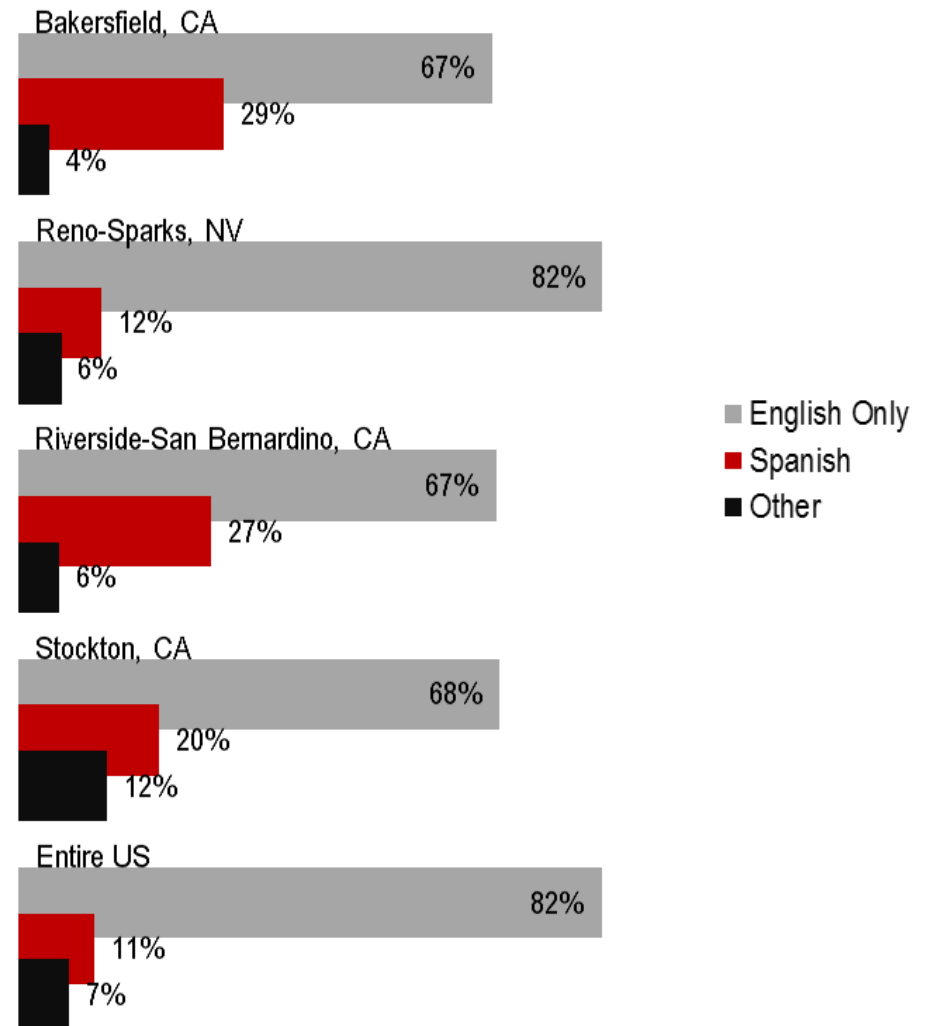
Occupation Title	Bakersfield-Delano, CA	Reno-Sparks, NV	Riverside-San Bernardino-Ontario, CA	Stockton, CA
All Occupations	288,490	191,930	1,201,500	202,710
General and Operations Managers	3,440	3,250	19,200	3,060
Construction Managers	800	420	1,860	380
Financial Managers	640	790	3,870	480
Sales Managers	540	730	3,470	540
Administrative Services Managers	460	250	2,190	380
Food Service Managers	460	330	2,660	360
Medical and Health Services Managers	410	340	2,150	340
Architectural and Engineering Managers	400	170	1,050	100
Managers, All Other	340	760	1,530	170
Chief Executives	340	200	1,810	280
Computer and Information Systems Managers	300	290	1,110	140
Industrial Production Managers	250	200	1,180	240
Marketing Managers	200	290	870	90
Transportation, Storage, and Distribution Managers	190	400	1,220	270
Human Resources Managers	160	120	620	90

Detailed occupation codes, Occupational Employment Statistics, Bureau of Labor Statistics, 2013.

- Bakersfield-Kern County has management talent with transferrable skills into Warehouse management.

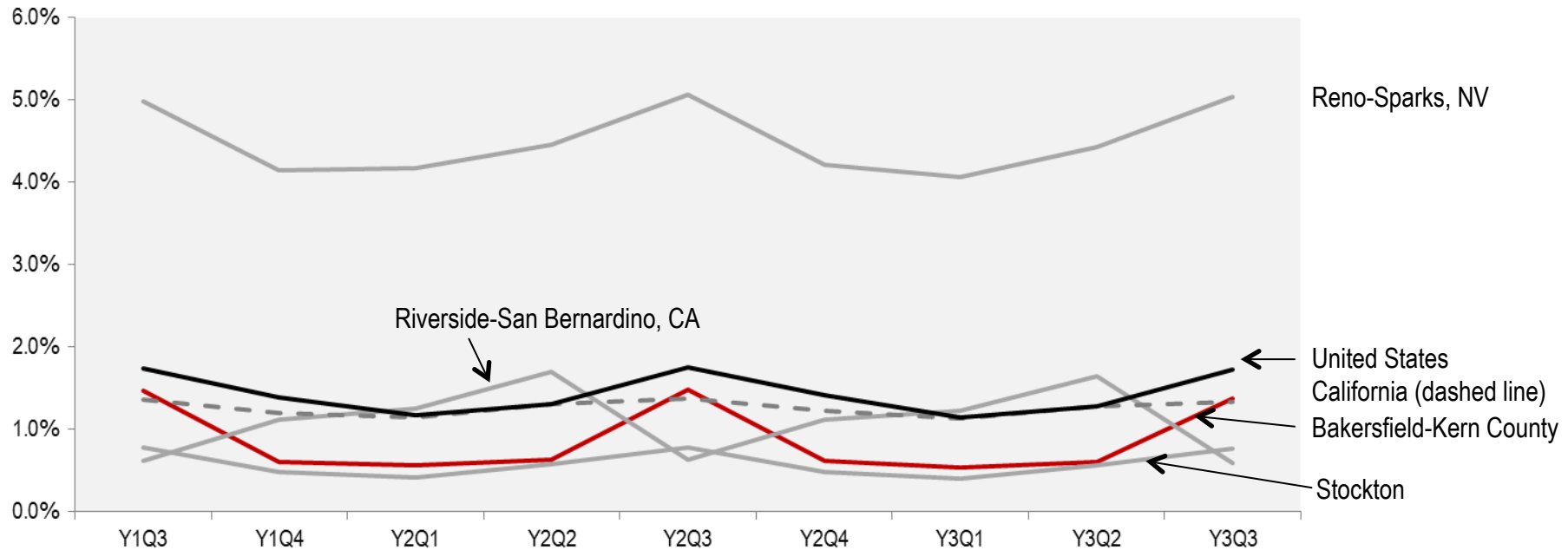
Bakersfield-Kern County has a diverse language speaking population.

- Language spoken at home is a positive indicator for two things:
 1. Close knit culture that produces a loyal employee
 2. Strong skills and talents that are more suited to warehouse/distribution positions



Data is from popstats and is presented at the Metropolitan Area (CBSA) level geography.

A small transient population is a potential workforce.



Data is from popstats and is presented at the Metropolitan Area (CBSA) level geography.

- Bakersfield-Kern County has an annual third quarter spike in the transient population; this small percent change is a recruitment opportunity.
- The small (< 1%) of the transient population for most of the year indicates a very stable community culture.

Appendix – Interview Notes