

2015 Year in Review: Despite drought, Valley sees more jobs, more shops and new commercial development

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The job market improved, new national retailers are opening in Fresno, commercial real estate soared, and the nut industry – led by almonds – continued to boom as the California drought dragged on.

Despite water concerns affecting the way residents and businesses – especially agriculture – live and operate in the central San Joaquin Valley, all indicators in 2015 showed signs of economic growth.

Here's a look at the year in business in the central San Joaquin Valley.

Job growth improves

November marked the seventh straight month in which Fresno County's unemployment rate was under 10 percent, something that has not happened since 2007, before a recession knocked the wheels off the Valley's economy. It's a reflection of the region's continuing recovery from the worst of the recession, when unemployment rates topped 18 percent.

Through the first 11 months of 2015, the average number of people working each month in Fresno County reached an all-time high of more than 400,000, according to figures from the state [Employment Development Department](#). And depending on what happens in December, this year could be the first since 2007 in which the annual average unemployment rate is 10 percent or lower. The full-year average jobless rate was 8.6 percent in 2007.

The number of people officially counted as out of work varies wildly from month to month, primarily due to the seasonal nature of farm work in the Valley. But on average, the number of unemployed was about 44,000 through November, and that's the lowest average since 2007. November was also the 51st consecutive month in which Fresno County's monthly unemployment rate was lower than it was the prior year, another indicator of what economists describe as slow but steady economic recovery from the effects of the recession.

Neighboring Valley counties also saw their job markets improve through 2015, posting their lowest unemployment rates and their highest numbers of people employed since 2007 or 2008. Average unemployment rates through November in the Valley were 9.87 percent in Madera County, 10.44 percent in Kings County, and 11.62 percent in Tulare County.

Big new chains arrive

Readers all over the city got excited when two highly anticipated businesses confirmed they are coming to Fresno: [Dave & Buster's](#) and [Hobby Lobby](#). Neither is here yet, but work has started on both.

Dave & Buster's, a bar, restaurant and arcade – often described as Chuck E. Cheese's for adults – started construction in November. It is being built in a now-empty lot near Friant Road and Highway 41 just west of Applebee's.

It is expected to open sometime in 2016, though no specific date has been set.

Hobby Lobby, a popular craft, hobby and home decor store, is slated to open within the first three months of 2016 – though that may be pushed back if construction takes longer than expected.

The store will be on Blackstone Avenue north of the Goodwill store between Sierra and Herndon avenues. The Fashion Furniture Outlet Showroom and other buildings have been knocked down to make way for it.

Restaurants come and go

A couple of a new restaurants created a ton of buzz when they opened in 2015.

[Ampersand Ice Cream](#), at 1940 N. Echo Ave. near Fresno High School, has become a Fresno favorite. The locally owned ice cream shop with creative scratch-made ice cream flavors such as honeycomb and whiskey caramel draws crowds late into the evening even in winter.

And [The Annex Kitchen](#) quickly became one of the most talked about restaurants in town when it opened in June in the former Pardini's Cafe at 2257 W. Shaw Ave.

The Italian restaurant with a modern twist is headed by chef Jimmy Pardini – who worked under chef Mario Batali and is part of the Pardini's catering family – and is also known for its craft cocktails.

But diners were devastated in 2015 too after as some of their favorites closed, including [Charlotte's BakerEatery](#), the [Silver Dollar Hofbrau](#), farm-to-table gastropub [Guri's GrubHouse](#) and nearby [Swiggs](#) restaurant and bar.

Retail centers open

Two of Fresno's long awaited commercial developments debuted in 2015 after years of legal issues, navigating through the city's approval process and construction.

Fresno State's Campus Pointe, east of the Save Mart Center on Shaw Avenue, celebrated twice. Maya Cinemas, the 2,700-seat movie complex that anchors the development, opened in May, several months later than expected. The first wave of restaurants and retail stores flanking the theater opened one-by-one starting in June then participated in the project's official grand opening celebration in July.

The hang up? A long state permitting and approval process because the project is located on Fresno State land. Lance-Kashian & Co. is the developer.

In northeast Fresno, Zinkin Family Development built its first retail building in the two-decade-old Park Crossing development, formerly known as Fresno 40, along Friant Road at Fresno Street. Sportsman's Warehouse, a Utah sporting goods retailer, opened in the lone building over the July 4th weekend.

Zinkin then started construction on the project's second building, which will house mostly restaurants including The Habit Burger Grill, Jersey Mike's, and Dickey's Barbecue Pit.

Industrial real estate booms

The improving economy and uptick in jobs fueled the construction of Fresno's first new industrial buildings in years, including the county's first speculative project – buildings without a signed tenant.

The vacancy rate dropped from 11 percent in 2010 to 6 percent heading into 2015 creating a tight market for companies looking for new space, industrial real estate brokers said. Nearly a dozen new warehouses and manufacturing buildings were under construction at the beginning of the year.

In August, Diversified Development Group began construction on three large speculative buildings, totaling 553,000 square feet, on 30 acres of land at Central and Minnewawa avenues in Malaga.

Agriculture struggles with drought

A lack of rain and a puny snowpack continued to plague central San Joaquin Valley farmers in 2015, as a statewide drought entered its fourth consecutive year.

Without adequate surface water, many farmers were forced to rely on pumping groundwater to keep their plants and trees alive. Farmers made tough choices about what crops got water and what didn't.

In the Westlands Water District, the largest water district in the San Joaquin Valley, more than 200,000 acres were idled.

Statewide, farmers lost an estimated \$1.84 billion in revenue and 10,100 seasonal jobs.

One of the few bright spots in farming in 2015 was the continued growth of the nut industries – almonds, pistachios and walnuts – along with mandarins and tangerines.

Almonds toppled grapes as Fresno County's top crop for the second consecutive year in 2014, grossing \$1.3 billion. Almonds is expected to again be the No. 1 crop in 2015.

Also growing in abundance was the easy peeling mandarin orange. Acreage of the specialty citrus in Fresno and Tulare counties nearly doubled in one year. Some large-scale tree fruit farmers have bulldozed their acres and are investing in citrus.

While the trend in 2015 was to high-value crops like almonds or citrus, those sometimes came at the expense of raisin grapes, a venerable Valley crop. Raisin farmers have pulled out thousands of acres of grapes in order to plant almonds and mandarins.

Since 2000, raisin acreage has declined 33 percent to 185,000 acres.

Technology's emergence

Technology continues to make a growing mark on Fresno and the Valley in 2015, whether it's a small but growing cadre of technology entrepreneurs launching startup enterprises to the expanding prevalence of solar photovoltaic panels on the roofs of homes and businesses.

[Bitwise Industries](#), the self-described mothership of technology innovation in downtown Fresno, stretched its wings this fall with the opening of a \$7 million expansion at Van Ness Avenue and Mono Street. Bitwise had crammed about a dozen budding companies and a roster of freelancers into about 7,800 square-feet of space for the past two years.

The new Bitwise South Stadium, with about 50,000 square-feet of space, was already fully leased when it opened in late October, said Bitwise CEO Jake Soberal. The building is planned to be home to about 40 technology companies, from established and growing firms to one- to two-person startups. It also houses the relocated Hashtag Fresno, a "co-working" space for freelancers or home-based tech workers to brainstorm and collaborate with others. Hashtag moved from its original Tower District digs, where space constraints limited its membership to about 200. The new Bitwise location can accommodate up to 800 members.

Soberal estimates that between the tenant companies, Hashtag Fresno and a growing list of Geekwise Academy classes in software coding and website development, the building will attract 800 to 1,000 technologists daily to downtown Fresno. The original Bitwise Mural District location at San Joaquin and L streets remains in operation.

On the solar technology front, nearly 80 megawatts of solar power-generating capacity has been installed in Fresno County in recent years under the [California Solar Initiative](#), according to data from the California Energy Commission. Tulare County accounts for about 51.7 megawatts of solar, while another 28.2 megawatts worth of solar systems have been installed in Kings County. All three counties rank among the 20 California counties with the greatest number of megawatts of installed solar projects.

One megawatt of generating capacity is typically estimated to meet the power needs of about 500 homes.

Staff writers Bethany Clough, BoNhia Lee, Robert Rodriguez and Tim Sheehan contributed to this report.