



HUGHSON ECONOMIC DEVELOPMENT COMMITTEE

A G E N D A REGULAR MEETING 5:30 P.M.

Council Chambers
7018 Pine Street, Hughson CA
City Hall

February 27, 2012

CALL TO ORDER:

ROLL CALL:

Mayor Pro Tem Matt Beekman
Councilmember George Carr
Councilmember Jeramy Young
Business Member Marie Assali
Business Member Jim Duarte

Staff to be Present: Bryan Whitemyer, City Manager

AMERICANS WITH DISABILITIES ACT/CALIFORNIA BROWN ACT NOTIFICATION FOR THE CITY OF HUGHSON

This agenda shall be made available upon request in alternative formats to persons with a disability; as required by the Americans with Disabilities Act of 1990 (42 U.S.C. Section 12132) and the Ralph M. Brown Act (California Government Code Section 54954.2).

Disabled or Special needs Accommodation: In compliance with the Americans with Disabilities Act, persons requesting a disability related modification or accommodation in order to participate in the meeting and/or if you need assistance to attend or participate in a City Council meeting, please contact the City Clerk's office at 209 883-4054. Notification at least 48-hours prior to the meeting will assist the City Clerk in assuring that reasonable accommodations are made to provide accessibility to the meeting.

WAIVER WARNING

Waiver Warning: If you challenge a decision/direction of the City Council/Redevelopment Agency/Economic Development Committee in court, you may be limited to raising only those issues you or someone else raised at a public hearing(s) described in this Agenda, or in written correspondence delivered to the City of Hughson at or prior

RULES FOR ADDRESSING Economic Development Committee

Members of the audience who wish to address the City Council are requested to complete one of the forms located on the table at the entrance of the Council Chambers and submit it to the City Clerk. **Filling out the card is voluntary.**

PUBLIC COMMENT

Members of the Audience may address the Committee on any item of interest to the public pertaining to the City and may step to the podium, State their name and City of Residence for the record (requirement of Name and City of Residence is optional) and make their presentation. Please limit presentations to five minutes. Since the Committee cannot take action on matters not on the agenda, unless the action is authorized by Section 54954.2 of the Government Code, items of concern, which are not urgent in nature can be resolved more expeditiously by completing and submitting to the City Clerk a "Citizen Request Form" which may be obtained from the City Clerk.

BUSINESS – CONSIDER THE FOLLOWING:

- 1) Review and Approve the Minutes from the January 23, 2012 meeting.
- 2) Discuss Opportunities to Market Downtown Businesses.
- 3) Discuss the LOVE Hughson Event and Citywide Garage Sale on April 28.
- 4) Discuss City of Hughson Small Business Revolving Loan Fund Program.
- 5) Discuss Economic Development Strategic Plan.
- 6) Status Update on the Redevelopment Agency.

EDC REPORTS AND COMMENTS:

ADJOURNMENT:

****Materials related to an item on this Agenda submitted to the Committee after distribution of the Agenda packet are available for public inspection in the City Hall office at 7018 Pine Street during normal Business hours and at Committee meetings.***

****These documents are also available on the City of Hughson website at www.hughson.org subject to staff's availability to post the document before the meeting.***

CERTIFICATION

I, Dominique Spinale, Deputy City Clerk, or his/her designee, do hereby declare under penalty of perjury that the foregoing Agenda was posted on the outdoor bulletin board at the Hughson City Hall, 7018 Pine Street, Hughson, CA., and made available for Public Review, prior to or on this 24th day of February 2012 before 5:00 p.m.

Dominique Spinale, Deputy City Clerk

DRAFT

City of Hughson



Economic Development Strategic Plan

September 26, 2011

1. INTRODUCTION:

The purpose of this document is to provide a guideline for taking actions that will strengthen economic growth in the City of Hughson. This strategic plan is intended to sustain the quality of life that is enjoyed by residents and to attract new investment that expands and diversifies the economic base of the community.

In 2005, a document called “Hughson Economic Strategy” was prepared for the City by Applied Development Economics. The economic environment in 2011 is much different than that of 2005 so we need to be careful in what information is utilized from this report. However, there are some very useful aspects of the report that can still be used today. Some information found in this document is taken from the 2005 Hughson Economic Strategy document.

Economic Development Vision

The City of Hughson will become a premier California city known for its high quality of life, healthy business centers, and well paying jobs. Additionally, the City of Hughson will be known by the business and economic development community for being fair, consistent and timely in the review and approval processes for commercial and industrial development and business-related permits.

Economic Development Mission

To promote the development of infill properties, foster the creation of jobs, and streamline the development process. Promote the retention and expansion of existing businesses and provide opportunity for our youth, families, and community to succeed.

2. **RETAIL ANALYSIS:**

This section is still under development. The City is partnering with the Stanislaus Alliance and will be working with them on this effort.

Partnership with the Stanislaus Alliance:

The City recently entered into a Memorandum of Understanding (MOU) with the Stanislaus Alliance. Some of the activities the Alliance will be performing on behalf of the City are listed below:

1. Will provide a comprehensive scope of economic development services in mutual coordination and cooperation with the City and encourage the attraction of new businesses, the retention and expansion of existing businesses, the development of an entrepreneurial process, and the development of new business sites.

2. Will assist the City to develop a written economic development strategy outlining the goals of the City toward job creation and business development.
3. Will conduct a proactive marketing strategy that will include assisting the City in the creation of marketing materials for site promotions, participate in specific industry trade shows, conduct calling missions on industry relocation executives, site selection consultants and real estate brokers to promote and market the City and Stanislaus County for consideration of relocations.
4. Will provide the City with reports, statistics, retail gap analysis, benchmarking data, and demographic information as requested by the City.
5. Will provide quarterly progress reports to the City's council and staff.
6. Will assist the city in their pursuit of a grocery store in the community
7. Will provide a retail gap analysis from Claritas
8. Will assist the city in the creation of an entrepreneurial center/incubator in the city's surplus office building
9. Will make referrals to the entrepreneurial center from all locations in the county.
10. Will assist the city to prepare a forty-acre site suitable for an industrial or business park location
11. Will work with city officials and property owners to facilitate retail in-fill projects in the downtown area

3. SWOT – STRENGTHS WEAKNESSES OPPORTUNITIES THREATS ANALYSIS

The opportunity to recruit new business, to *keep* existing ones, and to revitalize existing commercial areas is affected by a number of factors, including the availability and price of competitive business sites, the readiness of infrastructure to accommodate business expansions and relocations, and future regional transportation and development patterns. While we may not always think of Hughson as competing with Modesto and other cities, its economic fate hinges on its competitive position.

The SWOT analysis identifies the area's leading strengths, weaknesses, opportunities, and threats for economic development. The SWOT analysis provides a systematic scan of the current and anticipated future economic development. A well thought-out SWOT analysis leads directly to the following set of prioritized physical, marketing, and policy actions:

Strengths the community can promote;
Weaknesses the community acknowledges or fixes;
Opportunities the community can prepare for;
Threats the community mitigates if at all possible.

INTERNAL FORCES: STRENGTHS & WEAKNESSES

Internal forces are characteristics of the community that local actions tend to be able to influence in either the short or mid-term. Internal forces are usually defined in terms of strengths and weaknesses. The best way to determine whether a factor is a strength or weakness is by comparison with other cities and counties. Comparisons with other areas provide a benchmark of progress.

Strengths are assets or factors that give a community its competitive advantage and make the area an attractive place to be.

Weaknesses are factors or trends that are obstacles or constraints to economic development. Weaknesses can take on several forms; they can be social, physical, financial, regulatory, operational, and so forth. In the case of business, weaknesses are factors of local economy that make it difficult for a business to start, operate profitably or grow.

Neutral factors are those assets or factors that are neither strengths nor weaknesses or do not apply. Not all factors will be able to be categorized as a strength or weakness, for example, offering a tax incentive that is similar to those found in other areas. Nevertheless, these factors may be critical to the overall economic plan or strategy.

EXTERNAL FORCES INFLUENCING THE LOCAL ECONOMY

External forces are those economic factors that are driven by outside forces, and are thus generally outside of the influence of local actors. Examples of external factors include:

- Trade policy and exchange rates
- Regulatory (state and federal) changes
- Actions of other governmental bodies
- Export/import trends
- Industrial sector shifts
- Social and political changes
- Demographic trends
- Technological changes

External factors can represent economic opportunities or threats. Recent business downsizing, for example, poses a threat in terms of job losses, but it also presents an

opportunity: as a firm sheds activities that it normally conducted in-house, whether high-tech activities such as research and development or low-technology and back office activities such as printing, it creates opportunities for business in those areas. Downsizing also means that the remaining business is a stronger, more viable operation.

Opportunities are conditions external to the community that make it easier or possible to develop competitive advantages. This includes structural changes in the economy, demographic changes in the community, technological changes and so forth.

Threats are unfavorable trends or developments external to the economy that can lead to a loss or decline in a community's competitive advantage or economy in general.

DOWNTOWN COMMERCIAL

- The city should work with building owners to renovate the key buildings along Hughson Avenue, particularly the theater building and other buildings in that block on both sides of the street.
- The City should support and enhance existing retailers and offices, particularly the florists, grocers, safe company, Braden Farms and medical office users, and the community center services on Third Street.
- Because of the strong food processing/agricultural focus of the area, the city can consider a campaign to attract visitors via an agri-tourism program, with the downtown and various local fruit stands, retail establishments, and farmers markets constituting the core of a bundled package for tours and other ag-related activities. As part of the Agri-tourism scheme, the City and Chamber and Downtown organization can create a Hughson downtown commercial brochure or flyer and can mail it to all residents using the Post Office's mailing services. It can be mailed three times spaced at two-week intervals, and can be timed to coincide with a weekend festival or other event.
- The city should also:
 - Actively help existing retailers expand in categories showing leakage, particularly those categories that do not have enough leakage to support another store. The city should assist those retailers get other forms of small business assistance, including training, financing and technical assistance. Invite the SBDC, Alliance staff, Siroli Institute and others to conduct small business seminars;
 - Recruit new retailers in local-serving and convenience categories showing significant leakage, particularly in general merchandise/dry goods, specialty retail and restaurants.
 - Make sure all key buildings stay well maintained and fully leased.
- Continue to improve streetscape the entire length;
- Strengthen the downtown's restaurant offerings and promote its reputation as an evening dining spot. This can also be done in conjunction with the agri-tourism development.

- Expand the Chamber's services and programs. Organize downtown merchants using Main Street Principles.
- Install signs directing drivers to downtown on Whitmore and Hatch approaching Santa Fe, and on both directions of Santa Fe.
- Continue to locate as many new and expanding retailers as possible in the Downtown storefronts, moving warehousing/storage to side streets, continuously improving the downtown image along the way.
- Continue seeking grants for all projects as they are completed in priority order.

INDUSTRIAL

- The growth of the city, and in particular its industrial area, is dependent on expanding the existing sewer capacity and its water supply capacity. This important effort should be completed ASAP. As soon as water and sewer serve the industrial area it can be marketed to larger food processors and other manufacturers as well as general industry;
- The City should continue to participate in Stanislaus Alliance activities, including recruiting new industry and other joint marketing programs.
- The city should create its own industrial attraction brochure or flyer, and should actively market the city's industrial land.

4. ECONOMIC OPPORTUNITY AREAS (This section was taken from the 2005 Report. Additional review is necessary to see if these industry areas are still a good fit for Hughson.)

COMMERCIAL OPPORTUNITY AREAS

FOOD AND AGRICULTURE SERVICES AND WHOLESALERS:

- Soil and crop preparation
- Farm management
- Veterinarian
- Labor contracting and harvesting services
- Landscaping and horticultural services
- Groceries, fresh fruit and vegetable wholesalers
- Farm supply wholesalers

HEALTH SERVICES, INCLUDING:

- Nursing and personal care services
- Residential care
- Specialty outpatient care
- Skilled nursing facilities
- Health and allied services
- Offices and clinics of doctors of medicine
- Medical and hospital equipment wholesalers

OTHER WHOLESALERS

- Scrap and waste materials
- Electrical apparatus and equipment

REGIONAL RETAIL OPPORTUNITIES (STORES)

- Apparel stores
- General merchandise
- Specialty retail
- Small supermarket
- Restaurants
- Building materials and home furnishings stores
- Gas stations

INDUSTRIAL TARGET AREAS

LUMBER AND WOOD PRODUCTS MANUFACTURING, INCLUDING:

- Wood buildings and mobile homes
- Wood containers
- Millwork, plywood and structural members

FABRICATED METAL PRODUCTS MANUFACTURING, INCLUDING:

- Fabricated structural metal
- Metal forgings and stampings
- Plumbing and heating

RUBBER AND PLASTICS PRODUCTS MANUFACTURING, INCLUDING:

- Miscellaneous plastic products, including bottles
- Rubber and plastics products, not elsewhere classified

INDUSTRIAL MACHINERY AND EQUIPMENT MANUFACTURING, INCLUDING:

- Special dies, tools, jigs and fixtures
- General industrial machinery
- Farm and garden machinery

HOUSEHOLD AUDIO AND VIDEO EQUIPMENT MANUFACTURING

PRIMARY METALS MANUFACTURING, INCLUDING NONFERROUS CASTINGS

CORRUGATED BOXES MANUFACTURING

OTHER GOODS PRODUCERS AND LIGHT INDUSTRY OF ALL TYPES, INCLUDING

- Contractors, Manufacturers
- Warehousing
- Auto and Truck Repair

- Storage Yards

5. ECONOMIC GOALS AND STRATEGIES

I. IMPROVE THE ECONOMIC VITALITY OF HUGHSON'S DOWNTOWN COMMERCIAL CORE

A. ESTABLISH AND IMPLEMENT A DOWNTOWN REVITALIZATION PROGRAM

1. Identify and remove or upgrade buildings that do not meet the Uniform Fire Code or the Uniform Building Code. Use the RDA to provide incentives for property owners to replace or upgrade their buildings in the downtown commercial core with particular focus on properties along Hughson Avenue.
2. Reserve the first floor of all downtown buildings for retail activities.
3. Create a focal point for downtown that attracts pedestrian activity. This could be a theatre or other entertainment venue with a grouping of open-air restaurants, cafes and bookstores.
4. Use attractive signage and landscaping at city gateways to direct travelers to businesses in the downtown area.

B. ESTABLISH A BUSINESS ATTRACTION STRATEGY THAT TARGETS APPROPRIATE COMMERCIAL ACTIVITY

1. Establish a joint City/Chamber committee to recruit new business to the City and to recommend improvements to the downtown business area.
2. Identify available properties for building or expanding commercial uses to accommodate the type of new or expanded businesses where retail sales leakage is expected as described in this report.
3. Upgrade all utilities and infrastructure, including parking, to accommodate future commercial activities.
4. Conduct a survey of a sample of Hughson households to obtain information about household shopping habits and preferences by store type and location. Survey findings could be used to tailor a retail business attraction strategy.

II. DEVELOPING AND IMPLEMENT AGRI-TOURISM ENHANCEMENT AND PROMOTIONS STRATEGY

STRATEGIES

- A. Catalog existing Agri-Tourism activities within and around the city
- B. Create a brochure or page on the City's website that promotes agri-tourism in the area;

- C. Coordinate promotion efforts with surrounding cities in Stanislaus County that may already be promoting tourism.
- D. Identify additional suitable areas of the city where typical agritourism uses would be appropriate. Ensure that existing zoning allows for such uses as:
 - Agricultural tours and museums;
 - Antique stores;
 - Bed & breakfast inns;
 - Bike rental services;
 - Cafes when accessory to allowed agricultural uses;
 - Farm stays;
 - Fruit and vegetable sales when accessory to farm operations;
 - Hay rides;
 - Horse boarding and riding trails;
 - U-Pick farm operations;
 - Wineries and accessory wine tasting rooms;
 - Other similar uses.
- E. Link entrepreneurs interested in establishing an agri-tourism business with appropriate resources, including the UC Davis Small Farm Center, the Stanislaus Alliance, the Great Valley Center, the Small Business Development Center and the Small Business Administration.
- F. Continue to organize and plan an annual Hughson Harvest Festival. Advertise in local, regional and national media, such as Sunset Magazine, the Modesto Bee, Sacramento Bee, Bay Area newspapers and online.
- G. Initiate a regular farmer's market to take place on Hughson Avenue. Advertise in local and regional media and online

III. IMPROVE THE ECONOMIC VIABILITY OF THE CITY'S INDUSTRIAL AREAS

STRATEGIES

- A. Make upgrading the city's water supply and waste treatment capacity a top priority
- B. Recruit new businesses to industrial areas.
 - 1. Develop an industrial attraction brochure or flier and place on city's website. The brochure should contain a map of all available industrial lots—^their size, access and existing infrastructure.
 - 2. Work with Stanislaus Alliance to recruit new businesses to Hughson.

Economic Development Goals

Business Development Goals

Activity	Description	Timeline	Resources	Update
Business Development Services	Raise level of awareness of the business development services of the Stanislaus Alliance			
Commercial Development	Inventory available storefronts, vacant commercial properties		Gather input from real estate listings and property owners	
Business Park Development				

Branding

Activity	Description	Timeline	Resources	Update
Update community profile, Website, Relocation Brochure and Welcome Package				
Business Directory/Database	Partner with Hughson Chamber of Commerce to create Hughson Business Directory and Database			
Community Design Guidelines	Develop ways to implement Design Guidelines in existing businesses without overburdening the business			