



CITY OF HUGHSON  
**ECONOMIC DEVELOPMENT COMMITTEE MEETING**  
CITY HALL COUNCIL CHAMBERS  
7018 Pine Street, Hughson, CA

**AGENDA**  
**MONDAY, JULY 27, 2015 - 5:30 P.M.**

**CALL TO ORDER:**

**ROLL CALL:**

Mayor Matt Beekman  
Councilmember George Carr  
Councilmember Jeramy Young  
Councilmember Harold "Bud" Hill (Alternate)  
Business Member Marie Assali  
Business Member Jim Duarte

Staff to be Present:

Raul L. Mendez, City Manager  
Jaylen French, Community Development Director

---

**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

Members of the audience may address the City Council 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 City Council 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.

**2. NEW BUSINESS:**

- 2.1:** Approval of Minutes of the June 22, 2015 EDC Regular Meeting.
- 2.2:** Business Assistance Funds Request by Kids First Learning and Daycare.
- 2.3:** Lease Request by Holtzclaw Compliance Services of Offices at the Hughson Small Business Incubator.

- 2.4: Update on the City's Economic Development Projects (Dollar General, Hughson Farmers' Market, Hughson Fruit and Nut Festival, Hughson Downtown, etc.).

### **3. EDC COMMENTS:**

### **ADJOURNMENT:**

#### **WAIVER WARNING**

If you challenge a decision/direction of the City Council 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 to, the public hearing(s).

#### **RULES FOR ADDRESSING CITY COUNCIL**

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

#### **AFFIDAVIT OF POSTING**

**DATE:** July 24, 2015 **TIME:** 5:00pm  
**NAME:** Marilyn Castaneda **TITLE:** Management Intern

#### **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.

#### **Notice Regarding Non-English Speakers:**

Pursuant to California Constitution Article III, Section IV, establishing English as the official language for the State of California, and in accordance with California Code of Civil Procedures Section 185, which requires proceedings before any State Court to be in English, notice is hereby given that all proceedings before the City of Hughson City Council shall be in English and anyone wishing to address the Council is required to have a translator present who will take an oath to make an accurate translation from any language not English into the English language.

**General Information:** The Economic Development Committee meets in the Council Chambers on the fourth Monday of each month at 5:30 p.m., unless otherwise noticed.

**EDC Agendas:** The Economic Development Committee agenda is now available for public review at the City's website at [www.hughson.org](http://www.hughson.org) and City Clerk's Office, 7018 Pine Street, Hughson, California on the Friday, prior to the scheduled meeting. Copies and/or subscriptions can be purchased for a nominal fee through the City Clerk's Office.

**Questions:** Contact the City Clerk at (209) 883-4054



CITY OF HUGHSON  
**ECONOMIC DEVELOPMENT COMMITTEE MEETING**  
 CITY HALL COUNCIL CHAMBERS  
 7018 Pine Street, Hughson, CA

**MINUTES**  
**MONDAY, JUNE 22, 2015 - 5:35 P.M.**

**CALL TO ORDER:**

**ROLL CALL:**

Mayor Matt Beekman  
 Councilmember George Carr  
 Councilmember Jeramy Young  
 Councilmember Harold "Bud" Hill (Alternate)  
 Business Member Marie Assali - Absent  
 Business Member Jim Duarte - Absent

Staff to be Present: Raul L. Mendez, City Manager  
 Jaylen French, Community Development Director

---

**1. PUBLIC BUSINESS FROM THE FLOOR (No Action Can Be Taken):**

Members of the audience may address the City Council 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 City Council 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.

**2. NEW BUSINESS:**

**2.1:** Approval of Minutes of the May 26, 2015 EDC Regular Meeting.

Motion by Mayor Beekman seconded by Councilmember Hill (4-0)

**2.2** Update on the Hughson Farmers' Market 2015.

The Community Development Director provided an update on the Hughson Farmers' Market that began on May 28, 2015. Information regarding attendance, vendor participation and new elements was provided.

**2.3:** Review of the Stanislaus County Comprehensive Economic Development Strategy (CEDS) - Hughson.

The Economic Development Committee provided input to the draft prepared by the City Manager of the Stanislaus County Economic Development Strategy – Hughson section. The City Manager incorporated the suggested edits and modification and would be submitting to the Stanislaus County Chief Executive Office for inclusion with pending update. Councilmember Hill is the City of Hughson Representative on the Stanislaus County Economic Development Action Committee that has oversight over the CEDS document to ensure that it is kept current to make possible application by Stanislaus County and the incorporated cities of Federal Economic Development Administration (EDA) funding.

**2.4:** Discuss Committee's Areas of Focus for Fiscal Year 2015-2016.

The City Manager invited discussion on the Economic Development Committee's focus for the upcoming fiscal year. The EDC directed staff to continue efforts to increase participation in the City's Business Assistance Program, support events and activities in the downtown, promote the Hughson Small Business Incubator and utilization of available office space, support local business for sustainability and expansion and pursue business attraction activity that would complement local environment. The EDC directed staff to continue working with the Stanislaus Business Alliance, the Hughson Chamber of Commerce and the Hughson Small Business Development Center in this regard.

**3. EDC COMMENTS:** None

**ADJOURNMENT:** 6:35pm

**To:** City of Hughson Economic Development Committee  
**Subject:** Request for Business Incentive Funds for the Remodeling of an Existing (Successful) Business – Kids First Learning Center & Daycare  
**From:** Nancy Juarez, Owner

---



## **INTRODUCTION**

Kids First Learning Center & Daycare (“Kids First”), located at 2419 Charles Street, is a preschool and daycare designed to prepare young students for Kindergarten.

Kids First was started in Hughson as a small in-home daycare with a capacity of 6 to 8 children. The need for quality and affordable child care was in such high demand that within a few months Kids First applied for and received a license for a large daycare home with a capacity of 12 to 14 children. We quickly reached our capacity under the large daycare designation. The success of Kids First prompted us to acquire a larger facility in which to eventually expand into a small daycare/preschool center with a capacity of 30.

## **GOAL**

The goal of Kids First is to obtain a license as a “Center”. This would allow for approximately double the capacity and provide more local families with quality and affordable childcare in the area. We are already providing a safe, fun, nurturing and educational environment for children. Kids First provides nutritious homemade meals and snacks at no additional cost to the families. We promote a healthy life style through our food program and our music and movement activities. All families with young children, of which there are many in this family friendly community, even the children of stay at home parents will benefit from Kids First preschool and kindergarten readiness programs.

## **LOGISTICS**

### *Location Analysis*

Hughson is a city with a small town feel. It's a desirable place to live and raise children. The City sits between the cities of Turlock and Modesto, making it a convenient location for parents to drop their child off and then head to work. Additionally, Kids First is located directly across from Hughson elementary school, which makes it convenient for parents with multiple children to drop off their children. Not to mention one of the services that Kids First provides is school drop-off for busy parents.

### *Established Customers*

Kids First has reached its current capacity of 12-14 students at one time in the facility; however there is a total of 23 children enrolled. The waiting list is growing longer by the day with anywhere between 1 to 5 new inquiries a week. I project, once Kids First is designated a center, we will reach capacity (30) at one time in the school within the first three months of operation.

We have been very successful in this area for almost four years now. It's now time to expand!

#### *Benefits to City and to Downtown*

Kids First is centrally located in Hughson's downtown area, adjacent or in close proximity to local markets, shops, restaurants and health care providers. Residents as well as those that live outside of the City are able to easily utilize these businesses or restaurants to run errands conveniently before or after the work day as the drop-off or pick-up their child(ren). This benefits the City by bringing more people into downtown and thus more potential customers for the businesses downtown.

#### *Organizational Timeline*

In order for Kids First to reach this goal of becoming a Center with a capacity of 30, the building itself needs to be remodeled and expanded. After much consideration and review of the requirements of a Center, we have determined that two child bathroom stalls and two sinks need to be installed, one set for each 15 students. Further, walls will need to be taken down and/or moved to provide an open and more functional space. Drinking fountains are very much needed in our outside play yard. To be designated a Center, these improvements are required prior to submittal of the application to the State to be designated a Center. We estimate that the remodeling project would take approximately 1 to 2 weeks. However, we currently require additional funds to complete this needed project.

We have worked hard to raise money. We are currently holding several fund raisers. As of today, July 15, 2015 I've raised approximately \$500 with my GoFundMe site. I also have an EZFund order circulating through my clients and others. With this fund raiser we are selling snacks and treats for 45%-50% profit. I will know the outcome of the EZFund fundraiser by the 24<sup>th</sup> of June.

Additionally, in November 2014, I held a lasagna dinner fundraiser to help fund a sprinkler system and sod for the front yard area of the facility. The fundraiser was successful enough to also be able to have the outside of the building painted as well. We feel that the property looks much better now than in the past because of these efforts.

It is felt that we have done as much as we can on our own and I am now asking for help from the City to help expand this important and successful business.

A bid for this project is attached. Most of this work can be done by my husband, who is a contractor as well as contractor friends of the family. This is a benefit as it will keep the cost down.





Hughson Business  
Incubator  
Application  
For Office Space at  
7012 Pine Street  
Hughson, CA 95326  
(209) 883-4054

Thank you for your interest in Hughson's Business Incubator. Please complete the application as thoroughly and accurately as possible. Some questions may not be applicable to your business. The City of Hughson staff will keep confidential all business information submitted in this application.

#### Application Checklist

- Business plan outline **To be developed: Existing business with \$350K annual revenues Will have Principal plus three employees.**
- Resumes or bios of management team and owners (if not in business plan) **See Website**
- Completed application
- Most recent financial statements (if existing business)

#### Understanding of Expectations

There are five key expectations that you must agree to prior to approval of a lease. These expectations exist to ensure the mission of the Hughson Business Incubator is being achieved and to ensure a greater level of success for businesses. Please initial next to each expectation to indicate an understanding of each.

##### **Expectation #1**

LH \_\_\_ Commitment to develop marketing plan within the first 90 days of occupancy.

##### **Expectation #2**

LH \_\_\_ Regular participation in Alliance activities (at least three networking/educational events within first 6 months).

##### **Expectation #3**

LH \_\_\_ Maintain a current city business license. **Current license is issued to Hughson Travel, the first business established in 2011. That portion of the business is less than 2% of revenue, but does have a small amount of activity. Will amend current License to new business name. LH**

##### **Expectation #4**

LH \_\_\_ Ability to meet financial obligations (six months of capitalization). **See financials attached**

**Expectation #5**

\_\_\_\_\_ Your business will launch within 6 to 18 months from lease entry and every effort will be made on your behalf to locate within the city limits of Hughson. **We are actively looking for space within Hughson, but none currently exists.**

Company Information

Business Name:	Holtzclaw Compliance
Business Owner Name	Lizabeth "Liz" and Bryan Holtzclaw
Please check:	<input checked="" type="checkbox"/> (A) Business in operation <input type="checkbox"/> (B) Proposed business not yet in operation.
Business description:	Provide Business and Compliance consulting services to manufacturers and importers of wine, spirits, cider and beer.
Address:	2100 Thomas Taylor Drive Hughson
Telephone:	209-883-7031
E-mail:	Liz.holtzclaw@holtzclawcomp.com
Website (if available)	www.holtzclawcomp.com
When was the business started (month/year)	2012 (Hughson Travel 2011)
Is this business a sole proprietorship, partnership, corporation, or non profit:	Sole Proprietorship, husband and wife
If applicable: Partner Name & Contact information	N/A

I certify that all of the statements made on this application are true, complete, and correct to the best of my knowledge and belief and are made in good faith. I understand that any false or omitted information, which I may or may not give, may result in denial or termination of office lease. I authorize the City of Hughson to verify all statements.

7/8/2015

Signature

Print Name

Date

**Key Terms and Conditions  
For  
Lease Agreement**

1. Lessor: City of Hughson.
2. Lessee: Bryan and Liz Holtzclaw, Owners, Holtzclaw Compliance /Hughson Travel.
3. Term of Lease: Month-to-Month Tenancy scheduled to commence on \_\_8/1/2015\_\_\_\_\_.
4. Cancellation: Upon sixty (60) days written notice.
5. Rent: \$200/month by 10<sup>th</sup> day of each month. 2% late fee.
6. Utilities: Not required.
7. Security Deposit: Not required.
8. Subletting: Not permitted.
9. Insurance: Recommend Lessee purchase liability insurance to insure against loss. Business carries \$1 million each General Liability and Professional Liability.
10. Indemnification: Lessee shall hold harmless and indemnify Lessor from and against any all damage or claims that may arise during normal operation of Lessee's business.
11. Lessee will be allowed to install separate Internet and telephone services at lessee's own expense. Sensitive nature of client's confidential information requires robust security of servers that cannot be accomplished with shared internet service.

Raul and Jay,

Had a nice phone conversation with Liz Holtzclaw this morning. We are meeting Friday morning at 8:00 in Hughson.

Can we get into the Incubator space at that time? If not is there an office at City Hall we could use?

No surprise to you but, based on my interview of her today I feel that Ms. Holtzclaw meets all the "Acceptance Criteria" for the Incubator, except having a current business plan. I am sending her a very simple Business Plan template along with a financial projection template. She will work on it the next couple of days and we will review on Friday. Her intention is to have it completed and available at the EDC/City Council meeting on Jul 27<sup>th</sup>. It is my recommendation that staff recommend to committee and council that her application to the Incubator be accepted and the 1 yr. lease approved. I will stop by and update you on any additional information after my meeting with her on Friday.

Please let me know if you have any questions or additional needs regarding this client.

My Best!

Kurt

Kurtis Clark - Director  
1020 10th Street, Suite 102  
Modesto, CA 95354  
P: (209) 567-4912  
[www.AllianceSBDC.com](http://www.AllianceSBDC.com)



The Alliance Small Business Development Center (SBDC) promotes economic vitality and prosperity throughout Mariposa, Merced, Stanislaus and Tuolumne Counties by providing no-cost professional business consulting and low-cost training to entrepreneurs and small business owners.

# **CITY OF HUGHSON SMALL BUSINESS INCUBATOR**

## **ACCEPTANCE CRITERIA**

The Hughson Small Business Incubator is meant to provide the starting point for a business venture to grow, mature and ultimately move on to become a successful member of the greater business community. Thus, acceptance to the program requires a selection process that increases the probability of success. Applicants will be referred to the Alliance Small Business Development Center (SBDC) to determine if an applicant qualifies for admission to the Hughson Small Business Incubator.

The following represents the qualification criteria that the SBDC will utilize for admission consideration:

- The company must be a start up or fledgling business usually less than two years old. An older business might be considered if there has been a major change in market, products or ownership.
- The company must have a complete business and financial plan endorsed by the Alliance Small Business Development Center.
- There must be a stated intent to remain in Stanislaus County.
- The company must demonstrate a sufficient capital or revenue stream to cover operating expenses and cost of goods for a minimum of six months.
- There must be a potential to create employment.
- Willingness to conduct business in an open, collaborative and cooperative fashion to include the coaching and consulting requirements of the incubator through the Alliance Small Business Development Center.

The SBDC will then recommend qualified businesses to the Hughson Economic Development Committee (EDC).

The EDC then reviews the applicant and decides whether or not to confirm the recommendation from the SBDC.

In the event that the Hughson Economic Development Committee in consultation with the Alliance Small Business Development Center determines in its discretion that the company is not making satisfactory technical, marketing, manufacturing, or financial progress as an incubator tenant or for any other reason it deems appropriate, the City of Hughson can provide notice to the company that its lease will be canceled by providing the company with at least forty-five (45) days notice prior to the date of cancellation.