HUGHSON ECONOMIC DEVELOPMENT COMMITTEE

AGENDA
REGULAR MEETING 5:30 P.M.

Council Chambers
7018 Pine Street, Hughson CA
City Hall

April 23, 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 to the meeting.

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 March 26, 2012 meeting
2) Review and Discuss Hughson Business Incubator Application Documents
3) Chamber of Commerce Status Update
4) Meet Main Street Event Update
5) Discuss Public Policy Institute of California – California Economy Document
6) Other

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 22th day of April 2012 before 5:00 p.m.

Dominique Spinale, Deputy City Clerk
March 26, 2012

CALL TO ORDER: 5:33pm

IN ATTENDANCE: Mayor Pro Tem Matt Beekman
Councilmember George Carr
Business Member Marie Assali
Business Member Jim Duarte

ABSENT EXCUSED: Councilmember Jeramy Young

STAFF PRESENT: Bryan Whitemyer, City Manager and Thom Clark, Community Development Director

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 February 27, 2012 meeting

   Member Carr provide motion and the motion for approval was seconded by Member Beekman. The minutes were unanimously approved.

2) Discuss Shop Hughson Campaign.

   Staff presented the Shop Hughson flyer that was distributed in the March 2012 utility insert.

   It was suggested that we approach the Chronicle to see if they could publish the flyer in the paper. The committee also discussed have a special “Meet Main Street Event” in the late spring to encourage residents to patronize local businesses.

   It was suggested that the “Meet Main Street” event coincide with the Fire Districts Chicken BBQ event that will be held on May 12. The goal would be to encourage residents to participate in the BBQ and then visit the stores on Main Street (Hughson Avenue). Bryan Whitemyer will contact the Fire District to see if they are open to the idea.

   Member Duarte mentioned that the Duarte Nursery is having a special event on May 4th and offered the City booth space to market our local businesses.
3) Developer Impact Fee Comparison

The committee reviewed the Developer Impact Fee comparison and suggested that the City look at ways to modify the fees so that it makes the City more competitive for commercial and industrial development.

The cost of the new wastewater treatment plant is the main reason for the high fee total for Hughson. Staff will continue to look for ways to attract new commercial and industrial businesses and will utilize developer agreements to make a deal come together.

4) Discuss Water Infrastructure Planning

Staff gave an overview on the City’s water system infrastructure and described its plans for a non-potable water system that will be constructed using Well #6 near Samaritan Village. The goal is to use Well #6 to irrigate Fontana Park and the new and current High School Sports fields to start. Ultimately, we would like this non-potable water system to provide irrigation water for Ross and Fox Schools as well as LeBright Fields and Starn Park.

EDC REPORTS AND COMMENTS:

ADJOURNMENT: 6:42pm

*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 23rd day of March, 2012 before 5:00 p.m.

Dominique Spinale, Deputy City Clerk
Visit our merchants
For every 5 stamps from the merchants, receive one free entry into the raffle.
CALIFORNIANS REMAIN CONCERNED ABOUT THE ECONOMY
The recent recession reveals important fundamentals about California's economy and shows where some longer-term challenges and growth opportunities lie. While the recession technically ended in June 2009, Californians are still worried about the economy: according to PPIC's December 2011 Statewide Survey, 60 percent believe that the economy will face bad times over the next year. With unemployed Californians spending more time looking for work, on average, than ever before, and employed Californians working fewer hours, family incomes in California continued to decline well into 2010.

The Great Recession and its aftermath have hit California hard—the statewide unemployment rate remains higher than the national rate, and California has more extreme levels of income inequality and a smaller share of families in the middle income range than the rest of the U.S. But long-term historical patterns are still the best guide to California's economic future. Economies tend to return to growth rates and unemployment levels established over the long term, and major industry shifts—such as the transition from manufacturing to services—can take place over decades.

CALIFORNIA'S LONG-TERM ECONOMIC PROSPECTS ARE FUNDAMENTALLY STRONG
The California economy generally keeps pace with the U.S. economy. California consistently experiences higher unemployment and higher costs of doing business than other states, but these are explained or offset by the state's strengths and are likely to remain permanent features of the California economy.

CALIFORNIA JOB GROWTH TRACKS GROWTH IN THE NATION OVERALL

NOTE: Annual change in nonfarm employment, December to December.
California’s economic performance closely tracks that of the nation as a whole.
The broadest measure of California’s economic performance—employment growth—follows the nation’s growth rate very closely. Job growth over the past 30 years has averaged 1.2 percent annually for both the nation and California. In 2010, California employment grew 0.4 percent, just slightly below the national rate of 0.7 percent. Although California is emerging from the recession slightly more slowly, its long-term growth rate is likely to remain similar to that of the nation.

Unemployment is persistently higher in California than in the nation.
In the recession, California’s unemployment rose much higher than the U.S. rate, even though employment growth was only somewhat slower in California than in the U.S. In October 2011, California’s unemployment was 11.7 percent; the national rate was 9.0 percent. But California’s unemployment rate has exceeded the U.S. rate for 20 years, even when its employment growth has surpassed U.S. growth, as it did during the technology boom in the late 1990s. This seeming paradox arises because California’s labor force grows faster than the U.S. labor force: the state’s economy generates jobs at a rate similar to the national rate, but this is not enough to keep up with California’s faster-growing population. So California unemployment is likely to remain above the U.S. level even after it fully recovers from the recession.

Labor market conditions have contributed to sizeable declines in family income.
The trend has turned around since the peak of the Great Recession but California unemployment remains historically high. Moreover, in 2011 the average period of unemployment reached 37 weeks—the longest average since 1948, when this data was first collected. Workers have been employed for fewer hours, on average, and are less likely to work full-time than before the recession. Unemployment and underemployment caused median family income to fall 11 percent in real terms between 2007 and 2010 (for a family of four). Declines were especially steep at the low end of the income spectrum (22 percent), but high incomes also fell (5 percent). These shifts have led to a new extreme in income inequality: in 2010, California’s high income families earned about 12 times more than its low income families (as measured by the ratio of 90th percentile to 10th percentile).
California is a high-cost, high-benefit state.
California workers, on average, earn 12 percent more than the national average—even after adjusting for differences in workers, occupations, and industries. But output per worker in California is 13 percent above the national average, so California's higher productivity fully offsets the higher average wages. All of California's immediate neighbors—Nevada, Oregon, and Arizona—pay their workers less and have lower output per worker.

The "business climate" debate understates California's strengths.
California consistently scores poorly on many business climate rankings that focus primarily on taxes and other costs of doing business. California's economic performance is stronger than these business climate rankings alone would indicate. Businesses locating in California face higher costs but they also enjoy many benefits, such as the skill level of the workforce, the availability of capital and support for new business, and the amenities that make California an attractive place to live.

GROWTH WILL BE UNEVEN
Regional economic differences are dramatic—and persistent.
Economic differences within California are likely to continue. Unemployment tends to be higher in the Central Valley—sometimes considerably higher—than in the urban, coastal parts of the state. This variation is attributable to a different industry mix and to the faster-growing workforce in the inland parts of the state. Even among urban coastal areas, California's regional economies don't move in concert: aside from the recession, in most years some regions of the state grow quickly while others grow slowly or contract. Although the recession has hit inland California hardest, that region's low housing costs will contribute to high growth of the workforce there. The working-age population is projected to grow more than 25 percent between 2010 and 2025 in much of inland California; in California overall, the rate of growth will be 13 percent.

INLAND CALIFORNIA'S LABOR FORCE WILL GROW FASTEST

![Map showing projected growth rate of working-age population by county in California, 2010-2025.]

SOURCE: California Department of Finance.
NOTE: California's projected growth rate, by county, of working-age population, 2010-2025.
**Housing is still expensive and probably always will be.**
Even before this decade's real estate bubble, housing in California was much more expensive than in the nation as a whole. And although housing prices fell more in California than in the nation during the recession, housing remains far more expensive, especially in California's coastal cities. In October 2011, the average U.S. home was worth $148,000; in California, the average home was worth $295,400, according to Zillow. Expensive real estate makes it harder for some businesses to locate in California and attract workers, potentially pushing growth out of state. However, housing prices inland continued to fall in 2011 much faster than coastal prices: a year-over-year decline of 9 percent in Modesto compared to 2 percent in metropolitan San Jose, for example. The growing gap between high house prices on the coast and rapidly falling prices inland could accelerate the inland movement of businesses and households.

**Services will continue to grow; manufacturing will continue to stagnate.**
Manufacturing accounted for only 9 percent of California's employment in October 2011; its share has been declining for decades, and it will continue to be California's slowest-growing sector. During the recession, the construction industry contracted most sharply. Once the existing housing stock has been absorbed by California's growing population, construction employment will rise again, although it will not reach its boom-time levels. The fastest-growing industries over the longer term are projected to be professional services, education, and health care; these are also the sectors least hurt by the recession.

**PROJECTED PRIVATE-SECTOR INDUSTRY GROWTH, 2008–2018**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educational services</td>
<td>27.1</td>
</tr>
<tr>
<td>Professional services</td>
<td>26.4</td>
</tr>
<tr>
<td>Health care</td>
<td>23.9</td>
</tr>
<tr>
<td>Arts, entertainment, and recreation</td>
<td>14.6</td>
</tr>
<tr>
<td>Wholesale trade</td>
<td>13.9</td>
</tr>
<tr>
<td>Administrative services</td>
<td>13.6</td>
</tr>
<tr>
<td>Accommodation and food services</td>
<td>12.6</td>
</tr>
<tr>
<td>Retail trade</td>
<td>9.6</td>
</tr>
<tr>
<td>Other services</td>
<td>9.5</td>
</tr>
<tr>
<td>Construction</td>
<td>9.0</td>
</tr>
<tr>
<td>Transportation, warehousing, and utilities</td>
<td>8.1</td>
</tr>
<tr>
<td>Information</td>
<td>3.6</td>
</tr>
<tr>
<td>Finance and insurance</td>
<td>1.8</td>
</tr>
<tr>
<td>Real estate and rental and leasing</td>
<td>-4.7</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-9.3</td>
</tr>
</tbody>
</table>

*SOURCE: California Employment Development Department.  
NOTE: EDD Employment Growth Projections, 2008–2018 (private sector only).*
LOOKING AHEAD
California’s long-term economic trends reflect strengths but also create pressures that policy must respond to. The most effective economic policies require accurate assessments of California’s economic performance, a balanced view of the state’s competitiveness, and a realistic sense of the state’s strengths and weaknesses.

- **Pursue policies to help create jobs and promote economic growth.**
  Increasing full-time employment is key to California’s recovery. In the short run, hiring credits are likely to create more jobs than worker subsidies. But a thriving California economy is the best route to future employment growth in the short and long run. Economic policy that stimulates business and fosters a strong, skilled workforce are thus crucial to job creation in California.

- **Don’t pin all hopes on one industry.**
  Although many industries—such as motion picture, high-technology, and wine-making—are highly concentrated in California, the state’s economy is in fact very diversified, and its industry mix is quite similar to the national industry mix. Economic policy should reflect the breadth and diversity of the state’s economy. Tempting as it is to identify the next boom industry—such as clean technology—and focus economic development efforts there, booms usually don’t deliver stable, steady growth, as the Internet and housing industries demonstrate. And some hyped industries fail to take off at all. Economic development policy needs to nurture both new, innovative industries that might constitute California’s next boom and established, steadily growing industries such as health care.

- **Promote economic opportunity through education.**
  Education is the key correlate of economic well-being for Californians. Highly educated workers were somewhat protected from the impact of the Great Recession and are likely to do better during future boom and bust cycles. Promoting education is thus an important strategy for ensuring economic opportunity across the income spectrum and addressing income inequality. And because the new economy demands a highly skilled workforce, education has a crucial role in helping California remain economically competitive.
We invite you to dig deeper at ppic.org. Related PPIC resources include:
The Great Recession and Distribution of Income in California
How Can California Spur Job Creation?
Business Climate Rankings and the California Economy
Business Location Decisions and Employment Dynamics in California
Are the Rich Leaving California?

Contact a PPIC expert:
Sarah Bohn

This publication is part of PPIC's Planning for a Better Future project.