



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

AGENDA
TUESDAY, MAY 28, 2019 - 5:30 P.M.

CALL TO ORDER:

ROLL CALL:

Mayor Jeramy Young
Councilmember Harold "Bud" Hill
Councilmember Mark Fontana
Councilmember George Carr (Alternate)
Business Member Marie Assali
Business Member Victor Martino

Staff to be Present:

Raul L. Mendez, City Manager
Lea Simvoulakis, 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 April 22, 2019 EDC Regular Meeting
- 2.2:** Revision to Economic Development Committee Structure
- 2.3:** Welcome to Newly Appointed Business Member Victor Martino
- 2.4:** Review and Discuss City Goals Report (Annual Report Card)

Goal 3: Improve Business Atmosphere in City
Goal 6: Revitalize Downtown

2.5: Update by Opportunity Stanislaus/Hughson SBDC on Local Initiatives and Efforts

2.6: Update on City’s Business Planning/Development/Attraction Efforts and Discussions

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 ECONOMIC DEVELOPMENT COMMITTEE

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

**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.

DATE: May 24, 2019 **TIME:** 5:30pm
NAME: Ashton Gose **TITLE:** Management Analyst

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 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
 HUGHSON CITY HALL
 7018 Pine Street, Hughson, CA

MINUTES
MONDAY, APRIL 22, 2019 - 5:30 P.M.

CALL TO ORDER:

ROLL CALL:

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

Staff to be Present:

Raul L. Mendez, City Manager
 Lea Simvoulakis, Community Development Director

Others Present:

Jim Homer, Hughson SBDC
 Victor Martino, Bella Viva Orchards

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

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2. NEW BUSINESS:

2.1: Approval of Minutes of the March 25, 2019 EDC Regular Meeting.

Motion by Mayor Young, Seconded by Councilmember Hill (3-0)

- 2.2:** Recognize Mr. Jim Duarte for his Service on the Economic Development Committee, Introduce Mr. Victor Martino as His Proposed Successor and Recommend His Appointment to the Hughson Economic Development Committee.

The Economic Development Committee welcomed Mr. Victor Martino, owner of Bella Viva Orchards, who is interested in serving on the Committee to succeed Mr. Jim Duarte. Mr. Martino discussed his interest along with his business background and history in the City of Hughson. Although he resides in the Denair area, his retail operation is in Downtown Hughson on Hughson Avenue (Retail) and Pine Street (Internet). The Committee agreed to recommend Mr. Martino's appointment and also to recognized Mr. Duarte for his time of service.

- 2.3:** Further Discuss and Provide Direction on the Hughson Downtown Revitalization Project

City staff revisited the Hughson Downtown Revitalization Project and its recommendations that called for both public and private investment. These will be discussed in the future as there is an opportunity to implement some of the strategies.

- 2.4:** Update on Upcoming Community Events (Hughson Fruit and Nut Festival, Duarte Nursery Friends Day, etc.)

City staff provided some information regarding some of the upcoming events including the Hughson Fruit and Nut Festival (April 27-28) and Duarte Nursery Friends Day (May 3). The City will be staffing a booth to showcase local initiatives.

- 2.5:** Update on Development Opportunities in Hughson

The Community Development Director provide a brief overview of current housing development interest in the City of Hughson including at Euclid Avenue/Hatch Road and Santa Fe Avenue/Hatch Road.

- 2.6:** Update by Opportunity Stanislaus/Hughson SBDC on Local Initiatives and Efforts

The Hughson SBDC Consultant shared a report regarding his work with prospective and existing businesses (MD Medical Credentialing, ReInvent Art Studio, etc.).

- 2.7:** Update on City's Business Planning/Development/Attraction Efforts and Discussions

The City Manager and Community Development Director shared information regarding recent business planning/development/attraction activity. Included information regarding Callahan Brewing Co., Soapy Bubbles Car Wash, Bamboo Garden, Star Burger, etc. It was also shared that the Hughson Unified School District would be

relocating in June to Ross Middle School which will make vacant their current location with may provide an opportunity for a new or existing business.

3. EDC COMMENTS: None.

ADJOURNMENT: 6:58PM



CITY COUNCIL AGENDA ITEM NO. 3.4

SECTION 3: CONSENT CALENDAR

Meeting Date: May 13, 2019
Subject: Approval to Revise the Structure of the Hughson Economic Development Committee and Consider the Appointment of Victor Martino as a Business Representative
Presented By: Raul L. Mendez, City Manager

Approved By: _____

Staff Recommendations:

1. Approve modifying the number of Hughson Economic Development Committee members to a maximum of three (3) members of the City Council, (1) alternate position for the members of the City Council and (4) business representatives.
2. Appoint Victor Martino to the Hughson Economic Development Committee as a Business Representative.

Background and Overview:

On June 27, 2011, the City Council approved the formation of the City of Hughson Economic Development Committee. The original goal was to have a committee with the following make up:

The committee shall be comprised of five (5) members appointed by and serving at the pleasure of the City Council for terms of two (2) years, with preference given to individuals with professional expertise in agribusiness; commercial real estate financing or development; real estate law; utilities or technology; marketing or merchandising; business or non-profit organization development; training and education; business owners; or participation in business associations and organizations.

The City Manager and Community Development Director shall serve without the right to vote and his/her presence shall not be counted in determining a quorum.

Purpose of the Committee:

The purpose of the committee shall be the following:

1. To develop and advocate for an economic development strategy that maximizes commercial property tax revenues and generates employment opportunities as part of a broader, long-range strategic plan for the community as established by the City Council.
2. To work with staff to assist in the development of a business incubator in Hughson that helps create new businesses that stay in Hughson.
3. To advocate for state and federal legislation and regulations that advance economic development in Hughson.
4. To work with staff to obtain federal and state grant funds to further the economic development strategy; and
5. To support and encourage new businesses seeking to locate in Hughson and existing businesses seeking to remain or expand in Hughson.

On October 10, 2011, the City Council approved designating three members of the Council to the Committee.

On November 28, 2011, the City Council appointed two individuals to serve as Business Representatives on the Committee—Marie Assali, California Grown Nut Company, and Jim Duarte, Duarte Nursery Trees and Vines.

In 2015, the City Council created an alternate position in the event that a member of the Council could not attend a meeting for some.

Revisiting Structure, Recent Resignation and Recommended Appointment

After several discussions regarding the current structure and purpose of the Economic Development Committee in late 2017/early 2018, on April 23, 2018, the Committee directed staff to bring forth a recommendation to increase the makeup to include additional business representatives from key industries. This would add greater diversity on the Committee. City staff is recommending increasing the make-up of the Committee to eight (8) members consisting of three (3) City Council members and (1) alternate position and four (4) business representatives.

Around that time, Mr. Duarte indicated that he would like to step down from his post but would only do so when a strong candidate to succeed him was identified. Earlier this year, Mr. Victor Martino, owner of Bella Vivi Orchards, expressed interest in serving on the Hughson Economic Development Committee after discussing the opportunity with Mr. Duarte.

Bella Viva Orchards, Inc. is a family-owned and operated dried fruit processor. They have been growing fruits and producing dried fruits for over 25 years. They have developed a proprietary method of drying fruits naturally without the use of any additives, preservatives or added sugars while retaining integrity of flavor, nutrition, and texture of dried apples, cherries, peaches, oranges, lemons, and pears. As a market leader, Bella Viva Orchard have set the standard in the industry for natural dried fruit. In 1988, they began in the retail chains with trays and confections and have evolved into a bulk supplier of ready-to-eat naturally dried fruit. Although the farming operation is just outside of Hughson, Bella Viva Orchard has a retail office in Downtown Hughson and its marketing arm in the Hughson Small Business Incubator Center.

Upon approval of staff's recommendation, City staff will advertise the opportunities for the two remaining business representative positions and return back when enough candidates have been identified for formal consideration and appointment.

Fiscal Impact:

There are is no significant fiscal impact associated with this item. Expenses associated with the work of the Hughson Economic Development Committee are already included in the annual budget process.

2018 | CITY OF HUGHSON GOALS REPORT

ANNUAL REPORT CARD – MAY 2019



GOALS & ACTIONS

2018 - 2019 GOALS

1. Complete Applicable Measure L Projects
2. Complete Well No. 7 Replacement Project
3. Improve Business Atmosphere in City
4. Implement Phase I of Portable Observation Devices
5. Improve Viability of and Expand Industrial Area
6. Revitalize Downtown
7. Youth Engagement Initiative
8. Install and Implement Financial Management System
9. Update City Fees
10. Improve City Facilities
11. Develop Long Range Financial Model
12. Complete City Water Consolidation Project

GOALS & ACTIONS

✓ Complete/Significant Progress - ✓ Limited Progress - ✓ Minimal/No Progress

1. Complete Applicable Measure L Projects ✓



On March 11, 2019, the Hughson City Council awarded the Santa Fe Overlay Project (Phase 1) to T&S Intermodal. This initial phase covers approximately 1.2 miles, with project limits being between Hatch Road and Whitmore Avenue. It includes widening Santa Fe Avenue to 28 feet as well as grinding/milling the entire existing roadway and applying an overlay of asphalt concrete at a minimum depth of 4". The project began on April 8, 2019 and was completed on April 18, 2019. The total project cost was approximately \$500,000 including design, engineering and construction. City staff has also complied with all accounting and reporting obligations associated with the Measure L funding.

2. Complete Well No. 7 Replacement Project ✓



On October 8, 2018, the Hughson City Council awarded the Well 7 Replacement Project Phase I to Anthony J. Prieto Water Well Drillings in the amount of \$891,319. This phase of the project that includes improvements to the sewer lift station, underground work, testing, casing and well drilling/development began in January 2019 and is expected to be completed by June 2019, weather permitting. City staff has also complied with all accounting and reporting requirements per Compliance Order No. 03-10-09CO-001. The full \$8.3

million project includes the construction of a new water well site (Hughson Well No. 9), which will include a water treatment system, a 1.0-million-gallon concrete storage/blending tank, as well as the re-drilling of Well No. 5 in a new location on the same parcel (to be called Hughson Well No. 10) and new water distribution pipeline to connect the well sites. The relocation of Well No. 5 required an exchange of property and lot line adjustment that was coordinated with the current owner that was approved by the Hughson City Council on May 14, 2018. City staff anticipates advertising for the next phase of the project in May 2019. The next phase of the project will be for the construction and installation of the storage/blending tank.

3. Improve Business Atmosphere in City ✓

In February of 2018, the Hughson Small Business Incubation Center celebrated its first business



being incubated into a permanent location in the City with the opening of the Holtzclaw Compliance Services offices on Hughson Avenue. The Center has for the last few years been at full capacity with the Hughson Chamber of Commerce, Hughson Chronicle, Bella Viva Orchards, Hughson Real Estate and Elite Medical Solutions as current tenants. Support to existing and prospective

businesses is also provided at the Center through an agreement with the Opportunity Stanislaus Small Business Development Center. Furthermore, the partnership between the City of Hughson and the Hughson Chamber of Commerce has never been stronger as evident by the success of the City's signature events—the Hughson Fruit and Nut Festival and the Hughson Christmas Festival. This past year has also seen the arrival of some new businesses—Slick Fork BBQ, Don't Panic, It's Organic, Miss Potts Attic, Soapy Bubbles Car Wash, and Pure Esthetics Spa by Cheri.

4. Implement Phase 1 of POD Camera Program ✓



In January 2018, the Hughson City Council adopted a Portable Observation Device Policy. Shortly thereafter, City staff, in partnership with Hughson Police Services, installed six (6) portable observation devices along major corridors of the City. The first phase of this project was fully implemented and tested during the 2018 calendar year. Although the second phase of this project, which would place five (5) additional devices was put on hold, the City was able to install additional surveillance equipment in the community through other avenues. The first was a camera donated by the Blue Line Wives to the Hughson Unified School to be placed at the Hughson Sports and Fitness Complex. The second camera was made possible through a condition of approval for the Province Place Development near the corner of Euclid Avenue and Locust Street. The latter equipment also included LPR (License Plate Reader) technology. In another public safety area, City staff, along with Hughson Police Services and the Hughson Fire Protection District, were able craft an illegal firework ordinance that was approved by the Hughson City Council on November 26, 2018 and went into effect in 2019.

5. Improve Viability of & Expand Industrial Area ✓



City staff made minimal progress in this area. Instead, in July 2018, Dairy Farmers of America (DFA) announced its plans to idle its Hughson Plant on September 14, 2018. Since that time, City staff has been trying to work with DFA – Corporate to determine their short- and long-term plans for the property. In addition, discussions have been had with DFA regarding cancelling its permit to operate and abandoning its sewer capacity. This was a departure from

prior progress whereby the City saw some of its industrial businesses (including DFA) expand in very positive ways. Furthermore, the City previously made good progress through a road improvement and traffic controls to improve a major roadway (Tully Road) in the industrial area of the City.

6. Revitalize Downtown ✓



The Community Planning Assistant Team visited the City of Hughson for a two-day workshop on July 12-13, 2019. The workshop consisted of a series of meetings with local stakeholders and culminated with a presentation and discussion at a joint City Council-Planning Commission-Parks, Recreation & Entertainment Commission meeting. A charrette type exercise was also held to facilitate a discussion about economic and revitalization solutions. A strategy for revitalization was formulated and presented to

the City Council during its February 25, 2019 regular meeting. The information was referred to the Hughson Economic Development Committee to assist staff with the planning and implementation of those elements deemed practical. Examples of public sector investment included: developing a directional signage program, rehabilitation of the Hughson water tower as a focal point, creating a shade canopy through tree planting, utilizing vacant parcels in creative ways, constructing of a roundabout to improve traffic flow, developing a pocket park, erecting an entry feature, additional street art and furniture, etc.

7. Youth Engagement Initiative ✓



On March 26, 2018, the Hughson City Council created a new appointed position, Student Representative, and established its role, duties and responsibilities. On August 27, 2018, Ian Kerr was appointed as the primary Student Representative and Carson Hatch as the alternate member. Both gentlemen have been serving since that time attending City Council meeting regularly and other City functions as they are able. The creation of the Student Representative to the Hughson City Council is in addition to other youth engagement

initiatives already in place. Each year, the City of Hughson hosts a “Meet and Greet” event between the Mayor and Board Supervisor and the Hughson High Leadership classes at Hughson City Hall. Additionally, the City Manager annually visits the Hughson High Leadership students to discuss the City Manager profession and current City initiatives. The City of Hughson also supports the Hughson High School students with their special class projects and events, by providing community service opportunities and through participation in their annual career fair. The City is also involved in other initiatives focused on the lower grade levels. These include the Hughson Mentoring Program (in its fourth year and with approximately 25 mentors participating and growing), Read Across America at Hughson Elementary School, City Hall Tours/Visits (in partnership with Hughson Police Services and the Hughson Fire Protection District), etc.

8. Implement Enterprise Resource Planning System ✓



On March 13, 2017, the Hughson City Council authorized the City Manager to execute a license and service agreement with Tyler Technologies for the purchase and implementation of the City’s Enterprise Resource Planning Software. City staff

began the migration away from antiquated MOM software system in late 2017/early 2018 which included software installation and configuration, training, data conversion, project management and software maintenance and support. In 2018, the City was able to successfully implement the core financials, payroll and utility billing along with other components (business license, timekeeping, human resources, building permits and code enforcement). The total cost of this project was approximately \$250,000. This cost included both software and necessary hardware (servers, devices, storage, etc.) and other necessary technical support. Despite challenges faced, very common with these types of major financial management system conversions, City staff was

able to work with Tyler support to troubleshoot and address issues in a timely manner. Although fully implemented, there are still some capabilities that are yet to be fully utilized. These include online customer access and a new credit card processing system. These elements and others will be the focus going forward along with additional training for staff to stay on top of new features and upgrades.

9. Update City Fees ✓



City staff made limited progress in this area. On November 13, 2018, the Hughson City Council approved an amended fee schedule for the Hughson Community Senior Center after completing a comparison study of similar facilities and through a recommendation from the Hughson Parks, Recreation and Entertainment Commission. Furthermore, on December 10, 2018, the

Hughson City Council approved a contract with Bartle Wells to update the City's Development Impact Fee Nexus Study at a cost not to exceed \$14,900. City staff will work with Bartle Wells to initiate the work in the current fiscal year but expects it to be complete in Fiscal Year 2019-2020.

10. Improve City Facilities ✓



On November 7, 2018, the transfer of ownership for the Lebright property (at the corner of Fox Road and Charles Avenue), excluding the area encompassing the Billy Jo Dickens Continuation School (BJD), was completed with the closing of escrow. A lot-line adjustment was processed to remove the BJD campus from the transaction. With the purchase, approved on August 14, 2018 by the Hughson City Council, the City acquired nearly 8 acres of property for the price of approximately \$295,169.50. Since that time, City staff has formulated a strategy to improve the facility that includes pursuing State grant funding. On February 25, 2019, the Hughson City Council approved a Memorandum of Understanding with Public Health Advocates and Kounkuey Design Initiative to facilitate and design the development of Lebright Fields. A series of community outreach

sessions are currently underway to solicit public input for the design of the facility that will be the basis a grant application through the Statewide Park Program (Proposition 68) that is due in August 2019. In recent years, City staff has also begun exploring acquiring property adjacent to City Hall and the Corporation Yard. To accelerate progress in this area, the City Attorney has recommended that the City secure an appraisal for low fair market value properties.

11. Develop Long Range Financial Model ✓



City staff made limited progress in this area. Discussions took place with the Budget and Finance Subcommittee on several fronts. First, to see how the City could pay down or entirely long-term debt obligations. Second, to revisit the City's investment practices to maximize returns. Third, to review the City's comprehensive fee structure to ensure they were set at appropriate levels. Lastly, to

explore a policy for the use or designation of reserves for specific purposes (pension liability, deferred maintenance, etc.) requiring a majority vote of the City Council. The development of a Long Range Financial Model will be a focus going forward.

12. Completed City Water Consolidation Project ✓



On July 24, 2017, the Hughson City Council authorized an application for funding from the State Water Resources Control Board under their Consolidation Incentive Program to extend municipal water service to two private water systems (Cobles Corner and Country Villa) just outside of the City boundaries along Geer Road that were experiencing the presence of arsenic above the MCL (Maximum Contaminant Level). City staff working with the City Water Engineer and California Rural Water Association submitted elements of the grant application which includes the General Construction Application, Financial Package, Environmental Package and other Technical elements. Originally, it was believed that the environmental clearance could be completed in concert with the environmental clearance of the Well 7 Replacement Project. When that proved to be a difficult task, City staff

halted work on this project (as directed by the City Manager) to ensure that the Well 7 Replacement Project remained top priority and on schedule. It was determined that once the Well 7 Replacement Project was in construction, the City would revisit the Water Consolidation Project. Continued delays by the State Water Resources Control Board on the Well 7 Replacement Project resulted in no progress on the Water Consolidation Project with the exception of Self-Help Enterprises being identified as an entity that could provide the City technical support with the environmental work once the project was brought back on-line.