Legislation Text

File #: 12-0196, **Version:** 1

Receive a report on the *Solano County 2011 Index of Economic and Community Progress*

Published Notice Required? Yes ____ No __X_
Public Hearing Required? Yes ____ No __X_

DEPARTMENTAL RECOMMENDATION:

It is recommended the Board of Supervisors a report on the *Solano County 2011 Index of Economic and Community Progress*.

SUMMARY:

The *2011 Index of Economic and Community Progress* was prepared by the County Administrator's Office in partnership with the Solano Economic Development Corporation. The Index tracks key indicators that are shaping the local economy and provides a perspective with a focal point of a 10-year view, 5-year view, and a one-year view. Each perspective tells a different story of the local economy. The document is available online at www.solanocounty.com/economicindex <http://www.solanocounty.com/economicindex>.

FINANCIAL IMPACT:

There is no direct cost associated with receiving this presentation. The cost of staff time to compile the 2011 Index was part of the FY2011/12 Adopted Budget.

DISCUSSION:

The Solano County Index of Economic and Community Progress is a project that was launched in 2007 after a series of economic summits identified a need for more fact-based information to guide efforts by leaders in both the public and private sectors to expand the long-term viability of the Solano County economy. Three comprehensive editions were produced for 2008, 2009 and 2010 by the consultant Collaborative Economics for the County of Solano and the Solano Economic Development Corporation. These insightful documents provided an objective analysis of key indicators shaping the local economy.

The 2011 edition was prepared by the County Administrator's Office in partnership with the Solano Economic Development. The document tracks many of the past indicators affecting Solano County, and in many instances the Index includes comparisons to the Sacramento Area, Bay Area, California and the United States. The web-based report will be updated throughout the year as more current information becomes available. As the year progresses, some indicators will be explored more deeply to give a better understanding of local trends. This will give stakeholders the opportunity to deploy strategies that will help improve the outcomes that the indicators are tracking.

Some of the key findings from the report are:

- 0.8% net gain in industry employment of firms located in Solano County. The county experienced a net gain of 1,000 jobs between 2001 and 2010, despite the erosion of 9,700 jobs between 2005 and 2010 due to the Great Recession. From December 2010 to December 2011, local industry employment

grew by 900 jobs.

- Relative to 2001, Solano County outpaced region and state industry annual jobs gains between 2001 and 2010. Solano County's modest 0.8% gain was better than the 1.5% decline in the Sacramento region, 4.7% decline statewide, and 12.4% decline in the rest of the Bay Area.
- Total local employment has not kept pace with the growth of the Solano County labor force. Between 2001 and 2010, the labor force grew by 17,800 residents while the number of employed residents increased by only 1,000 residents. As a result, unemployment ballooned by 16,800 residents. This analysis points to the affected of the greater region on a county that is historically been a net exporter of labor. The number of nonemployer businesses also declined during that period. The report does not make any conclusions in this area, and suggests this should be an area of further study.
- The county's Gross Domestic Product (GDP) - the sum of consumer, government and business spending - increased 25% in constant dollars between 2001 and 2010 and only retracted 0.7% between 2005 and 2010. Leading this growth was the private sector: Private - Goods Producing sectors gained 31%, and Private - Service Producing sectors gained 26%.
- Six industry sectors experienced job growth and GDP growth between 2001 and 2010. Of those, two sectors had sustained job and GDP growth during the Great Recession. The Health Care & Social Services/Educational Services sector experienced a $681 million or 70% increase in its GDP and a 32% gain in local employment, or 4,600 jobs. The Manufacturing - Nondurable Goods sector experienced 65% gain in GDP or $873 million, and a 2% gain in local employment, or 100 jobs. The gain in local jobs was between 2005 and 2010.
- Changes in the housing industry reflect a mixed indicator of good and bad news. The median sales price of a home declined 63% from the peak to the bottom of the home prices between 2006 and 2011. As a result, the California Association of Realtors Traditional Housing Affordability Index rated Solano County at 75% in the third quarter of 2011 - pointing to the significantly better housing costs when compared to the entire Bay Area at 38 percent, statewide at 52 percent and nationally at 67%. On the negative side, a relative high sales volume at the lower prices has reset the Proposition 13 values and permanently reset the property tax base. The assessment roll in Solano County has declined 15 percent since the market peak in 2007 and 2011.
- Solano County has made conflicting progress on the education of its youth. Between the 2006/2007 and 2009/2010 school years the dropout rate declined from 28% to 19% while the high school graduation rate also declined, going from 79% to 76%. A new indicator shows 72% of Solano County high school graduates were enrolled in a post-secondary institution in 2008/2009 school year.

ALTERNATIVES:

The Board could chose not receive this report; however, this is not recommended as this is an opportunity for the Board to learn about the economic indicators shaping the local economy.

OTHER AGENCY INVOLVEMENT:

The report was prepared by the County Administrator's Office in partnership with the Solano Economic Development Corporation.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION

powered by Legistar™