



Legislation Text

File #: 17-294, Version: 1

Receive a report on the Solano County 2016 Index of Economic and Community Progress

Published Notice Required? Yes ☐ No ☒
Public Hearing Required? Yes ☐ No ☒

DEPARTMENTAL RECOMMENDATION:

It is recommended the Board of Supervisors receive a report on the *Solano County 2016 Index of Economic and Community Progress*.

SUMMARY:

The *Solano County 2016 Index of Economic and Community Progress* was prepared by Dr. Robert Eyler, a principal at Economic Forensics and Analytics in Petaluma, and working in consultation with the Solano Economic Development Corporation and the County Administrator's office. The Index tracks key economic and community indicators that are shaping the local economy. The focus of the ninth edition of the Index was to answer the question: "The key to a successful economy? Jobs." The document is available online at www.solanocounty.com/economicindex <<http://www.solanocounty.com/economicindex>>

FINANCIAL IMPACT:

The cost for the consultant Economic Forensics Analysis to prepare the 2016 Index was \$20,000, which was included as part of the FY2016/17 Adopted Budget.

DISCUSSION:

Background: 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. The Index was compiled by the County Administrator's Office for 2011 and 2012. Dr. Robert Eyler of Economic Forensics and Analytics reviewed the 2012 report and was retained to prepare the 2013, 2014, 2015 and now the 2016 Index report.

The 2016 Index highlights Solano County's continued economic growth since 2011 and expanding economic base. The 2016 Index shows that personal income and gross domestic product (GDP) per capita continue an upward trend while median household income decreased slightly. Taken as a whole, indications point to a year of increased standards of living. The County has seen increases in the number of jobs, population, gross county product, and housing values in 2016 compared to 2015.

The 2016 Index highlights how Solano County is changing demographically in the community and provides some thoughts on how to move forward into the future.

The 2016 Index reflects that Solano County continues to move from recovery out of the recession into an

expansion of its economic base. The Index also demonstrates that Solano County is becoming more diversified in its number of employers/economic base with the private sector leading the way into this long awaited expansion.

Key Highlights from the 2016 Index

Our Changing Economy

- Solano County expanded with 3,700 new jobs in 2016, growth of 2.8 percent.
- There are 140,300 people working at Solano County businesses, governmental jobs and nonprofits as of January 1, 2017.
- Solano County's seasonally-adjusted unemployment rate is at 5.1 percent as 2017 begins.
- Gross County Product grew by 3.1 percent in 2015 based on most recent available data, up a bit from 2014.
- Personal income per person was rising in the 2015 (the most recent available data) while other standard of living measures were flat in 2015, suggesting the cost of living is starting to catch up to recent income growth.
- Base employment increased in 2016, led by non-durable manufacturing and logistics jobs.
- Wages in Solano County remain competitive versus counties in the core Bay Area where wages are rising quickly due to minimum wage ordinances and market forces.
- The jobs-housing ratio in Solano County was 0.95 in 2016, a sign that Solano County employment is rising faster than housing units.
- Estimates of Solano County employment indicate that 167,300 people are expected to be employed by Solano County employers by 2040.

Our Changing Community

- Population growth in Solano County was 4,794 people in 2016, growth of 1.1 percent.
- Population Solano and Sacramento counties are forecasted to be fast-growing counties from 2016 to 2040.
- In the 2014-15 academic year, Solano County's graduation rate increased, but dropout rates also slightly increased as the student population rises.
- More county students were UC and CSU ready in 2014-15 academic year than any school year in this Index's history.
- Housing prices increased 15.3 percent in 2016, and housing affordability increased slightly, a sign of income growth to come in 2017.
- Residential Building Permits activity was slower than in 2015, but commercial permits were up 41.6 percent in the same period.
- Government revenue from property and sales taxes continues to rise in 2016.

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