



Solano County

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Legislation Text

File #: 18-422, Version: 1

Receive a report on the Solano County 2017 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 2017 Index of Economic and Community Progress*.

SUMMARY:

The *Solano County 2017 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 tenth edition of the Index spotlights "Solano County Standards of Living and Employment rising". 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 2017 Index was \$20,000, which was included as part of the FY2017/18 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, 2016 and now the 2017 Index report.

The 2017 Index highlights Solano County's continued economic growth since 2011 with an expanding economic base. The 2017 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 2017 Index highlights how Solano County is changing demographically in the community and provides some thoughts on how to move forward into the future.

The 2017 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 2017 Index

Our Changing Economy

- Solano County private-sector employers hired 2,100 more workers in 2017; this is a 1.6 percent increase from 2016.
 - Total Solano County business, government, and nonprofit employment was 141,300 as of January 1, 2018; the average employment level for 2017 was 139,900 jobs.
 - Solano County's unemployment rate is 4.1 percent as 2018 began.
 - Based on the most recent available data, Gross County Product grew by 3.1 percent in 2016, slightly less than the state of California.
 - Farm jobs growth saw no change and agriculture values slipped again in 2016 (the latest year for which data are available), likely due to continued drought conditions.
 - Personal income per person increased in 2016, based on the most recent available data. While other income measures were flat in 2016, suggesting that Solano County's cost of living is rising and catching up to recent income growth, a rise in standards of living took place in 2016.
 - Employment in export-focused industries increased between 2016 and 2017 by 2,740 jobs, led by non-durable manufacturing and logistics jobs.
 - Solano County wages continue to provide a local competitive advantage versus core Bay Area counties, where wages are rising more quickly due to both local minimum wage ordinances and market forces.
 - Poverty rates are reported in this index, and five-year averages for Solano County, California and the nation show increasing proportions of households facing poverty, even with economic recovery across all these areas.
- Regional cost of living shows moderation in the rise of prices, but steady growth as Solano County's economy expands.

Our Changing Community

- Solano County's population added 4,525 residents in 2016; this is a 1.1 percent increase.
- Solano and Sacramento counties are forecasted to be fast-growing counties from 2017 to 2050, faster than the state average.
- In the 2015-16 academic year, Solano County's graduation rate continues to increase and remains ahead of the statewide average.
- Slightly more Solano County students were UC/CSU-ready in the 2015-16 academic year than the previous academic year.
- Housing prices increased 6.8 percent in 2017 to \$416,000 at the median and housing affordability fell slightly. Rental prices continued to rise, to a price of \$2,090 at the median for rentals in January 2018.
- For residential housing units, building permits increased more slowly in fiscal year 2016-17 than 2015-16. Over 1.28 million square feet of commercial space was permitted during fiscal year 2016-17, up 41.6 percent from 2015-16.
- Solano County government revenue from property and sales taxes continued to rise in 2017, due to rising personal income levels and assessed property values rising to over \$51 billion in 2017.

ALTERNATIVES:

The Board could choose 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