

**San Benito County**  
**Comprehensive Economic Development Strategy (CEDS)**  
**2023-2027 (DRAFT REPORT)**  
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# 1. PURPOSE OF PREPARING A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

The San Benito County Comprehensive Economic Development Strategy (CEDS) provides a roadmap to create jobs, generate higher incomes, and strengthen collaborations within and between San Benito County and City jurisdictions. The document identifies the ongoing economic development initiatives that can realistically be implemented in 2023, other initiatives that will take at least three-years to implement, as well as longer-term initiatives. This approved CEDS generates a number of direct benefits:

- San Benito County, the Cities of Hollister and San Juan Bautista and all special districts will be eligible to apply for disaster recovery, public works, and planning and technical assistance grants available from the U.S. Economic Development Administration (EDA). EDA grants can fund backbone infrastructure and support innovation and entrepreneurship;
- San Benito County's local governments and the private sector can participate in enhanced collaborations to implement ongoing economic development projects and initiatives that cross jurisdictional boundaries;
- Allows the economic development community to utilize identified benchmarks to measure the region's implementation progress of priority economic development initiatives;
- Describes implementation projects to improve long-term economic resiliency, and
- Supports funding applications to other federal and state agencies submitted by the county and two cities.

## 1.1 Three Economic Development Approaches

Economic development is the process of strengthening the local economy in order to increase prosperity and improve the quality of life for all residents. The California Association for Local Economic Development defines economic development as a:

*"Concerted effort on the part of a city or county to influence private investment toward opportunities that lead to sustained and equitable economic growth and more tax revenues for community services."*

There is no magic button that communities can push to stimulate economic development. However, there are three proven economic development approaches described below that have worked over decades and across geographic boundaries.

### Approach #1: Business Retention and Expansion (BRE)

Approximately three-quarters of all new jobs are created by the expansion of established businesses. This simple fact makes BRE the most effective economic development strategy that any community could utilize as it builds upon the established business skills and expertise that have been gained by years of running a business that generates jobs and incomes for residents. Through BRE, established businesses that have helped build San Benito County's economy are valued, encouraged, and assisted rather than neglected.

However, new business retention and expansion initiatives do not necessarily generate positive news headlines and publicity because some established companies do not want to advertise that the Economic Development Corporation of San Benito County (EDC) and its partners were able to help it stay. However, it is through retention and expansion activities and small business assistance that San Benito County's economy will actually prosper and grow the most. Moreover, effective BRE is a systematic approach to reach out to firms that need assistance with planning and building regulations, skills training, infrastructure improvements,

marketing, and business development. This approach requires hard groundwork, most of which is accomplished under the radar of any publicity. While a less splashy endeavor than attracting a big new company, the payouts of BRE are much greater for the community.

## **Approach #2: Support Entrepreneurship and New Business Start-Ups**

Establishing a business climate that encourages and supports new business formation has become an essential economic development approach. Applications to start new businesses hit 5.1 million in 2022, about double the 2010 rate of 2.5 million in new business start-ups.

The COVID-19 pandemic accelerated everything, including the decimation of an unprecedented number of small businesses and an acceleration of new business formations as millions of people decided it was time to chase their dreams. Many would-be entrepreneurs saw opportunities and many who lost their jobs in the pandemic decided to become self-employed. A significant share of millennials decided to forge ahead as entrepreneurs rather than remaining as employees. Others walked away from stable careers, convinced there was no better time to start something new.

Three effective ways to encourage entrepreneurship and support new business start-ups in San Benito County include:

- Provide funding for new business start-ups independent of what is offered by private banks. Business start-up funding may be made available through an existing small business loan fund, or by establishing a new organization that supports small business start-ups;
- Establish a business incubator that can reduce operating costs through shared services and lower rents. Business incubators are often managed in collaboration with a local community college and/or a small business loan fund, and
- Focus on the long-term approach of educating young people about the benefits of building wealth through business ownership as a potential career path. This approach is usually in partnership with local schools and youth groups.

## **Approach #3: Targeted Business Attraction**

Attracting specific businesses to a community is a traditional economic development approach that has been practiced throughout the U.S. for more than 40 years. Many members of the general public and their elected public officials consider economic development and business attraction to be the same activity, however, they are not.

Shifts in the global economy have made this a unique time for states and regions to engage in business attraction since large corporations are rethinking their supply chains and global footprints. Global corporations are returning or “reshoring” some production activities away from China and back to the U.S. and Northern Mexico. This is particularly true with the automobile and semiconductor industries. The federal government passed the 2022 CHIPS and Science Act (CHIPS) that includes nearly \$53 billion in funding to reshore the production of semiconductor chips back toward the U.S. The new law has already triggered an investment boom as global semiconductor manufacturing companies have unveiled plans to invest nearly \$200 billion in more than 40 projects or facilities.<sup>1</sup>

Global automobile production companies are also experiencing a massive transition and supply chain upheaval as all established auto companies have rapidly shifted toward producing electrical vehicles (EVs), and EV batteries are the new oil. The news is filled with stories of new automobile production, assembly, and battery plants that are establishing facilities in Nevada, Arizona, or various Midwest and Southern states. Nearly all

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<sup>1</sup> Source: Semiconductor Industry Association.



these states offer significant financial incentives, low cost or free land, and low labor costs. Just a few of the many high-profile business attraction “wins” that were announced during the first two months of 2023 alone are described below:

- The State of Nevada offered Tesla more than \$330 million in tax breaks for a massive expansion of its sprawling EV battery facility east of Reno, which requires Tesla to construct a new electric semi-truck factory.
- EMP Shield announced that it would spend \$1.9 billion on a computer chip manufacturing facility to be built on three hundred acres in Burlington, Kansas. The company that focuses on protecting electronic devices from destructive magnetic pulses will create more than 1,200 jobs at the new facility.
- Arizona announced that the Taiwan Semiconductor Manufacturing Company (TSMC) will open two new chip-making plants in Maricopa County along with two new Intel Semiconductor plants. Total investment by the two companies will be \$60 billion.
- The State of Michigan announced a \$3.5 billion investment by Ford Motors to construct a 2.5 million square foot EV battery manufacturing facility in Marshall, Michigan. The project will eventually create 2,500 new jobs.
- The State of Ohio announced a \$237 million incentives package over the next decade that is targeted for Honda and LG Energy Solution to build and operate a new EV battery plant in Fayette County. Honda and LG are committed to making a \$3.5 billion EV battery plant investment and a \$700 million investment to retool the current plants. Approximately 2,500 new jobs will be created.

Unfortunately, San Benito County cannot compete for these investment opportunities for the following reasons:

- The State of California does not offer the business incentives that other states offer these global companies. Essentially, communities without significant presence of firms in these sectors in California cannot effectively compete for semiconductor and EV facilities.
- San Benito County has a 6.4 percent unemployment rate and lacks an available workforce that semiconductor and EV auto companies would require. Recruiting workers from neighboring jurisdictions is also difficult given Santa Clara County’s 3.1 percent unemployment rate.<sup>2</sup>
- The cost of doing business in San Benito County will be significantly higher than alternatives locations in Nevada, Arizona, the Midwest, and the South.

Given San Benito County’s infrastructure constraints, a solitary focus on business attraction initiatives is counterproductive and costly. Recruiting a company to a site where access to electrical power cannot be guaranteed and where there is an inadequate number of skilled workers will face insurmountable headwinds.

Certainly, the lure of the hunt for the big deal through business attraction is immensely popular because it is easily understandable to the general public. A “win” that creates hundreds of jobs and positive news headlines can be intoxicating. However, such actions run the risk of alienating existing companies that may not receive assistance or support to stay and expand in San Benito County. Existing firms have already made the commitment to locate and hire in the community, often without any of the assistance packages offered to “high profile” recruitment targets.

In addition, engaging in contests with other communities to attract footloose businesses seeking to maximize financial incentives can backfire in a big way. For example, the State of Wisconsin’s attempt to attract Foxconn to build a \$10 billion display panel manufacturing plant is one of the most high-profile flame outs. Back in 2017 the State agreed to provide Foxconn with \$3 billion to \$4.8 billion of subsidies to be paid in increments over fifteen years. Much of this subsidy would be paid in direct cash payments from taxpayers since Wisconsin already exempts manufacturing companies from paying taxes. In addition, the State contributed \$90 million in

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<sup>2</sup> Source: U.S. Bureau of Labor Statistics during the month of February 2023. Data not seasonally adjusted

local road funding to road work to improve access to the Foxconn factory and another \$252 million on widening a portion of [I-94](#) from six to eight lanes in anticipation of the increased traffic generated by the project. In return, Foxconn claimed that the new facility would initially employ 3,000 workers and would eventually employ 13,000 workers.

In January 2019, Foxconn said it was reconsidering its initial plans to manufacture LCD screens at the Wisconsin plant, citing high labor costs, and that it would hire mostly engineers and researchers, rather than a manufacturing workforce. Bloomberg News reported that the plant was "unlikely to ever employ 13,000 workers.

## **1.2 The Role of the San Benito County Economic Development Corporation**

The mission of the EDC is to promote economic development through business attraction, retention and support that creates economic opportunities to improve quality of life. The EDC is governed by a Board of Directors made up of community volunteers who have expertise in a wide range of local business issues. To positively impact economic growth, the EDC collaborates with City of Hollister, City of San Juan Bautista, County of San Benito, workforce development, other local and regional business organizations, as well as educational institutions.

Increasing local economic vitality is the primary focus of the EDC. Through its efforts, the EDC strives to maintain and enhance the local region as a competitive location for businesses to expand and locate. The EDC's role is to:

- Help existing businesses thrive through effective business retention and expansion;
- Recruit new businesses to the existing business parks and opportunity sites; and
- Re-establish our local region as a regional economic development "player."

The EDC will continue to spearhead the CEDS movement for the next five years, with the support of its CEDS Strategy Committee, CEDS Consultants, and stakeholders in the communities of Hollister, San Juan Bautista, Aromas, and San Benito County.

## 2. ECONOMIC CONTEXT

Interviews with community members, local government leaders and business owners yielded a common story from all stakeholders:<sup>3</sup>

*“San Benito County is yearning to be understood as separate place from Silicon Valley and Santa Clara County yet there is also a yearning to become more like Silicon Valley by attracting high-tech jobs and by keeping residents working within San Benito County” (rather than commuting out).*

To date the sole focus on business attraction has overlooked other economic development approaches that focus on people, places, and infrastructure. Some of the more specific activities that have been overlooked to date are listed below:

- Efforts to reduce economic inequality. Approximately 60 percent of San Benito County residents are Hispanic, many of which are critical workers concentrated in the industries of agriculture, food, personal services, and health care.
- Efforts to encourage residents to start their own businesses. This is particularly surprising given San Benito County’s proximity to Silicon Valley where new business start-ups and entrepreneurship form the heartbeat of the local economy.
- Efforts to prepare residents for the ongoing digital technology revolution. Today’s workforce needs digital technology skills required by nearly all business establishments that utilize artificial intelligence robotics and automation.
- Efforts to educate residents and public officials about smart growth planning principles and techniques that can help preserve agriculture and open space while allowing new housing and business development in planned locations.<sup>4</sup> A better understanding of smart growth can help reduce tensions between advocates for agriculture and open space preservation and proponents of new real estate development.
- The expansion of social infrastructure needed by area residents. This would include improved access for transportation service, the development of new housing in close proximity to transportation networks, an expansion of affordable childcare that will free up parents to re-enter the workforce, and the expansion of affordable health care access that will also free up more residents to re-engage with the workforce.

While the data presented in this section may be dry, it illuminates some of the misconceptions about San Benito County’s economy and how to best help it flourish. A solid understanding of the data and what it means will help readers and leaders to better understand San Benito County’s strengths and weaknesses and the possibilities and challenges they impart. The data can provide a new perspective about some commonly held misconceptions and myths about the economy that are simply incorrect.

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<sup>3</sup> The consulting team completed 26 in person or telephone interviews and received survey responses from 11 other individuals during the process of preparing the CEDS report.

<sup>4</sup> [www.newurbanism.org](http://www.newurbanism.org)

## 2.1 Common Misconceptions About San Benito County's Economy

### Perception 1: San Benito County's economy is not particularly strong

**Reality.** The local economy is small but relatively strong with only 65,480 residents and 17,450 jobs. Goods producing activities of farming and manufacturing form the foundation of San Benito County's economy. Food and beverage manufacturing comprises 75 percent of all manufacturing jobs. Construction, retail, food services, health services, aerospace (defense) and public education are the local economy's other significant sectors. This diversification makes San Benito County's economy more resilient to economic shocks.<sup>5</sup>

San Benito County's job base expanded at a 1.1 percent annual growth rate (AGR) between 2015 and 2021. During the same time period jobs in the three-county region expanded at a 0.8 percent AGR and California overall expanded at a 0.7 AGR.<sup>6</sup> Thus, San Benito County's job base expanded more rapidly than the growth of jobs within the three-county region and California overall.

### Perception 2: San Benito County has high levels of income inequality

**Reality.** High levels of income inequality characterize the entire U.S. economy, and income inequality is growing wider each year. However, income distribution within San Benito County is relatively equitable compared to the neighboring counties and California in general. Approximately 53 percent of San Benito County households earn middle-class incomes, which is much higher than Santa Clara County (37 percent) or Monterey County (49 percent) or 45 percent of all California households.

Poverty remains an issue with 26 percent of San Benito County households earning less than \$50,000 per year. While San Benito County has many low-wage workers, it outperforms the entire State of California where 33 percent of households that earn less than \$50,000.<sup>7</sup>

### Perception 3: Attracting global technology companies will reduce traffic congestion issues by providing opportunities for workers to not commute

**Reality.** The perception is mostly false because fewer than 20 percent of San Benito County residents who out-commute are employed in the construction trades, public education, retail, health care and other place-specific service sectors with working-class jobs that cannot easily be moved into San Benito County. The teachers, salespeople, carpenters, plumbers, police and nurses that work in neighboring counties are likely priced out of a home in those counties.<sup>8</sup>

However, a portion of the approximately 2,300 San Benito County residents that are employed in the professional, technical and scientific fields could possibly switch to local employers thereby reducing out-of-county commuting by attracting some global technology businesses. That said, any new global technology firms attracted to San Benito County would rely on highly skilled workers that are not current residents, which would probably add to San Benito County's traffic congestion. In addition, attracting new global technology companies that pay high wages would put pressure on housing prices and make it more difficult for some existing residents to continue to reside in San Benito County.

### Perception 4: Economic prosperity in San Benito County can occur without the Latino community's active engagement

**Reality.** Mostly false because San Benito County's economy cannot be successful without the success and related major contributions of Latinos, which comprise 61 percent of the community. Many Latinos have an

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<sup>5</sup> Data source: Data Axel

<sup>6</sup> Data source: U.S. Bureau of Labor Statistics. The region includes the counties of Santa Clara, Monterey and San Benito

<sup>7</sup> Data source: U.S. Census American Community Survey

<sup>8</sup> See Figure 7 for data on the number of San Benito County residents that commute to work out of county



entrepreneurial spirit that can fuel ongoing job creation and new business start-ups. In addition, the lack of economic equity leaves a sizable percentage of Latino workers in low-paying agricultural production, service health care, and food services jobs.

### **Perception 5: Economic development in San Benito County should focus on business attraction in order to reduce traffic congestion**

**Reality.** The perception is mostly false. “Shoot at anything that flies, take credit for anything that falls” is an old economic development saying. However not all jobs are equal and not all businesses bring new benefits to the county. Recently the City of Hollister approved an exceptionally large “fulfillment center” that will bring significant truck traffic to already congested roads. The future fulfillment center along with two cannabis production operations has now maxed out the electrical substation thereby significantly limiting future growth of existing businesses, let alone the successful attraction of new business.

Moreover, business attraction activities are always a long shot with low chances of success, and they take time and resources away from other economic development initiatives that have a greater chance of success and yield measurable results.

## **2.2 Demographic Trends**

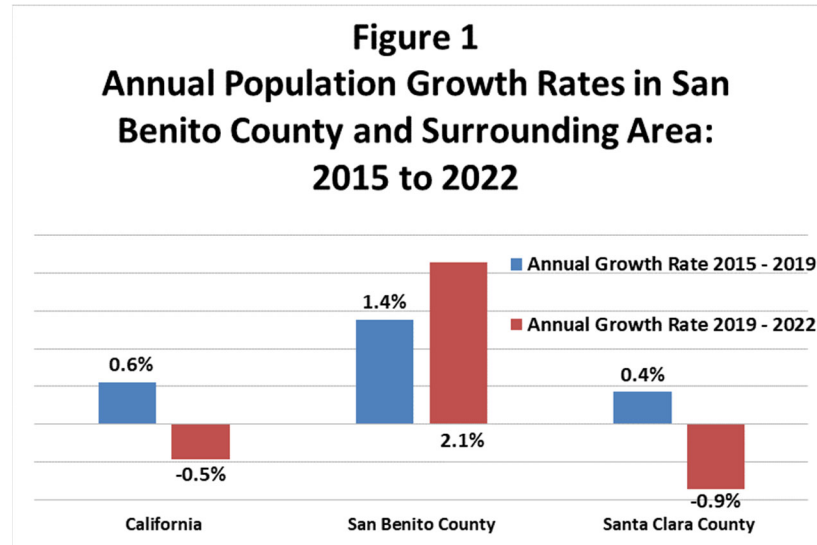
San Benito County is a largely rural community of 65,480 people that includes the two small cities of Hollister and San Juan Bautista. San Benito County’s population is much smaller than either its northern or southern neighbors of Santa Clara County (1.89 million) and Monterey County (433,720 residents). In fact, San Benito County has only 6,210 more people than does the nearby City of Gilroy.<sup>9</sup>

Although there are fewer people, San Benito County’s population base has consistently expanded since 2015, adding on average 1,000 residents per year. The neighboring counties are going the opposite direction with population declines as shown in Figure 1 below.<sup>10</sup>

- Santa Clara County’s population has declined by nearly 50,000 people since 2019 when COVID-19 arrived and people started working from home, some of which relocated to lower-cost locations. More than 70,000 former Santa Clara County residents moved away between 2020 and 2022. However, out-migration has been underway for nearly a decade with a net decline of 26,000 former residents that moved elsewhere between 2015 and 2019.
- Since 2019, Monterey County’s population also declined by nearly 6,500 residents, which was fueled by net out-migration. Nearly 20,000 former residents have moved away since 2015.
- California, as a whole, lost a net of 550,000 residents since 2019. This was fueled by an out-migration of more than 700,000 residents since 2019 and an out-migration of 900,000 residents since 2015.

<sup>9</sup> See Appendix Table 1 for detailed population growth trends data

<sup>10</sup> See Appendix Table 2 for detailed Population Growth Factors Table



In sum, San Benito County has benefited from a nationwide trend of people migrating out of urbanized areas into more rural areas due to the pandemic, increased opportunities for remote work, increased retirements, and high housing costs. It is not clear yet if these trends will continue or reverse in the future.

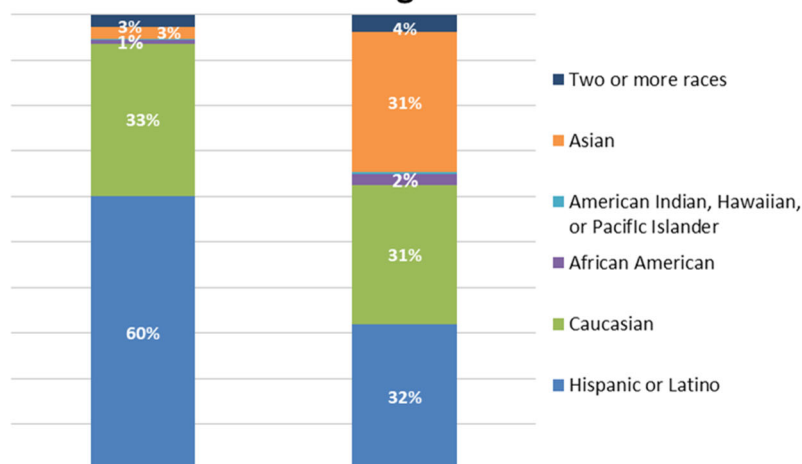
## Diversity

San Benito County has long been a majority Latino community that accounts for 61 percent of all residents. Caucasians comprise 33 percent of the population and the remaining 6 percent are a variety of ethnicities including mixed-race persons. The Latino community has continued to expand its majority status with 2,500 new residents since 2019 compared to only 720 new Caucasian residents. The number of Asians residents actually declined since 2019, but 850 mixed-race people were added, and mixed-race marriages became more common throughout California.<sup>11</sup>

By contrast the three-county region is comprised of three ethnicities (Caucasians, Latinos and Asian-Americans) in nearly equal proportions. Since 2015 more than 70,000 Asian Americans moved to the region since 2015, more than 23,000 Latinos moved out, and nearly 70,000 Caucasians left.

<sup>11</sup> See Appendix Table 3 for Demographic Diversity Table

**Figure 2**  
**Population Diversity in San Benito County**  
**and Surrounding Area 2022**



## Education

San Benito County residents, on average, have lower levels of educational attainment compared to the region. Two key educational attainment characteristics stand out:

- Approximately 41 percent of San Benito County adults completed high school but did not pursue any formal education beyond high school. This is remarkably similar to the State average but not even close to the regional average where only 31 percent of residents did not pursue more education beyond high school.
- Only 5.5 percent of San Benito County adults earned a graduate or professional degree, compared with 13 percent of California adults and 23 percent of regional residents. This dynamic will likely complicate San Benito County's ability to capitalize on its proximity to Silicon Valley.<sup>12</sup>

## Household and Per-Capita Incomes

San Benito County's median household income is \$85,810 while Monterey Household Income is \$76,940, illustrating that both Counties have significantly higher median income residents than expected given underlying demographics. San Benito County is higher than the state average of \$78,700 but well below the average Santa Clara County household incomes of \$130,890 that are fueled by the massive wealth of Apple, Google, and other global technology companies.<sup>13</sup>

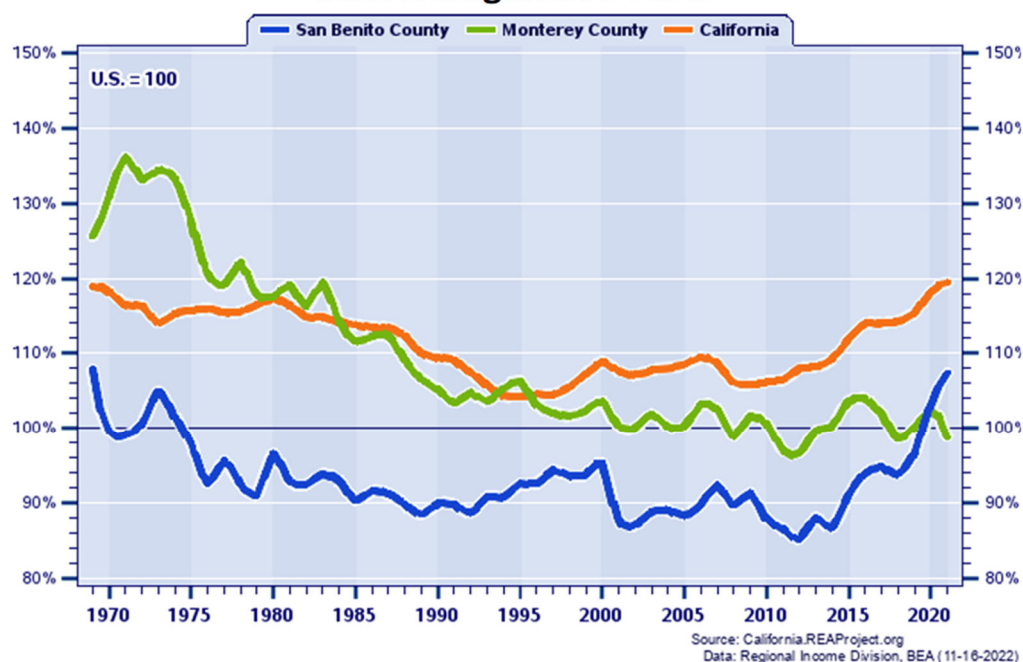
Per-capita income is widely used as a yardstick to assess the economic wellbeing of a region's residents and the quality of consumer markets. Figure 3 illustrates that San Benito County per-capita income has been and remains below that of Monterey County and California as a percent of the national average from 1970 through 2020. Per-capita personal income in San Benito County was \$68,870 in 2020 and it grew by a phenomenal 31 percent from 2018 to 2020.<sup>14</sup>

<sup>12</sup> See Appendix Table 4 for Educational Attainment Table

<sup>13</sup> See Appendix Table 5 for Median Household Income and Income Distribution Table

<sup>14</sup> See Appendix Table 6 for Per-Capita Income Table

**Figure 3**  
**Per-Capita Personal Income as a Percent of the**  
**U.S. Average: 1970-2020**



Data Source: U.S. Bureau of Economic Analysis

These significant and remarkable increases in per-capita income are likely related to a few different factors that are listed below:

- Increases in COVID-19 related transfer payments (unemployment and payroll protection payments);
- In-migration of higher-earning households from neighboring Santa Clara County; and
- Strong growth in the high revenue and high wage-earning tech sector during the pandemic.

It is difficult to identify which factor had the biggest influence on the rapid increase in per-capita income.

## Income Distribution

As each year passes, income inequality has grown wider throughout the USA. Fortunately, San Benito County has a more equitable income distribution than either California in general or Monterey County with their larger percentages of very low-income households. Santa Clara County has the highest income inequality, with 44 percent of all households that earn more than \$150,000 compared to only 21.6 percent of San Benito County households.<sup>15</sup>

## Poverty

Only 9.3 percent of San Benito County households earn incomes that fall below the federal poverty line. In comparison, 12.6 percent of California overall and 8.1 percent of regional households are poor.<sup>16</sup>

<sup>15</sup> See Appendix Table 5 for Household Income Distribution Table

<sup>16</sup> See Appendix Table 7 for Poverty Rates data

## 2.3 Housing

### Housing Shortage

Silicon Valley (primarily Santa Clara County) has been California's (and the United States') job creation engine for decades. Silicon Valley's business start-up culture and access to large amounts of investment capital created nearly 260,000 new jobs between the end of the great recession (2010) and the middle of the COVID-19 pandemic (2020). Essentially, Santa Clara County expanded its job base by an astounding 23.4 percent growth rate between 2010 and 2020. San Benito County, Silicon Valley's next-door neighbor also enjoyed a very strong new job growth rate with nearly 3,600 new jobs created between 2010 and 2020 (See Figure 4).

However, the number of new housing units constructed between 2010 and 2020 fell way behind job growth and left Silicon Valley deep into a housing shortage that is fueling homelessness, poverty, inequality and obscenely high housing prices. These dynamics have accelerated since 2020 as the pandemic fueled another round of string technology driven job growth. The imbalance between new jobs and housing units created has pushed people far away from where they work, forcing low wage workers and the front-line workforce into soul-numbing commutes.

<b>Figure 4</b>				
<b>Job and Housing Growth in Santa Clara and San Benito Counties: 2010 - 2020</b>				
<b># of Jobs</b>	<b>2010</b>	<b>2020</b>	<b>2010 to 2020</b>	<b>% Gain of New Jobs 2010 to 2020</b>
San Benito	20,370	23,950	3,580	17.6%
Santa Clara	1,106,200	1,365,130	258,930	23.4%
<b># of Housing Units</b>	<b>2010</b>	<b>2020</b>	<b>2010 to 2020</b>	<b>% Gain of New Housing Units 2010 to 2020</b>
San Benito County	18,060	19,220	1,160	6.4%
Santa Clara County	625,650	668,900	43,250	6.9%

Data Sources: Bureau of Economic Analysis and U.S. Census American Community Survey  
Analysis: Wahlstrom & Associates and Marie Jones Consulting

San Benito County is directly impacted by this imbalance of new job creation and a severe shortage of new housing units. It is for this reason that there is so much pressure to develop new subdivisions anywhere and everywhere in San Benito County. Residents responded with successful opposition to developing new subdivisions in the unincorporated county, and by placing slow growth initiatives on election ballots.

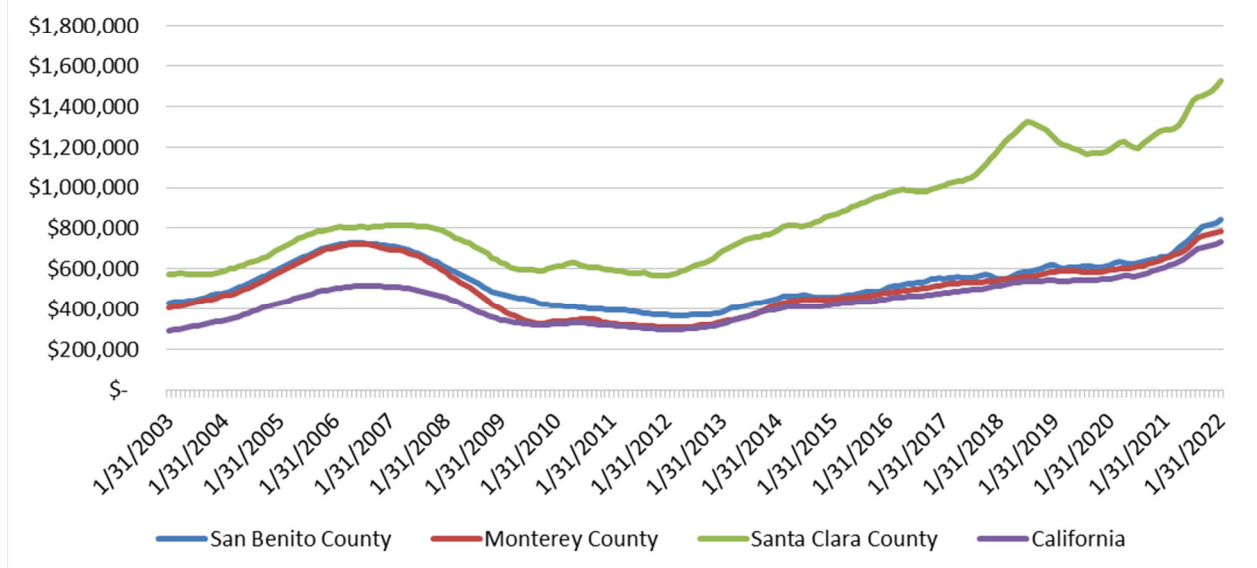
### High Housing Costs

The laws of supply and demand affect the housing market. A severe housing shortage is the primary contributor to high for sale housing costs and rents in San Benito County. Santa Clara County's spectacular success creating new high wage technology-oriented jobs makes neighboring San Benito County an expensive place to live, just like all other counties within close proximity to Santa Clara. High housing costs are problematic as they contribute to overcrowding and difficulties with employee recruitment and retention. They also drive-up wages and contribute to inflation.

Figure 5 illustrates month-to-month median housing prices for all three counties and the State. It deftly illustrates the rise and fall of the last housing bubble of 2004-2008. It is unclear if a similar housing deflation will happen again with rising interest rates.



**Figure 5**  
**Median Home Price: San Benito, Monterey and Santa Clara Counties & California Overall**  
**1/2003 - 1/2022**



It also should be noted that 34 percent of renters and homeowners in the region are burdened by high housing costs, which means that they pay more than 30 percent of their income for housing. Forty-two percent of renters and 31 percent of homeowners are burdened by high housing costs. Essentially, households at all income levels can be housing cost burdened.<sup>17</sup>

## 2.4 Jobs and Workforce Trends

San Benito County has a solid economy, with relatively fast-growing Gross Domestic Product (GDP) that is ranked 19th among California's 58 counties according to the U.S. Bureau of Economic Analysis. The county also has a strong GDP growth rate with a 23 percent gain in real GDP between 2010 and 2020.

However, San Benito County's economy is skewed toward goods-producing activities with a strong agricultural production base and value-added food and durable goods manufacturing, which differs from most other California jurisdictions that are dependent on the service sector due to the global outsourcing of the manufacturing supply chain during the deindustrialized 1970's through the 1990's.

### San Benito County's Job Base

San Benito County's economy had 18,815 jobs in 2021, which is represented by the number of jobs by place of work rather than the employment characteristics among residents.<sup>18</sup> In total, 1,080 private business establishments generated 17,420 jobs (excluding the self-employed). The public sector generated another 1,395 jobs. Other key characteristics of the job base are summarized below:

<sup>17</sup> See Appendix Table 8 for housing costs data

<sup>18</sup> See Appendix Table 9 for jobs by industry sector data

- Agriculture production, packing and manufacturing generates 4,170 jobs and is the largest component of San Benito County's job base.<sup>19</sup> The Bureau of Labor Statistics reports that local farms and other agricultural-production businesses hired 1,945 full time workers after adjusting for seasonality.<sup>20</sup> Data Axel reports that food and beverage manufacturers account for 2,220 manufacturing jobs, which amounts to 73 percent of all manufacturing in the county.
- Retail trade and food services (restaurants and bars) generate 1,370 jobs each.
- The health-care sector, dominated by Hazel Hawkins Hospital, generates 1,245 jobs.
- Management and administrative services companies generate 1,030 jobs, consisting of business delivering services to other businesses.
- Public schools generate 1,240 jobs.
- Local governments generate 840 jobs.
- Non-agricultural manufacturing generates 820 jobs. This sector includes 535 jobs manufacturing of pharmaceuticals and chemicals, and
- Transportation accounts for 780 jobs, which includes the recently opened Amazon Last Mile facility.

San Benito County's job base has two significant weaknesses:

- The professional service sector is very weak with only 260 San Benito County based jobs. In comparison, professional services account for 13 percent of all jobs in Santa Clara County. A high percentage of the jobs created by global technology companies (like Apple) are in the professional services category, and;
- Health services is also very weak in San Benito County as it accounts for only 7 percent of all jobs compared to 14 percent of all jobs in California. The sector's weakness is magnified by San Benito County's dependence on the hospital as the dominant health employer.

## Job Growth

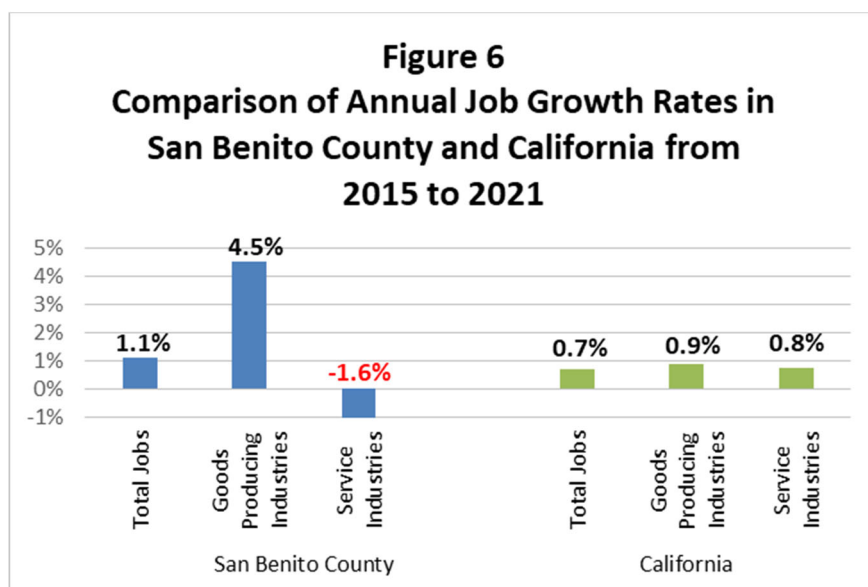
San Benito County's job growth rates have outperformed the region and California overall since 2015 as shown in Figure 6 below. Some important takeaways from the job growth data are summarized below:<sup>21</sup>

- San Benito County added 1,080 new jobs between 2015 and 2021. This is a small number of new jobs, but it is significant growth within a small economy.
- New jobs in San Benito County expanded at a 1.1 percent annual growth rate between 2015 and 2021. The county's job growth rate exceeded the job growth rate in the region and California overall.
- Agriculture, mining, construction, and manufacturing are the goods producing sectors that generated 1,540 new jobs. The basic goods producing sector expanded at a mind-blowing 4.5 percent annual growth rate, which is more than four times the production growth rates in the region and California overall.
- However, San Benito County lost nearly 720 service sector jobs between 2015 and 2021. This is a problematic constraint given the county's location next door to the Silicon Valley, which has many global technology companies that are loaded with high paying professional and scientific service jobs.

19 See Appendix Table 9 for jobs by industry sector data. The number combines total agricultural production jobs with 73% of San Benito County's manufacturing jobs that produce food and beverage products as reported by Data Axel.

20 The BLS and California EDD produces annual average employment counts by industry sector, which adjusts for the annual labor market booms and busts. The seasonality of agricultural employment is significant when employers need to hire workers for harvest season but then may let workers go with little work during the winter months.

21 See Appendix Table 10 for more job growth data.



Data from the U.S. Bureau of Economic Analysis provides some additional insight on the local economy.

- San Benito County's job growth rate between 2010 and 2021 surpassed that of 49 California counties and trailed eight counties, and;
- The county's job growth rate also outperformed the nationwide rate of job growth during the 11-year time period.

## Major Employers

Data Axle, a business research service company identifies sixteen private employers in San Benito County that employ more than ninety-nine workers. Earthbound Farms in San Juan Bautista is the largest establishment with 1,100 employees as shown in Figure 7. Hazel Hawkins Hospital is the largest employer in Hollister with approximately 715 employees. Other key findings are listed below:

- Seven are food producers, distributors or manufacturers;
- Four are durable goods (not food) manufacturers;
- Thirteen are located in Hollister, three in San Juan Bautista, one in Aromas<sup>22</sup>, and;
- Twelve large employers are goods producing firms.

<sup>22</sup> Aromas is a Census Designated Place with 2,700 residents that straddles both San Benito and Monterey Counties.

Figure 7 Largest Private Sector Employers, San Benito County, 2022			
Large Employers	Location	Industry	Employer Size Class
Earthbound Farms	San Juan Bautista	Food & Beverage Manufacturing	1,100
Hazel Hawkins Hospital	Hollister	Hospital	715
San Benito Foods	Hollister	Food Manufacturing and Canning	600
True Leaf Farms	San Juan Bautista	Crop Farming	400
Pacific Scientific Energetic	Hollister	Explosives Manufacturing	300
Denise & Filice Packing Co	Hollister	Food Manufacturing	230
Amazon Facility	Hollister	Delivery Services	200
Alpha Teknova	Hollister	Pharmaceutical Manufacturing	180
Corbin Sparrow Electric Vehicle	Hollister	Durable Goods Wholesalers	180
GraniteRock	Aromas	Gravel Mining	180
Target	Hollister	Discount Stores	150
Casa De Fruita Restaurant	Hollister	Food Service	150
Nob Hill Foods	Hollister	Supermarkets	130
Willis Construction Co Inc	San Juan Bautista	Concrete Product Manufacturing	120
Trical Inc	Hollister	Agricultural Support Activities	100

Source: Data Axel

Analysis: Wahlstrom &amp; Associates and Marie Jones Consulting

## Available Workforce

San Benito County has consistently experienced higher unemployment rates than the statewide average. However, the unemployment rate in San Benito and neighboring Santa Clara Counties has been in a steady decline since early 2021. The most recent (January 2023) Labor Market Bulletin published by EDD states that the county's unemployment rate dropped to 4.6 percent and Santa Clara County is at a historically low 2.0 unemployment rate. This means San Benito County has approximately 1,300 unemployed residents that are seeking work. The estimating methods are summarized below:

- San Benito County's population is 65,500.
- The population between the ages of 18 and 65 is 43,300.
- The labor force participation rate is 66 percent as reported by the EDD.
- 28,500 SBC county residents participate in the labor force.
- San Benito County has 27,200 employed residents. Some work for San Benito County employers and others commute to work out of county.
- Approximately 1,300 residents are unemployed and seeking work.

The extreme labor shortage explains why local employers in every sector of the economy have a challenging time hiring and retaining workers.

## Commuting and Commuters

San Benito County has a dynamic economy with many people residing far and driving long distances from their home to their place of work. Unfortunately, the available data on where people live and work that is nearly ten years old is extracted from a Special Report of 2009 to 2013 County-to-County Commuting Flows. As of a decade ago, 24 percent of the jobs located in San Benito County are held by out of county commuters; nearly half (49 percent) of residents that are in the employed workforce commute out-of-county and the other half of

the workforce is employed by San Benito County based businesses.<sup>23</sup> Estimates of the number of residents that commute to work out of San Benito County utilize these percentages. The highlights are below:

- Public and private sector employers located in San Benito County employ 16,450 workers (as previously reported);
- Local employers hire approximately 12,250 San Benito County based workers along with 4,200 out-of-county workers that commute into San Benito County;
- Approximately 27,200 San Benito County residents are employed workers (as previously reported);
- Approximately 16,700 commute to work out-of-county, which includes 4,200 local jobs that rely on out-of-county workers and 12,520 net out commuters, and;
- Thirty-eight percent of out-of-county commuters work in Santa Clara County and 11 percent work in Monterey or Santa Cruz Counties.

### **Potential to Recruit Out-of-County Commuters to Work in San Benito County**

The above data indicates that local employers create nearly as many jobs as there are out-of-county commuters. The out-of-county commuting along roads and highways that were not designed for the current usage creates significant traffic congestion and extended travel time to work, which has reduced the quality of life for residents and made it difficult to engage in business activities.

Consequently, economic development efforts have focused on attracting more business into San Benito County with the theory that out-of-county commuters will be eager to switch jobs and work locally. But the question is, “would they?” Of course, the vast majority of out-of-county commuters would like to reduce their time in the car and work closer to home. But that desire to work close to home is balanced by career portability, wages and salary, costs of living and other factors.

Data in Figure 8 provides some insight into the potential to reduce the out-of-county commuting traffic congestion by attracting more business into the county:

- More than 8,000 residents that are commuting out of the county are employed in working-class sectors such as construction, trade and warehousing, retail trade, health services and public education.
- These types of jobs are not easy “attraction” targets because they are tied to other local economies and are thus not portable.
- For example, there are 1,575 construction jobs based in the county while there are 3,070 employed residents who work in the construction industry, indicating a net out-commuting of 1,495 workers. In addition, San Benito County construction firms hire approximately 470 workers that live out of county, which means there are at least 1,965 residents employed in construction that work outside of the county. Similarly, at least 2,365 residents in health services work outside of the county and 2,430 residents in the retail sector also work out of the county.
- Over representation of county residents in these industries indicate that San Benito County functions primarily as a working-class bedroom community for the more expensive counties to the North and West.
- It is also worth noting that many of these industries have non-traditional work hours that may make San Benito County more attractive as the commute to Silicon Valley and Monterey is a little easier for people employed in these industries. For example, construction and teaching jobs often start at 7:00 and end at 3:30. Retail jobs are typically 10:00 to 6:00, and health care jobs are on staggered shifts.



That said, it might be possible to recruit one or more tech sector firms that might then hire some of the 2,350 professional, technical and scientific workers that commute out of county. Of course, successful recruitment of a tech firm or two will have minimal impact on out-commuting because more than 80 percent of the out commuting is not related to the tech sector, and only a portion of the tech workers commuting out can be retained to stay in the county because a worker's willingness to switch jobs depends on a good fit between the job opening and the skills and experience of a particular worker.

**Figure 8**  
**Employment by Industry Characteristics Among Out-of-County Commuters, 2021**

	San Benito County Jobs	% Total	County Residents Employed	% Total	Out of County Jobs	Outcommuters not Employed Locally	Out of County Commuters
<b>Goods Producing</b>							
Agricultural, Forestry & Fishing	1,945	10%	1,850	7%	0	290	290
Mining	180	1%	100	0%	0	20	20
<b>Construction</b>	<b>1,575</b>	<b>8%</b>	<b>3,070</b>	<b>11%</b>	<b>1,495</b>	<b>470</b>	<b>1,965</b>
<b>Manufacturing</b>	<b>3,045</b>	<b>16%</b>	<b>3,260</b>	<b>12%</b>	<b>215</b>	<b>500</b>	<b>715</b>
<b>Service Providing</b>							
Utilities	40	0%	390	1%	350	60	410
<b>Wholesale Trade, Warehousing &amp; Storage</b>	<b>345</b>	<b>2%</b>	<b>900</b>	<b>3%</b>	<b>555</b>	<b>140</b>	<b>695</b>
<b>Retail Trade</b>	<b>1,370</b>	<b>7%</b>	<b>3,290</b>	<b>12%</b>	<b>1,920</b>	<b>510</b>	<b>2,430</b>
Transportation	780	4%	970	4%	190	150	340
Information	40	0%	390	1%	350	60	410
Financial & Insurance	200	1%	580	2%	380	90	470
Real Estate Rental & Leasing	160	1%	410	2%	250	60	310
<b>Professional &amp; Technical Services</b>	<b>260</b>	<b>1%</b>	<b>2,260</b>	<b>8%</b>	<b>2,000</b>	<b>350</b>	<b>2,350</b>
Management & Administrative Services	1,030	5%	1,310	5%	280	200	480
Waste Management	75	0%	NA	NA			
Management & Administrative Services	60	0%	1,310	5%	1,250		
Waste Management	1,245	7%	NA	NA			
Private Education	125	1%	NA	NA			
<b>Health Services</b>	<b>1,245</b>	<b>7%</b>	<b>3,130</b>	<b>12%</b>	<b>1,885</b>	<b>480</b>	<b>2,365</b>
Arts, Entertainment & Recreation	125	1%	490	2%	365	80	445
Lodging	110	1%	130	0%	20	20	40
Food Services	1,370	7%	1,630	6%	260	250	510
<b>Other Services</b>	<b>475</b>	<b>3%</b>	<b>1,080</b>	<b>4%</b>	<b>605</b>	<b>170</b>	<b>775</b>
<b>Government</b>							
Federal Government	115	1%	110	0%	0	20	20
State Government	85	0%	NA	NA			
Local Government							
<b>Public Education</b>	<b>1,240</b>	<b>7%</b>	<b>2,260</b>	<b>8%</b>	<b>1,020</b>	<b>350</b>	<b>1,370</b>
Public Administration	840	4%	1,215	4%	375	190	565
Other Local Government	735	4%	NA	NA			
<b>Total Employment</b>	<b>18,815</b>		<b>27,200</b>		<b>12,520</b>	<b>4,200</b>	<b>16,700</b>

Data Sources: Jobs from U.S. Bureau of Labor Statistics; Employment from US Census, 2023

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Note: Column 1 measures number of jobs by industry sector generated by San Benito County employers.

Note: Column 2 measures employment by industry sector among San Benito County residents.

Note: Column 3 measures the net number of workers commuting out of San Benito County.

Note: Column 4 estimates the industry mix of additional out commuters assuming that 24% of San Benito County based jobs are taken by out of county commuters.

Note: Column 5 combines the net number of out commuters with the additional 4,200 out of county workers employed at San Benito County businesses. Column 3 + Column 4

## 2.5 Economic Context Summary, Findings and Implications

### Findings

- San Benito County is a majority Latino community with a workforce that employers rely on to fill many low-wage jobs in agriculture, construction and food services.
- A relatively high percentage of San Benito County residents that did not pursue formal education beyond High School limits efforts to attract new business that require professional, technical or scientific expertise. New technology-oriented companies attracted might need to rely on a high percentage of out of county commuters.
- San Benito County added 4,000 new residents since 2019 while Santa Clara County lost 50,000 residents and California overall lost 500,000 residents.
- San Benito County households earn only half of Santa Clara County's household incomes.
- San Benito County's median home price of \$842,400 is 9.5 percent higher than California home prices. Santa Clara County home prices are more than double California housing prices.
- San Benito County based establishments generate 18,815 jobs.
- Local business establishments generate 2,000 + more jobs as there are out of county commuters.
- Unlike most California counties San Benito County's economy is skewed toward goods-producing activities rather than the service sector.
- Agriculture is the largest component of San Benito County's job base when combining agricultural production with food and beverage manufacturers. Crop production output combined with value added manufacturing are combined to form an agricultural production cluster.
- Other significant sectors of the economy include construction, retail, food services, health care, durable goods manufacturing, public education, and management and administrative services.
- Professional services and health care are two significant weaknesses of the economy.
- More than 8,000 out of the county commuters work in the business sectors of construction, retail trade, health services and public education. It will be nearly impossible to attract these place-based establishments that do business within a small market venue and are unlikely to succeed in a new location away from their traditional market area.
- Approximately 2,300 professional, technical and scientific workers commute out of county. A portion of them could be attracted back to work locally, but efforts to attract global technology companies will be constrained by a workforce of San Benito County residents with relatively low levels of education.

### Implications

- Attraction efforts focused on reducing out of county commuting to jobs in construction, retail, health care and public education will not be successful.
- Efforts to attract global technology companies that hire a significant percentage of professional, technical and scientific workers could be possible under the right conditions. However, new tech companies may need to recruit a substantial percentage of out of county workers, some of whom will relocate to San Benito County. An influx of high-wage workers will not necessarily reduce commuting, but will drive up housing prices and rents. Upward pressure on the housing market will either force new home construction and/or cause the displacement of low-income residents.

### 3. STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS (SWOT)

A summary of San Benito County's economic development strengths, weaknesses, opportunities and threats (SWOT) are described below.

#### 3.1 Strengths

Strengths are the region's relative competitive advantages and are internal in nature. San Benito County's strengths include:

- Strategic location. San Benito County is Santa Clara County's next-door neighbor, and its strategic location is within a short drive away from the global technology companies in Silicon Valley. San Benito County's strategic location has attracted Silicon Valley investment in experimental aircraft, and pharmaceutical and semiconductor manufacturing.
- Hollister Airport. Unique Hollister Airport allows businesses to lease or purchase hangers outside the airport and still have direct access to the runways.
- Strong local employers with potential to expand.
- Good workforce that fits San Benito County's goods-producing business sectors.
- Great climate. San Benito County has world-class scenic beauty, a great climate and bucolic rural areas.
- Great soils support a strong and diverse agriculture base. Farming, packing and shipping of agriculture is San Benito County's largest industry and supports more than 4,000 jobs. Earthbound Farms is the county's largest employer.
- Visitor attractions, and high-quality amenities. San Juan Bautista and Hollister both have attractive historic downtown districts. Pinnacles National Park is the most famous of many outdoor recreation destinations.
- Access to large regional workforce. Local employers can ease the workforce shortage by recruiting out of county workers who will face an easy reverse commute.
- Lots of developable land, some with existing sewer and water services.
- Lower housing costs than neighboring Santa Clara County.



#### 3.2 Weaknesses

The region's relative competitive weaknesses are listed below:

- Wastewater treatment is unavailable in many unincorporated areas. Even significant proposed land development projects within the unincorporated county must either rely on septic or fund costly connections to the Hollister (i.e. regional) Wastewater Treatment Plant.
- PG&E can no longer assure that new commercial buildings can access electricity from the Hollister substation. The Hollister substation must be updated by PG&E at a cost of many millions.
- Highways 152, 25, and 156 that connect to Santa Clara and Monterey Counties are highly congested with 16,700 commuters traveling out of the county each day. Time wasted in traffic is unproductive for both businesses and workers.

- Hiring challenges for all businesses. A workforce shortage makes it difficult to fill jobs for nearly all business establishments. The low 4.6 percent unemployment rate (1,300 active job seekers) is a historically sparse number of unemployed workers.
- Shortage of workers with advanced education degrees constrains efforts to attract Santa Clara County based global technology companies.
- Lack of access to higher-education institutions restricts efforts to prepare the workforce for the digitalization of industry and other skills training needed to compete in today's economy. Fortunately, construction should start this year on a new 35,000 square foot Gavilan College campus.
- Broadband services are inconsistent and generally unavailable outside the Hollister and San Juan Bautista urban areas. Internet connectivity to homes and businesses is inadequate.
- A shortage of arts and entertainment activities.
- Many outdoor recreation facilities lack amenities. Although San Benito County has a lot of beauty, walking, running, and bicycle access is limited by the lack of prepared and maintained trails, parks, and outdoor exercise areas.
- High housing costs
- Shortage of both for sale and rental housing.
- Inconsistent access to quality, affordable childcare.
- Rural areas lack access to commercial services, transportation, jobs and business services.
- Public schools have a sometime underserved, negative reputation.
- Congested roadways impact family life and worker productivity.

### 3.3 Opportunities

Weaknesses are chances or occasions for regional improvement or progress.

- Expand additional solar power facilities or other forms of alternative green energy initiatives to reduce the reliance on PG&E as the sole provider of electricity.
- Fund the Hollister substation upgrade by establishing an Enhanced Infrastructure Finance District (EIFD). This would reduce the reliance on new PG&E investments and fund the ability to deliver ongoing electrical power.<sup>24</sup>
- Assist existing businesses to expand through good planning, streamlined approvals, targeted workforce training and funding made available to assist small business.
- Expanding the supply of all housing types puts downward pressure on housing prices and rents. Housing types that should be expanded include tiny homes, ADUs, workforce and affordable housing, and market rate units.
- Attract new higher density smart growth developments with multifamily housing units, residential and commercial mixed uses along with great public spaces. Smart growth development will reduce the conflict between pro-development and pro-resource protection groups in San Benito County.
- Leverage the arts as an economic development initiative. This includes public art, murals, a pro-active effort to attract artists, and the creation of multi-purpose artist workspace, venues for music, theater, and performing arts.

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<sup>24</sup> Attached link describes how EIFD's work. <https://scag.ca.gov/post/enhanced-infrastructure-financing-district-eifd>

- Continue to expand all transportation modes (roads, bike lanes, walkways) to connect residents to education, jobs and healthcare facilities.
- Continue to encourage walking and biking everywhere by making existing roads more bicycle and pedestrian friendly and safe. Also, construct bikeways, walkways and running paths away from the streets.
- Prepare residents for the digitalization of nearly every business, which will require the workforce to have significant digital dexterity within nearly every business sector of the economy.<sup>25</sup>
- Connect youth to the workforce with training, screening, transportation, mentoring, compensation, internship and leadership programs.
- Continue to leverage local, State and Federal funds and programs for economic development and diversification, renewable energy, housing assistance, infrastructure improvements and economic equity.
- Leverage local, State and Federal funds and programs for major transportation initiatives such as the SR152 (25, 156) commercial corridor improvements, funding a safe and efficient connection between CA5 and CA101 and funding High Speed Rail (HSR) over the Pacheco Pass.
- Establish a community college campus and expand workforce training opportunities and career development support within San Benito County.
- Re-imagine downtown Hollister and San Juan Bautista as higher density communities.

### 3.4 Threats

Threats are chances or occasions for negative impacts on the region or regional decline.

- More frequent droughts, flooding, wildfires and other severe weather events associated with climate change.
- Nearby earthquake faults and an actual earthquake that causes significant visible damage. San Benito County is near the center of the 1989 Loma Prieta Earthquake that destroyed downtown Santa Cruz and severely damaged downtown Hollister.
- Inadequate funding to maintain and improve the existing water, sewer, flood control, storm drains and roadway systems.
- Changing consumer and worker behavior during the COVID-19 pandemic threatened the economic viability of each downtown district. The pandemic accelerated a more severe shift toward online shopping that continues today with a general reluctance to return to “normal” consumer behavior. Remote work lifestyle has also changed consumer-shopping behavior.
- Access to health care for both residents and businesses is under threat by the potential closure of Hazel Hawkins Hospital.
- Ongoing tension between pro-development efforts with individuals and community groups dedicated to preserving the existing landscape. These tensions sometimes generate inconsistent approaches and attitudes about real estate development, business attraction and environmental protection.
- The collaboration between San Benito County and the two cities is sometimes inconsistent.

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<sup>25</sup> <https://www.indeed.com/career-advice/career-development/digital-skills>



- Some segments of residents are not involved in community and civic life, and currently have few resources to answer concerns and questions about planning, government, land use and other civic issues.

## 4. ECONOMIC DEVELOPMENT MISSION STATEMENT AND GOALS

The CEDS Strategy Committee, comprised of individuals from business advocacy organizations, business owners, local government, and non-profits, gathered together over three meetings to discuss San Benito County's economy, their economic development goals and the priority initiatives. The Committee collaborated to articulate the vision, goals, and objectives that are documented in this report. The mission statement and goals that the Committee adopted to guide the ongoing economic development initiatives are described below.

### 4.1 Mission Statement

The Mission Statement adopted by the CEDS Strategy Committee is to:

*"Work collaboratively to build our sustainable and resilient economy to foster innovation and inclusively to support efforts to work locally while earning living wages."*

Committee's vision to guide future actions is as follows:

- Support the production sectors of manufacturing, aerospace, biomedical devices and agriculture.
- Stabilize the health care sector.
- Engage in proactive workforce development from K-12 to career through vocational training and college by focusing on the strengths of the diverse community.
- Expand and strengthen entrepreneurship.
- Focus on smart growth through infill development and the preservation of open space and agricultural lands.
- Develop affordable and walkable live-work-play communities.
- Develop an interconnected multi-modal transportation network.
- Expand tourism connections to open space, agriculture, history, and cultural strengths and resources.

### 4.2 Economic Development Goals

The CEDS Strategy Committee also agreed upon four economic development goals and objectives that are described below.

#### **Goal #1: Leverage the County's Economic Strengths -**

- Grow the agricultural technology, energy, research and aeronautical sectors of San Benito County's economy.
- Construct and maintain the backbone infrastructure systems.
- Strengthen the Value-Added Sectors of the economy.
- Build synergisms between tourism, agriculture, history, culture, and open-space assets.

**Goal #2: Expand Equitable Communitywide Prosperity -**

- Bring broadband connectivity to San Benito County.
- Focus on infill development.
- Expand the supply of housing (including affordable housing for workers).
- Provide good, affordable child care

**Goal #3: Support People -**

- Upskill the digital and vocational skills of the workforce.
- Support entrepreneurship
- Provide opportunities for county residents to establish careers

**Goal #4: Increase Economic Resilience -**

- Develop energy solutions to reduce dependence on PG&E.
- Develop new water-storage and flood-control management infrastructure.
- Prepare for extreme climate or man-made events such as drought, floods, wildfires and mass shootings.
- Prepare for a potential significant earthquake.
- Provide businesses and residents with opportunities to learn about cyber security to prevent identity and on-line theft.
- Provide businesses and residents with opportunities to reduce or prevent property crime and improve physical security

## 5. ECONOMIC DEVELOPMENT INITIATIVES

Sixteen fundable economic development initiatives were identified during three meetings with the CEDS Strategy Committee, stakeholder interviews, and a survey that was distributed to forty civic groups and non-profit organizations. All of the initiatives described below are in progress toward implementation. Most are backed with private funding and in the process of being approved (or not) by one or more local government jurisdictions. The various initiatives are compiled into a summary chart that can be viewed in Appendix B, which is sorted into three categories:

- Initiatives that affect all of San Benito County or are proposed to be located in the unincorporated area.
- Initiatives that are exclusive to the City of Hollister
- Initiatives that are exclusive to the City of San Juan Bautista

### 5.1 Countywide or Unincorporated San Benito County Initiatives

#### **Urgent Ongoing Initiatives**

##### **Initiative #1: Retain Hospital Facilities in San Benito County**

The current hospital that is located in the City of Hollister, is a vital facility that delivers health care services to San Benito County residents. However, the hospital's financial difficulties may force the facility to close. If the hospital does close, it is critical to attract an alternative provider of health services to reuse the site.

A closed hospital would be a big blow to the local economy, negatively affecting the business climate and residents' quality of life. More directly, BenitoLink<sup>26</sup> reported that the hospital closure would eliminate 578 staff jobs and 136 physician jobs, which accounts for 57 percent of San Benito County's health care jobs. Additional indirect and induced jobs from businesses that do business with the hospital will also be lost, along with household income, business revenue, and spending from all of these employees.

San Benito County's collective energy is focused on maintaining the hospital as a viable entity. As of this moment the situation is very fluid. Regional stakeholders are actively engaged in discussions with hospital management to find a new health care provider or a partner for the current hospital. At this time the costs of maintaining, improving, or adaptively reusing the existing hospital facilities are unknown.

##### **Initiative #2: Generate New Electrical Power Needed to Support Additional Business Activities**

The Hollister substation that serves most of San Benito County can no longer guarantee that new commercial facilities can access electrical power. This means that the substation must be updated or an alternative micro-grid with renewable energy must be added to support new business growth.

PG&E is in the design phase of increasing capacity at the Hollister substation, and it is unclear when new electrical power can be generated. This leaves several pending commercial construction projects with no available power for possibly years. The lack of sufficient electrical power capacity could shut down most of San Benito County for new business growth and damage the local economy.

San Benito County's economic development stakeholders should proceed on two paths to generate new electrical power:

- Work collaboratively with PG&E on innovative financing solutions to upgrade the Hollister substation's capacity so it can produce more electrical power. The establishment of an Enhanced Infrastructure

<sup>26</sup> BenitoLink is an online news source.

Finance District (EIFD) to help fund a new substation should be considered along with assistance from the State Legislature or the Governor's Office.

- Explore all renewable and green energy options to increase the electrical power supply and explore the possibility of establishing a micro-grid for the area served by the Hollister Airport substation.

The cost to upgrade the existing substation is unknown but will likely amount to millions of dollars. The costs for renewable and green energy options are also unknown.

### **Initiative #3: Develop a New College Campus**

A 70-acre site at Fairview Corners was purchased to develop a new Gavilan Community College campus that will include a 35,000 square foot building for classrooms, labs, and a community meeting space, along with 150 parking spaces. The new community college campus will create jobs and provide critical educational facilities and services needed to make San Benito County a more attractive place to live and work.

The initiative is funded by a \$60 million bond measure that was approved in 2018. Funding for the entire project will be used to complete the main campus building along with the offsite roadway and access improvements, wastewater treatment, and an extension of water and power to the site.

At this time the initiative is smoothly moving toward implementation. The application for PG&E electrical power was approved prior to the current shortage. Construction is expected to start once the State architect approves the project, which should happen in 2023. Additional funding will be needed to support the future build out of the entire campus site with additional classroom space, athletic fields, and other amenities.

### **Initiatives that may take 1 to 3 Years to Implement**

#### **Initiative #4: Expand the Youth Empowerment Hub (YEHUB)**

The Youth Empowerment Hub is a facility located in downtown Hollister where young people from low-income and immigrant households can receive support to finish high school and/or assistance to enroll in a community college and/or assistance to select a non-college employment option by learning a trade skill or starting a business. Young people who are at risk of not entering the workforce can use the facility's study areas that have computers with Internet access, career and employment search/application assistance, mentorship in life skills, social and emotional support, housing assistance, and job readiness preparation. Experiences from the HUB can help young people become an important segment of San Benito County's workforce and overcome trauma and cycles of poverty that limit their opportunities to reach their full potential.

The non-profit organization that manages the YEHUB is an ongoing successful entity that rents a 9,000 square feet building used for afterschool programs, community outreach and youth and family support services. A portion of the rental space is dedicated for the YEHUB, and there is a desire to expand the YEHUB space in order to improve the quality and depth services that can be delivered.

Expansion of the YEHUB will require the current facility to be renovated, or a larger building will need to be purchased. Renovation of the existing building that they rent could be accomplished for less than \$50,000. Purchasing a larger new building near their current location is likely to cost about \$3 million. However, no funding has been secured for either option.

Assisting low-income immigrant youth to complete high school, apply for community college, engage in trade skills training, and/or start their own business generates long-term economic development benefits. The YEHUB also improves family and community stability, reduces the potential for long-term social problems (such as homelessness) and prepares young people to be more ready to enter the workforce.



### **Initiative #5: Implement the Proposed Automotive Research and Testing Facilities at Highway 156 and San Felipe Road**

Private investors proposed to develop a 230-acre site for auto technology research that features 2.5 miles of track to be used for testing all types of motor vehicles. The proposed development would also include one hundred high-end commercial garage spaces that is hoped to attract car collectors, mechanics, and other individuals and businesses engaged in motor vehicle research. The development may also include a public events center, a trade school, and other auto tech businesses. Some other features of the proposed project are summarized below:

- A 25-acre section of the site located apart from the testing facilities would be developed for a truck stop with a restaurant, a convenience market and a hotel.
- The proposed initiative may transform Hollister and San Benito County into an automobile research and testing destination.
- The project developer anticipates that the proposed initiative will require a \$130 million private investment. At this time there is no request for public funding assistance.
- The site is located in the unincorporated county outside of the Hollister “Sphere of Influence”. The Local Agency Formation Commission (LAFCO) will need to approve annexation into the city. The proposed project also needs to be approved by San Benito County and the City of Hollister...

### **Initiative 6: Implement the Proposed Commercial Center Within the Santana Ranch Subdivision**

Santana Ranch is an existing subdivision located on 300-acres of land in unincorporated San Benito County, just east of the City of Hollister. A new commercial center has been proposed on 10-acres of undeveloped land within the existing subdivision.

A new commercial center that will require \$30 million of private investment would keep more shoppers local, reduce traffic leaving the county and create new jobs. Some, but not all of the funding has been secured. A conceptual design of the site has been prepared.

### **Initiative #7: Implement the Commercial Development Project at Hwy. 101 and Betabel Road**

A 26-acre site located near the Highway 101 and Betabel Road interchange is envisioned to be a “1950s vintage road-side experience” with nearly 110,000 square feet of commercial space, a gas station, a convenience store, a restaurant, up to five amusement buildings, a visitor center, and a three-story motel with an outdoor movie screen. The proposed project also includes nature trails and a raptor-rehabilitation center. If implemented the new commercial development will create 75 to 100 fulltime jobs plus significant tax revenue for San Benito County.

The proposed project’s use permit and Environmental Impact Report (EIR) were recently finalized and approved by San Benito County. However, the development has been contested in court for more than one year and continues to face significant local opposition. Two non-profit organizations (the Center for Biological Diversity and Protect San Benito County) filed a lawsuit challenging the validity of the EIR and the process of preparing the report. The groups asked a judge to order the County Board of Supervisors to reverse the previous approvals due to their claim that the proposed project harms and disrupts one of the last remaining wildlife corridors between the Santa Cruz Mountains and the Gabilan Range in San Benito County. At this time, the project is on hold, and it is unclear when or if the legal issues will be resolved.

Total build-out costs are unknown, but the proposed project will be privately funded, and no public subsidies have been requested.

## Ongoing Long-Term Initiatives

### **Initiative #8: Improve Internet Access for All Businesses and Residents**

An important long-term economic development initiative is to build fiber optic infrastructure to deliver high-speed Internet service to nearly all San Benito County residents and businesses. The goal is to serve the county's rural areas and small communities, not just the two cities, which already have decent Internet connections. Good Internet access is necessary to improve the quality of life among existing residents, and for San Benito County to be a viable business location, and for the area to be a more attractive location for remote workers to reside.

A multi-million-dollar investment is needed to build a fiber optic network that connects Hollister with San Juan Bautista and the county's rural areas. Partial funding may be available from the State of California, which allocated \$6 billion to fund Internet access to rural areas. Additional funding may be available from the Monterey Bay Economic Partnership, which secured a \$1 million California Public Utilities Commission (CPUC) grant to expand broadband in Monterey, Santa Cruz, and San Benito Counties. The grant will be disbursed over five years.

At least one private Internet provider is interested in investing in fiber optic infrastructure that connects Hollister with San Juan Bautista and the rural areas between the two cities. The Rural County Representatives of California is administering a grant and has selected a consultant to prepare a Broadband Strategic Plan for San Benito County.

### **Initiative #9: Establish a Countywide Tourism Initiative**

A countywide tourism initiative, managed by a single organization, should capitalize on the county's two significant visitor attractions: the San Juan Bautista Historical District and Pinnacles National Park. An effective regional tourism initiative could also connect the main attractions with other potential tourism assets such as hiking, farmers markets, and winery and agricultural tours, all of which are under-promoted. More tourism will generate additional jobs, income, and tax revenue, without a significant strain on the demand for housing and public services.

Effective regional visitor promotion of the entire region could cost \$300,000 to \$500,000 per year. This level of funding could support a visitor information center, the management of websites, proactive marketing, data collection and reporting, assistance, participation in state and regional tourism initiatives, coordination with Pinnacles National Park, and the initiation of new tourism initiatives.

Currently, San Benito County's tourism-promotion efforts are disconnected from undertakings initiated by San Juan Bautista and Downtown Hollister's farmer's markets and other special events. San Benito County has funded a Wine Heritage District Feasibility Study to determine the feasibility and practicality of establishing a Tourism Improvement District. This initiative has stalled, and some visitor-serving businesses engaged in this effort are discouraged.

### **Initiative #10: Develop the Proposed Autonomous Vehicle Innovation Park**

The Autonomous Vehicle Innovation Park is proposed as a research and development facility to test autonomous vehicle technologies. The vision for the project is to develop and manage a premier automotive proving ground facility near Silicon Valley that would be used to safely conduct extreme tests, develop vehicles and technologies in a closed, secure environment, and to test and validate products prior to introducing them to the marketplace. The proposed project would include:

New business space for manufacturing vehicles and components and a driver-experience center; 1,077-acres of technology testing grounds, a 127-acre research park, a 24-acre commercial site and a 253-acre area reserved for E-Commerce facilities; 227 acres of agriculture, a 252-acre greenway, a 394-acre Pajaro River preserve and a 153-acre habitat preserve, and: Nearly 300 acres of infrastructure, water storage and right-of-

way. Proponents state that the proposed project will create more than 18,000 construction jobs and 5,000 permanent direct jobs for a variety of professions ranging from automotive engineers and software developers to truck drivers and cashiers. At full build-out, the permanent jobs would generate \$660 million in annual payroll.

Project costs and the potential need for public funding are unknown. Investors have established a showroom space in Hollister where the general public can learn more about the proposed project. A Draft EIR was in the works but in March 2023 the project developer asked the county to pause its work on the project's application, which has placed the EIR workplan on hold with no projected date for when it might resume.

### **Initiative #11: Expand Outdoor Recreation**

Additional recreational areas for runners, bikers, and walkers will provide health benefits to residents and make the area more attractive for visitors and future residents. A regional effort to expand outdoor recreation will improve the quality of life and make San Benito County a more desirable place to live and work. Below is a description of other efforts to expand outdoor education:

- San Benito County received a \$2.4 million grant from the State to build a regional park on seventy acres of undeveloped land located along River Parkway. The park will be built in three phases starting in the fall 2023 with a 93-space parking lot that will cost about \$1.1 million, mostly funded by last year's \$750,000 allocation from the State budget. It is unclear if additional funding will be needed to complete construction. Funding for amenities such as exercise stations, cross-country courses, playgrounds, etc. may be available through a state grant.
- The City of San Juan Bautista (SJB) promotes the use of nearby recreational trails, but new funding will be needed along with improved promotion to encourage residents to hike, get outdoors, and explore the area.
- The San Benito Agricultural Land Trust and its partners plan to identify private lands that can support additional trails and determine the feasibility of using trail easements on private property. The design of this initiative was completed with a state grant that funded efforts to meet with interested landowners.
- The Pinnacles Gateway Partners is an ongoing effort by citizens and the County Chamber of Commerce to spread the benefits of tourism surrounding the National Park.

## **5.2 City of Hollister Initiatives**

### **Ongoing Long Term Initiatives**

#### **Initiative #12: Revitalize Downtown Hollister**

Numerous historic buildings are in need of repair and revitalization for the foundation of downtown Hollister. The ongoing revitalization effort is a constantly changing and improving dynamic process limited by scarce fiscal resources and managed as a partnership between the City of Hollister, the Hollister Downtown Association (HDA), and the local business community.

The City relies on HDA to run the special events that provide free entertainment and attract thousands of visitors. The 2023 special events are anticipated to attract more than 65,000 people. Recent accomplishments include:

- Year-around tree lighting;
- The establishment of one-way streets;
- Construction of parklets during COVID;

- An archway as a downtown entryway, and
- Continued promotion of the Farmer's Market

Going forward, the purpose of the revitalization effort should be to attract new investment into the vacant and underutilized commercial spaces, to expand commercial activity, and create new jobs and taxable sales for the City of Hollister. The city may engage in outreach to potential developers and offer incentives in the form of rehabilitation tax credits, grant opportunities, federal preservation funds and other incentives to retrofit downtown historic buildings.

### **Initiative #13: Attract Investors and Developers to Build New Hangers at the Hollister Municipal Airport**

The City of Hollister wants to attract private investors to construct new hangers at the Hollister Municipal Airport that will in turn attract business tenants that can benefit from direct access to the runway. New hangars will make the Airport more attractive to aviation related users that can benefit from access to the runways. Below are some other factors affecting implementation of this initiative:

- The costs of adding new hangers are unknown at this time.
- New investments would most likely be privately funded.
- The City of Hollister owns and manages the airport but lacks the funding to make improvements.

### **Initiative #14: Develop Open Space Taxiways to Allow Businesses Access to the Runways at the Hollister Municipal Airport**

Expanding taxiways at the airport will attract firms that can take advantage of having direct access to a runway surrounding (but not inside) the airport, which will stimulate new business formation and job creation. The taxiways will transform the airport into a more effective economic development asset. The cost of securing the rights-of-way and constructing the taxiways is unknown.

Establishing new taxiways is conceptual and a design and infrastructure plan is being developed to better understand the details of roadway and infrastructure improvements. Public funding may also be required. The City of Hollister is planning to apply for an EDA Grant to support the effort.

## **5.3 City of San Juan Bautista Initiatives**

### **Urgent Ongoing Initiatives**

#### **Initiative #15: Wastewater Treatment Services Compliance Initiative**

The City of San Juan Bautista (SJB) is in the process of installing a six-mile wastewater force main that connects to the Hollister Regional Wastewater Treatment Plant. This initiative is urgent because the City of SJB accumulated more than \$800,000 in fines from the California State Water Resources Control Board for discharging elevated levels of sodium chloride and bacterial pollutants into the Pajaro River. The City of SJB has until December 2023 to become compliant with the U.S. Environmental Protection Agency (EPA) requirements. At this time, the new wastewater treatment plant and environmental studies have been approved, and the City of SJB is currently negotiating project details with the San Benito County Water District. The initiative will place San Juan Bautista in sewer discharge compliance with EPA's wastewater discharge standards. Once connected, San Juan Bautista's existing treatment system will be decommissioned.

Installing a six-mile force main to connect the Hollister Regional Wastewater Treatment Plant is estimated to cost \$18 million. San Juan Bautista's City Council unanimously approved a \$14.6 million bond for the

wastewater project. The bond secured two loans totaling \$10.2 million, along with a \$4.3 million U.S. Department of Agriculture grant.

Beyond EPA compliance, connecting San Juan Bautista's wastewater to the Hollister Regional Wastewater Treatment Plant will allow for the expansion of new residential and business connections, which will generate economic growth and new job creation.

#### **Initiative #16: Develop A New Source of Clean Drinking Water for the City of San Juan Bautista**

The City of San Juan Bautista, the San Benito County Water District, and the West Hills Water Treatment Plant have formed a partnership to construct five miles of pipeline to transport new clean water needed to lower nitrate levels in the public water supply that is used by San Juan Bautista residents and businesses. The new clean water source allows the City of San Juan Bautista to comply with EPA standards.

Cost estimates for the pipeline range between \$12 and \$15 million. Seventy-five percent of the project costs will be funded by a low-interest loan from the U.S. Department of Agriculture (USDA). Customers will absorb the remaining costs. The initiative is in the advanced stage of planning and engineering will proceed soon. Funding has been secured.

A new source of clean water will allow the city to permit more breweries and restaurants, which will attract revenue from visitors, create jobs, and contribute to the tax base.

#### **Initiative #17: City of San Juan Bautista Multi Modal Transportation Project**

This context-sensitive, rural scale transportation center will result enhanced transit patronage and make possible for direct transportation services such as carpool, ride share, van pool and other alternative transportation services for those who walk, bicycle or drive to the Multi-Modal Center for travel to/from any destination from Gilroy to Hollister. The project includes:

- A 7 mile shared pedestrian/bicycle path that terminates prior to the intersection of The Alameda in San Juan Bautista;
- A Multi-Modal Center that can accommodate staging and support improvements for a wide variety of related interconnections (San Juan Elementary School, Anza High School, Anza Trail, Third Street Historical District, Historical State Park and Mission San Juan Bautista);
- Landscaping and visitor center; and
- A gateway, various pedestrian and bicycle touring facilities, and interpretative areas and sites.

## 5.4 Other Economic Development Advocacies and Ideas

A survey sent to approximately forty non-profit community groups combined with in person or telephone/zoom interviews of thirty-one stakeholders yielded fifteen additional suggestions for future economic development initiatives as shown in Figure 9. The majority of these ideas have yet to get some momentum behind them with local government support. Some ideas listed in Figure 8 may never advance beyond an idea; some, however, could gain some significant support and be in position to seek EDA funding.

<b>Figure 9</b> <b>Other Economic Development Advocacies and Ideas</b>	
Protect Prime Agricultural Land	Prepare Third Street Corridor Downtown Improvement Plan (San Juan Bautista)
Place Crop Signs on Farms to Promote Agricultural Tourism	Finish Storm Drain Plan for Industrially Zoned Land (San Juan Bautista)
Add Electric Vehicle Charging Stations Throughout the County	Initiate an Historical Cultural Trail in San Juan Bautista
Create an Entrepreneurship Initiative	Develop New Cold Storage Facilities
Farm and Wine Tours	Establish a Community or Senior Center in San Juan Bautista
Continue to Promote Regular Farmer's Markets (Hollister)	Establish an Agricultural Streambed Maintenance and Water Restoration Program
Develop a Telecommute Center (Hollister)	Establish a New Performing Arts Center in the region



## 6. BENCHMARKS AND PERFORMANCE MEASURES

Progress on all economic development activities will be measured against benchmarks to document progress toward accomplishing the regional economic development goals. The benchmarks ideally measure outcomes, results, and accomplishments rather than process tasks such as making phone calls or attending meetings. The Economic Development Corporation of San Benito County (EDC) with the knowledge of data sources and analytical techniques and with guidance by a stakeholder committee can benchmark the annual accomplishments. Selected measures and outcomes should be reported back to other economic development stakeholders, the EDC board and other economic development partners.

This narrative describes how San Benito County's economic development accomplishments can be annually measured and documented. The performance measures connect back to the economic development goals adopted by the CEDS Strategy Committee as described in Section 4.2 of this report.

### 6.1 Goal #1 Benchmarks: Measurements of San Benito County's Economic Strengths

#### Objective #1A: Expand the Technology, Energy, and Aeronautical Economy

Data Axel, a business research service can provide the data needed to measure growth of the number of firms, employment, and business sales for all private business sectors of San Benito County's economy. The database costs about \$500.

In addition, Dun & Bradstreet's Econovue is a business intelligence database that can track workforce needs and at-risk business sectors.

#### Objective #1B to Construct and Maintain Backbone Infrastructure Systems

Business retention, expansion, and attraction require adequately subdivided sites with correct zoning and access to wastewater treatment, electrical power, storm drainage, water supply and roadways that connect to regional transportation networks. Measuring progress with infrastructure improvements will require data collection since this information is not available online or via other secondary sources.

- Shovel Ready Sites – An inventory of the available business sites that are properly zoned and have adequate infrastructure services should be prepared and periodically updated. The data can be collected through periodic contacts with San Benito County and the two cities.
- Wastewater Treatment – Commercial and industrial sites must have access to adequate wastewater treatment services in advance of development. This information can be documented in an initial inventory of shovel ready sites, but the performance measures can also track the capacity of treatment plants to support new business connections, any potential growth constraints, and the capacity to expand the facility to support new industrial and commercial connections.
- Electrical Power – Business sites must have access to electrical power in advance of development. PG&E manages the county's three substations, and the utility controls when new buildings can be connected to the grid. The performance measures should track the substation's capacity to support new business connections, the capacity to expand the amount of electrical power available to new industrial and commercial connections, and any potential growth constraints that are in place.
- Storm Drainage – Business sites must have adequate storm drainage to prevent periodic flooding. The performance measures should track the capacity of each jurisdiction's storm drainage systems to support new growth and any ongoing improvements.

- Water Supply – Business sites must have access to an adequate supply of water. The performance measures should track the capacity of each jurisdiction’s water supply systems to support new growth along with improvements that are being made to the water supply.
- Roadway improvements – Information about areas of major roadway congestion is readily available, and highway interchange and roadway improvement projects can be measured and reported on an annual basis for each jurisdiction.

### **Objective #1C: Strengthen the Value-Added Sectors of the Economy**

Data Axel can be used to measure annual changes in value added to agriculture produced in San Benito County, which is the manufacturing, packing, and distribution of food products, wine and beer. The data can be used to measure growth in the number of firms, employment, and business sales for the food-manufacturing sector.

In addition, provide regular engagement with businesses, tax credits, incentives, financing options, technical support for business development, growth, continuity, succession and resilience.

### **Objective #1D: Build Synergism Between Tourism, Agriculture, History, Culture, and Open Space Assets**

Transient Occupancy Taxes (TOT) and retail sales receipts can be gathered from each jurisdiction and analyzed for improvements in comparison with statewide and regional trends. Tax receipts that capture a sizable portion of visitor spending in the county can measure progress toward accomplishing the goal.

For this metric it also makes sense to benchmark collaboration as San Benito County’s tourism, agriculture, and open space stakeholders are often in competition with each other and collaboration is rare. Possible benchmarks include:

- Meetings of the various stakeholders involved in tourism, agriculture, and open space protection. The meetings should include but not be limited to the following groups: Hollister Downtown Association, San Juan Bautista’s Economic Development Citizen’s Advisory Committee, Pinnacles National Park, San Benito County Chamber of Commerce, Earthbound Farms (large employer), San Benito Foods (large employer), San Benito County Farm Bureau, San Benito Agricultural Land Trust and San Benito County Resource Management Agency.
- Progress on individual or collaborative projects which develop out of the above meetings.

## **6.2 Goal #2 Benchmarks: Expand Equitable Communitywide Prosperity**

### **Objective #2A: Bring Broadband Connectivity to San Benito County**

It is a long-term economic development goal to deliver fiber optic Internet service to San Benito County’s rural areas and small communities, not just the two cities (Hollister and San Juan Bautista), which already have decent Internet connections. This goal is shared throughout the Central Coast region, but specific San Benito County focused efforts have yet to be initiated.

Measuring progress to accomplish this goal will be a start-up effort. The measures should document San Benito County’s participation with the Monterey Bay Economic Partnership’s Central Coast Broadband Consortium in their ongoing efforts to bring broadband internet services to rural hard-to-serve areas throughout the Central Coast region. The meeting outcomes should be documented and reported back to county stakeholders. Progress made implementing a San Benito County Broadband Strategic Plan should also be documented after the first year.

## **Objective #2B: Direct New Real Estate Investment Toward Infill Sites**

A goal to direct new real estate investment toward infill sites with access to nearby transportation networks and infrastructure services is a new approach for San Benito County. Some innovative ideas will be needed to measure success toward implementing the goal. An annual report on infill development could be prepared and reported back to the community.

## **Objective #2C: Expand the Housing Supply**

An insufficient number of homes have been built to keep up with San Benito County's expanding population. This has caused a housing shortage for rental and for sale homes as outlined below:

- The total number of new houses built per year and the growth rate of new housing construction is available in April each year as part of a mandatory report provided to the State Housing and Community Development Department.
- The county and two cities (Hollister and San Juan Bautista) can make it easier for housing developers to invest, by implementing more flexible zoning, improved permit processing, and other land use planning reforms.
- Infrastructure access (sewer, water, roads) is critical to new housing production, and
- Support the implementation and promotion of new pro-housing laws such as SB-9 and ADU laws.

## **Objective #2D: Expand Affordable Housing**

The number of affordable housing units in San Benito County is inadequate to meet the need of many low-income residents. The total number of new affordable units built per year is available from each jurisdiction in April as part of mandatory reporting to the State Housing and Community Development Department. In general, cities and counties can support the development of "affordable housing" with:

- Housing Fund Subsidies. The housing fund is capitalized by developer contributions, which can be used to subsidize the development of more affordable housing.
- An inclusionary housing ordinance requiring developers to construct 10 to 20 percent of all new units as "affordable" units.
- Zoning regulations such as SB-9 and ADU law which make it easier to build more units on a single-family lot and to subdivide that lot into two parcels.
- Collaborate with affordable housing developers, who use Tax Credit Financing, to construct larger affordable housing complexes for low-income seniors, veterans, families, and the homeless.
- Update housing impact fees to encourage the development of affordable, smaller units.
- Encourage the planning of affordable housing via proactive zoning and supplemental infrastructure

# **6.3 Goal #3: Support Residents and Local Business**

## **Objective #3A: Upskill the Workforce in digital technologies and other vocational skills**

This is yet another objective where San Benito County is at a starting point since there are no initiatives in place to train the workforce in digital technologies or even vocational skills. The performance measure would be to monitor and document any workforce training programs in digital technologies or other vocational skills.

Provide additional and new assets for workforce training that helps the existing workforce advance their careers via soft skills, technical training, leadership and supervision.

### **Objective #3B: Support Entrepreneurship**

Currently, San Benito County partners with Cal Coastal Small Business Development Corporation (SBDC) to support entrepreneurship, to create new employment opportunities along with equitable wealth creation. The performance measure would be to monitor and document the number of entrepreneurs and small businesses helped through the SBDC in the county.

Support new and existing entrepreneurs with succession and continuity planning to help ensure that they remain and grow in San Benito County.

### **Objective #3C: Improve Information About San Benito County's Workforce.**

San Benito County suffers from a lack of good information about its workforce needs. The Latino majority includes a significant percentage of agricultural workers impacted by dramatic weather events and climate change. Workforce leaders can only make an educated guess about the number of workers that commute out of county, the geographies and industry sectors where they work, and their availability to switch to local jobs created by an expanding business base. The most recent commuting data is from a 10-year-old survey. In addition, no adequate information exists about the job readiness and digital skills of the approximately 1,300 unemployed residents. We also do not know if existing and new businesses attracted to San Benito County can realistically recruit an out-of-county workforce to commute in.

## **6.4 Goal #4: Increase Economic Resilience**

### **Objective #4A: Develop Energy Solutions to Reduce Dependence on PG&E**

San Benito County is just at the starting point of encouraging the adoption of non-renewable energy independent from PG&E. Below is a list of some possible benchmarks that could be documented:

- Progress made establishing micro-grids to serve new business tenants surrounding the Hollister Airport, at the Hollister Airpark, and elsewhere;
- Progress getting started on a solar farm feasibility and siting study;
- Progress expanding PG&E's substation as a producer of new electrical power;
- Progress made developing alternative energy supply for business, industry and agriculture;
- Progress made expediting the permitting process for small-scale alternative energy facilities;
- Progress made transforming county facilities into carbon-free, zero-waste and resilient activities.;
- Progress made phasing out county and city owned gasoline powered light-duty cars, vans, and pickups; and,
- Progress made installing electric vehicle charging station infrastructure throughout the region.

### **Objective #4B: Develop New Water Storage and Flood Control Management Infrastructure**

Quite a few water-storage and flood-control projects were identified in the Multi-Jurisdiction Local Hazard Mitigation Plan. Documenting the progress made implementing the projects would have to be a ground up effort. The benchmarks to document would be:

- Progress made establishing a new dam and an expanded reservoir on the North Fork of Pacheco Creek;
- Progress made completing the Managed Aquifer Recharge Study;
- Progress made expanding production well capacity in the North San Benito Basin;
- Progress made identifying ingress and egress routes in affected flooding areas; and,

- Progress made assessing risks of the potential San Felipe Dam failure and Pajaro River flooding.

#### **Objective #4C: Prepare for Extreme Climate Events**

The first step is to prepare a Climate Action and Mitigation Plan for San Benito County to comprehensively identify and address the increased risks associated with climate catastrophe related to wildfires, drought, extreme temperatures and extreme storms. The benchmark should be to measure progress completing the study.

#### **Objective #4D: Prepare for Potential Significant Earthquake**

Actions that can be taken to reduce risks from a potential significant earthquake hitting San Benito County were identified in the Area Multi-Jurisdiction Local Hazard Mitigation Plan. Some benchmarks to document are listed below:

- Progress made replacing Union Bridge;
- Progress made retrofitting public water supply systems;
- Progress made creating an inventory of public buildings that require seismic retrofit;
- Progress made creating a countywide emergency operations center; and,
- Progress made complying with state and federal requirements to assess the vulnerability of dams to damage from earthquakes, landslides, liquefaction, or security threats.

## 7. ECONOMIC RESILIENCE

Economic resilience strategies will position San Benito County to survive and adapt to sudden acute shocks due to natural disasters, manufactured disasters, or unanticipated economic shocks. Measures to fortify the community after disasters strengthen the region's overall adaptability to change and sudden shock.

### 7.1 Natural and Man-Made Shocks

The information below describes the economic shocks that are most likely to impact San Benito County. The "most likely" list are the disruptions or shocks that may hit the county, and the region's attempts to reduce the impacts on residents and businesses.

#### Floods

The flooding of the town of Pajaro in nearby Monterey County during the 2023 rainstorms reminds all residents about the dangers of living in a flood plain downstream from a 100-year-old levee that needed to be upgraded or replaced for decades. In fact, flooding along river and stream corridors is a natural occurrence in the major river valleys and tributary basins within San Benito County. But natural occurrences can become dangerous and cause severe damage during periods of extreme rain events. San Benito County's generally level topography contributes to flooding problems, since once water rises above (or flows around) stream banks or levees, it may spread out over large areas.

Although several dams in or adjacent to the county provide beneficial water supply storage and serve irrigation and recreation needs, the reservoirs could inundate portions of the county in the event of a natural or human-caused dam failure. A dam failure has the potential to cause loss of life, damage to property, and other related hazards, along with displacement of residents and/or damage to water resources and other infrastructure facilities (e.g., irrigation, electric power generation or transmission, transportation).

#### Long-Term Drought

San Benito County has experienced long-term drought for a number of years since the early 2000's. Drought can have a widespread impact on the environment and the economy, although it is not likely to cause a loss of life or damage to structures. The severity of a drought depends on the degree of moisture deficiency, the duration, and the size and location of the affected area.

According to the U.S. Drought Monitor San Benito County has been in severe, extreme or exceptional drought for a total of 10 years since 2008, and the county has been in "exceptional" drought (the highest category) since 2014.<sup>27</sup> The 2023 rainstorms finally moved San Benito County out of the "Extreme" drought category, and reclassified the northern portion of the county as "Moderate" and the southern portion as "Severe." However, despite the recent rains the county is still not out of a drought.

#### Public Health

The COVID-19 pandemic taught everyone what a significant impact that disease and public health has on society and the economy. Years from now when historians look back on the effects of the COVID-19 pandemic, it will describe how it changed society and the economy in very profound and lasting ways such as:

- Supply chain problems that are due to a shift of consumer spending away from services and toward buying more commodities;

<sup>27</sup> Data Source: <https://droughtmonitor.unl.edu/CurrentMap.aspx>

- Business shutdowns convinced the federal government to pump billions of dollars into the economy stimulating new private investment and job creation;
- Millions of people quitting their jobs to work from home, start a new business, and/or adopt a better work-life balance;
- Many workers have abandoned the nine-to-five, one-size-fits-all corporate business model, leaving long-lasting psychological marks on workers and changing the way employers and employees envision the future of work; and,
- Remote work and a significant downsizing of office space have altered downtowns and central business districts everywhere.

## Wildfires

Six significant wildfires have hit San Benito County since 2018 burning 3,100 acres of land. Forty-two percent of the total acreage burned occurred during the 2018 “Airline Fire”. The 2020 “Bitter Fire” burned 810 acres. With drought conditions in recent years wildfires have occurred annually since 2018.<sup>28</sup>

Among all the potential hazards wildfires pose the greatest threat to public safety and property. Weather conditions, fuel supply, and topography are all factors that contribute to the rate that a fire will spread. Hot dry weather reduces the moisture content of vegetation, causing it to burn more easily, and a dense concentration of fuel burns more rapidly. The California Fire Marshall places San Benito County into the “very high” Fire Hazard Safety Zone (This is the highest risk category possible). Elevated drought conditions in San Benito County increase the risk of more intense wildfires.

## Earthquakes

San Benito County is in a high seismic area with the very active San Andreas Fault extending from the northern portion of the county near Aromas through the entire length of the county just east of San Juan Bautista. The very active San Andreas Fault system is capable of generating large destructive earthquakes. The probability of a major earthquake occurring in the near future is a factor with which to contend.

A major earthquake is likely to trigger other geological hazards including landslides, flooding that results in soil erosion and disposition, fire, hazardous-material incidents, and dam failure. It is likely that catastrophic interruptions and/or failure in communications, electrical power, water supply, wastewater treatment, natural gas and petroleum fuels will occur if a major earthquake hits. All of these hazards contribute to a considerable risk to the health and wellbeing of people in the county and the potential for extensive and expensive property damage.

## Unanticipated Economic Events or Shocks

A new financial crisis, a national recession, or another unanticipated event could generate a man-made economic shock that affects San Benito County’s economy. It was not that long ago when the 2008 financial crisis had a significant negative impact on California’s economy and a new recession could inflict similar damage.

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<sup>28</sup> Data source: <https://www.fire.ca.gov>



## 7.2 Ongoing Efforts to Plan for Natural or Man-Made Disasters or Shocks

San Benito County's resiliency is centered on plans and actions that are in place to plan for adjust to the economic shocks caused by floods, droughts, another pandemic, a major earthquake and wildfires. In the near term the Cities of Hollister and San Juan Bautista and the County of San Benito Emergency Operations teams who are working with the San Benito County business community and residents should continue to conduct annual disaster preparedness events; National Shakeout Day provides an opportunity to conduct earthquake drills. The EDC should assist the cities and county in identifying resources to fund these preparedness events, the preparation development of recovery plans, and communications redundancies to the extent those funding opportunities exist. Below are five resiliency solutions that San Benito County could utilize during the duration of this five-year plan to mitigate future shocks caused by the manufactured events listed below.

### Identify Potential Energy Solutions for San Benito County

The adaptation projects listed below are intended to address the significant shortage of electrical power that has resulted from inadequate electrical power substations. The projects described below would make progress toward developing energy solutions.

#### Establish a Municipal Aggregation Program

A Municipal Aggregation Program allows local governments to procure power on behalf of their residents, businesses, and municipal accounts from an alternative supplier while still receiving transmission and distribution service from the existing utility provider.

#### Solar Farm Project

Prepare a feasibility and siting study for solar farms within San Benito County and support the development of new solar facilities to provide alternative sources of renewable energy.

#### Electric Power Advocacy

San Benito County's economic development and community partners would establish a working partnership to advocate for local solutions to upgrading PG&E's substation as a producer of new electrical power.

#### Energy Resiliency Initiative

- Collaborate with the private sector to develop alternative energy supply for business, industry and agriculture;
- Consider an expedited permitting process for small-scale alternative energy facilities;
- Assist businesses in applying for loans and grants to construct alternative energy supply and storage facilities to meet business expansion needs in San Benito County;
- Make all county facilities carbon free, zero waste and resilient. Design or retrofit county and city facilities to be carbon neutral and zero waste and incorporate resilient construction techniques and materials.
- Invest in county, city and private sector facilities to establish micro-grid technologies that improve energy grid resilience;
- Maximize sustainability and emissions reductions in all vehicles.
- Phase out county and city (owned or leased) gasoline powered cars, vans, and pickups to achieve a 30 percent zero-emission of vehicles by 2026; and,
- Install electric vehicle charging stations throughout the region.

## **Develop Resilient Water Infrastructure**

Climate change will continue to impact agriculture and tourism and affect the livability of the region by making droughts more common and severe. The projects described below would make progress toward developing resilient water infrastructure.

### **Pacheco Reservoir Expansion Project**

The project would establish a new dam and expanded reservoir on the North Fork of Pacheco Creek to replace the existing dam and reservoir that was constructed in 1939. The reservoir is located in Santa Clara County northeast of North San Benito Basin.

### **Expand Managed Aquifer Recharge (MAR)**

Climate change and growth in water demand will both undermine the sustainability of groundwater conditions in the North San Benito Basin by increasing groundwater declines during dry periods. Increasing the amount of groundwater recharged during wet periods can offset the declines provided that the recharged groundwater remains in storage.

The Managed Aquifer Recharge study addresses the entire basin to evaluate potential locations, several methods of recharge, and several sources of water. The MAR study has demonstrated the conceptual feasibility of injection and/or recharge projects. Next steps are likely to include additional investigation of water quality issues, focusing on potential geochemical interactions between recharge water sources and native groundwater. Subsequent field work may include installation and testing of injection wells.

### **Hollister Urban Area Water and Wastewater Master Planning Project**

The Hollister Urban Area Water and Wastewater Master Planning Project has been the major means for regional cooperation and coordination of water, wastewater, and recycled water facilities for the urban areas in the North San Benito Basin. Planning is being conducted by San Benito County Water District (SBCWD), City of Hollister, and City of San Juan Bautista to convey wastewater to the City of Hollister Wastewater Treatment Plant. The planning addresses issues the City of San Juan Bautista currently has related to meeting drinking water standards for its potable water system and meeting waste discharge requirements for its wastewater discharges to a tributary of San Juan Creek.

### **North County Project**

The North County Project will develop production well capacity in the North San Benito Basin to actively manage groundwater storage, to increase municipal water supply and drought year reliability, and to improve municipal water quality for the City of Hollister. The North County Project involves siting, design, and installation of new production wells. The long-term goal is to develop up to 5,000 acre-feet per year of local groundwater supply that is reliable during drought.

## **Implement Climate Resiliency**

Climate change will significantly impact the resiliency of the regional economy. Many hazardous events (fire, drought, extreme temperatures and extreme storms) are worsened by climate change and consequently will continue to have large impacts on the region's collective social, economic, and environmental well-being. By working to prevent and mitigate the impacts of climate change, the region can work together to avert the worst impacts of the climate emergency on the economy. Guided by science, and in concert with the state, national, and international communities, County of San Benito and partners can work towards mitigating and preventing climate change and engage in climate preparedness, adaptation and resiliency. The projects described below would make progress toward implementing climate resiliency.

## **Climate Action and Mitigation Plan**

Prepare a Climate Action and Mitigation Plan for San Benito County to comprehensively identify and address the increased risks associated with climate catastrophes related to wildfires, drought, extreme temperatures and extreme storms. The study should combine the effects of increased atmospheric carbon dioxide and increased temperature on crop water needs, to predict future water requirements. Maximize opportunities for mitigation of climate change and adaptation through land conservation and land use policies listed below:

- Update General Plans to incorporate policy language to maximize carbon sequestration. Provide opportunities for adaptation that includes lands. San Benito County is in the process of preparing a Conservation Plan;
- Cape and species resiliency, fire and flood risk reduction, and biodiversity.
- Maximize carbon sequestration and minimize loss of natural carbon sinks in agriculture and rangelands;
- Encourage land management to maximize sequestration by developing a framework and policies to incentivize collaboration with private and public landowners;
- Initiate, support, fund and expand flood protection;
- Develop partnerships with cities, tribal governments, and organizations regarding flood protection and sustainability to identify gaps and address climate change impacts; and,
- Implement land use planning and assessments to address flood protection, including river setbacks and riparian corridors, and make resources available for residents.

## **Implement Earthquake Resiliency**

Earthquake risk reduction policies included in the Area Multi-Jurisdiction Local Hazard Mitigation Plan are listed below:<sup>29</sup>

- Replace Union Bridge with earthquake and flood resistant/proof construction;
- Retrofit water supply systems of San Benito County, City of Hollister, City of San Juan Bautista, San Benito County Water District and Sunnyslope Water District;
- Inventory county and city buildings that require seismic retrofit, and identify all critical facilities in the county and cities;
- Perform upgrades to the Hollister Airport to allow it to receive larger aircraft for regional staging in case of widespread disaster or local disaster;
- Assess San Felipe Dam failure scenarios in relation to the San Benito County region; and,
- Comply with state and federal requirements to assess the vulnerability of dams to damage from earthquakes, landslides, liquefaction, or security threats.

## **Implement Fire Resiliency**

The following fire-resiliency projects were identified in the “Multi-Jurisdiction Local Hazard Mitigation Plan” for San Benito County:

- Develop a defensible space vegetation program that includes the clearing or thinning of (a) non-fire resistive vegetation within thirty feet of access and evacuation roads and routes to critical facilities, or

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<sup>29</sup> <https://www.cosb.us/home/showpublisheddocument/10834/638181251398570000>

(b) all non-native species (such as eucalyptus and pine, but not necessarily oaks) within 30 feet of access and evacuation roads and routes to critical facilities;

- Address the fire hazard area of Tres Pinos in terms of water delivery and fire risk mitigation;
- Encourage replacing aboveground electric and phone wires and other structures with underground facilities, and use the planning-approval process to ensure that all new phone and electrical utility lines are installed underground;
- Require that development in high fire hazard areas provide adequate access roads (with width and vertical clearance that meet the minimum standards of the fire code or relevant local ordinance), onsite fire protection systems, evacuation signage, and fire breaks; and
- Ensure adequate fire equipment and road access to areas at risk of fire.

## **Reduce Flood Risks & Impacts**

The Multi-Jurisdiction Local Hazard Mitigation Plan identified approximately 1,360 properties in San Benito County that have greater than a 26 percent chance of being severely affected by flooding over the next 30 years. This represents 9 percent of all properties in San Benito County. The following projects were identified in the Mitigation Plan:

- Identify ingress and egress routes for flooding for the City of Hollister, the City of San Juan Bautista and for areas affected in San Benito County overall;
- Assess San Felipe Dam failure scenarios in relation to the San Benito County region.
- Assess the Pajaro River Flood Plain and its risk to San Benito County areas;
- Work for better cooperation among the patchwork of agencies managing flood control issues;
- Develop “safe site” Plan; and.
- Continue to employ development practices that minimize fire and flood risk to structures and communities. These include locating structures and communities away from the wild lands interface and preserving natural lands that act as buffers between development and wild lands.

# APPENDIX A

## SAN BENITO COUNTY ONGOING ECONOMIC DEVELOPMENT INITIATIVES

Countywide or Unincorporated San Benito County Initiatives				
Initiatives	Description of Initiative	Economic and Employment Impacts	Approximate Cost and Funding Source	Status of Initiative
<b>Urgent Ongoing Initiatives</b>				
Retain Hospital Facilities in San Benito County	The current hospital in San Benito County is a vital facility that delivers health care services to the region's residents. However, the hospital's financial problems may force the facility to close during 2023. It is critical to attract an alternative provider of health services to reuse the hospital facilities.	Closure of the hospital will eliminate 578 staff jobs and 136 physician jobs. It will cost significant indirect and induced job loss, income, business revenue and spending. It will be more difficult for residents and businesses to access health care services, making San Benito County less desirable to live and work.	The costs of maintaining, improving or adaptively reusing the existing hospital facilities are unknown.	No organized effort is in place to retain and reuse the hospital facilities. However, regional stakeholders are actively engaged in discussions with hospital management in attempts to find a new health care provider or a partner for the current hospital.
Generate New Electrical Power Needed to Support Additional Business Activities	The Hollister substation that serves most of San Benito County can no longer deliver electrical power to new (and some expanding) commercial businesses. This means that the substation must be expanded or alternative sources of renewable energy must be added to the grid in order to support commercial growth.	The lack of sufficient electrical power capacity will shut down most of San Benito County for new business growth, which could seriously damage the local economy.	Costs and sources of funding needed to expand power are unknown. The City of Hollister and San Benito County could collaborate to establish an Enhanced Infrastructure Finance District (EIFD) designed to fund improvements.	Potential solutions may require assistance from State Legislatures. Renewable energy options to increase the electrical power supply have yet to be identified.
Develop a New College Campus	A 70-acre site at Fairview Corner was purchased to develop a new community college campus (\$60 million was secured by the passage of a bond measure in 2018). The new campus will include a 35k square foot building to be used for classrooms, labs, and a community meeting space, along with 150 parking spaces.	A community college will create jobs and the new campus will provide critical educational facilities and services needed to make San Benito County a more attractive place to live and work.	The entire \$60 million will be needed to complete the main campus building, which includes offsite roadway and site access improvements along with wastewater treatment and an extension of water and power to the site. Additional funding will be needed for site build out.	Construction is expected to start once the State architect approves the project. The development will include an onsite septic system, until the new development can connect to the Hollister wastewater treatment plant. Two new neighboring subdivisions will expand the demand for nearby commercial services.

## Initiatives That May Take 1-3 Years to Implement

Expand the Youth Empowerment HUB (YEHUB)	<p>The existing Youth Empowerment HUB located in Downtown Hollister wants to expand their 9k sf of space to provide more thorough and in-depth services to young people from low-income and immigrant households, many of whom are at risk of being left out of the workforce.</p> <p>Expansion of the YEHUB will require the non-profit organization that manages the facility to renovate the current facility or relocate.</p>	<p>Assisting low-income immigrant youth to complete high school, apply for community college, engage in trade skills training and/or start their own business generates long-term economic development benefits.</p> <p>The YEHUB also improves family and community stability, reduces the potential for long-term social problems such as homelessness and prepares young people to be more ready to enter the workforce.</p>	<p>Renovating the current space could be accomplished for less than \$50,000. A new building is likely to cost about \$3 million.</p>	<p>The YEHUB is a successful entity that serves a very important segment of San Benito County's population. However, no funding has been secured to expand the facility.</p>
Implement the Proposed Automotive Research and Testing Facilities at Hwy. 156 and San Felipe	<p>Private investors proposed to develop a 230-acre site for auto technology research. The proposed initiative features 2.5 miles of track to be used for motor vehicle testing. The proposed development also includes 100 high- end commercial garage spaces that is hoped to attract car collectors, mechanics as well as individuals and businesses engaged in motor vehicle research. The development may include a public events center, a trade school, and other auto tech businesses. A 25-acre section of the site located apart from the experimental tracks would be developed for a truck stop, a restaurant, a convenience market and a hotel.</p>	<p>The Hollister Airport is already attracting experimental aircraft, and if successful, the proposed initiative may transform Hollister and San Benito County into an automobile research and testing destination. This could have a significant impact on Hollister's image.</p>	<p>The project developer anticipates that the proposed initiative will require a \$130 million private investment. No public funding will be necessary.</p>	<p>The site is located in the unincorporated County outside of the Hollister "Sphere of Influence." LAFCO will need to approve annexation into the city. San Benito County and the City of Hollister will also need to approve the project.</p>

### Initiatives That May Take 1-3 Years to Implement (Continued)

Implement the Proposed Commercial Center Within the Santana Ranch Subdivision	A new commercial center is proposed to be developed on 10-acres of undeveloped land. The site is located within a 300-acre subdivision just east of the city of Hollister in unincorporated San Benito County. The County has approved the eventual development of 1,100 homes, most of which are single-family homes but there will also be a mix of multifamily and affordable units. The larger development also includes the Santana Ranch Middle School.	A new commercial center would keep shoppers local and reduce some traffic that travels out of county to shop. New commercial uses would create jobs and generate sales and property tax revenues needed to pay for public services.	The proposed commercial center is estimated to need \$30 million of private investment. A portion of the funding has been secured.	A conceptual design of the site has been prepared but no decisions have been made on building configuration or specific uses for the site.
Implement the Commercial Development Project at Hwy. 101 and Betabel Road	This development project proposes to be a “1950s vintage road-side experience” located on the west side of Hwy 101 that will include: A convenience store and gas station with bathroom facilities; a drive-up restaurant featuring locally sourced foods and ice cream; a Visitor’s Center kiosk with information on the area, Native American heritage, agricultural roots, movie locations, and recreational opportunities. A large mercantile barn will offer local crafts, produce, wine, and other local products.	Development of this site will clean up a former junkyard. The proposed commercial uses will create 75 to 100 fulltime jobs and generate new tax revenue for San Benito County.	Total build-out costs are unknown, but the proposed project will be privately funded without public subsidies.	The proposed project use permit and EIR was recently finalized and approved by San Benito County. However, two lawsuits were filed seeking to reverse the project approvals. County staff believe that possible litigation will be resolved prior to the fall of 2023 at the latest.



## Long-Term Initiatives

Improve Internet Access for All Businesses and Residents	One of the important long-term economic development initiatives is to build fiber optic infrastructure to deliver high-speed Internet service to nearly all San Benito County residents and businesses. The goal is to serve the county's rural areas and small communities, not just the two cities, which already have decent Internet connections.	Good internet access is necessary for San Benito County to be a viable business location, and it is necessary to attract more remote workers and to improve the quality of life among existing residents.	A multi-million-dollar investment is needed to build a fiber optic network connecting Hollister with San Juan Bautista and the County's rural areas. Partial funding may be available from the State of California, which allocated \$6 billion to fund internet access to rural areas. Additional funding may be available from the Monterey Bay Economic Partnership, which secured a \$1 million CPUC grant to expand broadband in Monterey, Santa Cruz, and San Benito Counties to be disbursed over five years.	At least one private internet provider is interested in investing in fiber optic infrastructure that connects Hollister with San Juan Bautista and the rural areas between the two cities. The Rural County Representatives of California is administering a grant and will select a consultant to prepare a Broadband Strategic Plan for San Benito County.
Establish a Countywide Tourism Initiative	A countywide tourism initiative managed by a single organization is needed to capitalize on San Benito County's two significant visitor attraction sites—the San Juan Bautista Historical District and Pinnacles National Park. An effective regional tourism initiative could also connect the main attractions with other potential tourism assets such as hiking, farmers markets, and winery and agricultural tours, which are under-promoted or not promoted at all.	More tourism will generate additional incomes, tax revenue, and new jobs without a significant strain on the demand for housing and public services.	Effective regional visitor promotion may cost \$300,000 to \$500,000 per year. The funding may be used for a visitor information center, the management of websites, data collection and reporting, assistance with special events, participation in state and regional tourism initiatives, coordination with the Pinnacles National Park, and the initiation of new tourism initiatives.	San Benito County's tourism-promotion efforts are disconnected from tourism promotion initiated by San Juan Bautista and Downtown Hollister's special events and farmers markets. San Benito County funded a Wine Heritage District Feasibility Study to determine the feasibility of establishing a Tourism Improvement District. This initiative has stalled causing visitor-serving businesses to be discouraged.

## Long-Term Initiatives (Continued)

Develop the Proposed Autonomous Vehicle Innovation Park	The Autonomous Vehicle Innovation Park is proposed to be a research and development facility to test autonomous vehicle technologies. The proposed project will include 1,077-acre of technology testing grounds, a 127-acre research park, a 253-acre area reserved for E-Commerce facilities, a 24-acre commercial site and 227 acres of agriculture	Proponents state that the proposed project will create more than 18,000 construction jobs and 5,000 permanent direct jobs for a variety of professions ranging from automotive engineers and software developers to truck drivers and cashiers. At full build-out, the permanent jobs would generate \$660 million in annual payroll.	Project costs and the potential need for public funding are unknown.	Project investors have established a showroom space in Hollister where the general public can learn more about the proposed project. A Draft EIR was in the works but in March 2023 the project developer asked the county to pause its work on the project's application, which has placed the EIR workplan on hold with no projected date for when it might resume.
Expand Outdoor Recreation	Build additional recreational areas for runners, bikers, and walkers that will provide health benefits to residents and attract more visitors to the area. New funding will be needed along with improved promotion that encourages residents to hike, get outdoors, and explore the area, which will also help attract other outdoor enthusiasts.	A regional effort to expand outdoor recreation will improve the quality of life and make San Benito County a more desirable place to live and work.	In an effort to fund more outdoor recreation, the County received a \$2.4 million grant from the State to build a regional park on 70 acres of undeveloped land located along River Parkway. The parking lot construction will cost about \$1.1 million, mostly funded by last year's \$750,000 allocation from the State budget. It's unclear if additional funding will be needed to complete construction. Funding for amenities such as exercise stations, cross country courses, playgrounds, etc. may be available through a State grant.	<p>The park will be built in 3 phases starting in the fall 2023 with a 93-space parking lot. The San Benito Land Trust and its partners plan to identify private lands that can support additional trails and determine the feasibility of using trail easements on private property. Design has been completed with a state grant that funded efforts to meet with interested landowners.</p> <p>The City of San Juan Bautista promotes use of nearby recreational trails. The Pinnacles Gateway Partners is an ongoing effort by citizens and the County Chamber of Commerce to spread the benefits of tourism surrounding the National Park.</p>

City of Hollister Initiatives	Initiative Description	Economic and Employment Impacts	Approximate Cost and Funding Source	Status of Initiative
<b>Ongoing Initiatives</b>				
Revitalize Downtown Hollister	The revitalization of downtown Hollister is a partnership between the City of Hollister, the Hollister Downtown Association (HDA) and the local business community. The ongoing effort includes numerous physical, streetscape and circulation improvements along with weekly special events that are run by the HDA.	The downtown revitalization effort should attract new investment into vacant and underutilized commercial spaces, which will expand commercial activity, create new jobs and generate additional taxable sales for the city. The 2023 special events are anticipated to attract more than 65,000 people.	The costs of ongoing streetscape and physical improvements are unknown.	The revitalization of downtown Hollister is an ongoing and dynamic process that is constantly changing and attempting to improve, but limited by scarce fiscal resources. Recent accomplishments include year around tree lighting, the establishment of a one-way street, the construction of parklets during COVID, an archway as a downtown entryway and the funding of the downtown association.
<b>Long-Term Initiatives</b>				
Attract Investors and Developers to Build New Hangers at the Hollister Municipal Airport	The City of Hollister wants to attract private investors to construct new hangers at the Airport and attract business tenants that can benefit from direct access to the runway.	New hangars will make the Airport more attractive to aviation related users that can benefit from direct access to the runways.  Build-out of the Airport area will add to the City's job base.	Costs of adding new hangers are unknown at this time. New investments would most likely be privately funded.	The City of Hollister owns and manages the airport but lacks the funding to make improvements.
Develop open space taxiways to Allow Businesses Access to the runways	New taxiways will allow new businesses growth by attracting firms that can take advantage of the direct access to a runway.	Additional taxiways will provide more firms with direct access to the runways, which will transform the Hollister Airport into a more effective economic development asset.	The cost of securing the rights of way and constructing the taxiways is unknown. The initiative will may require public funding.	Initiative is conceptual and an infrastructure plan is needed in advance of developing the taxiways. The City of Hollister intends to apply for an EDA Grant in support of this effort..

City of San Juan Bautista Initiatives	Description of Initiative	Economic and Employment Impacts	Approximate Cost and Funding Source	Status of Initiative
<b>Urgent Ongoing Initiatives</b>				
Wastewater Treatment Services Compliance Project	The City of San Juan Bautista is in the process of installing a six-mile wastewater force main that connects to the Hollister Regional Wastewater Treatment Plant. The initiative will place San Juan Bautista in sewer discharge compliance with EPA's wastewater discharge standards. Once connected, San Juan Bautista's existing treatment system will be decommissioned.	Connecting San Juan Bautista's wastewater to the Hollister Regional Wastewater Treatment Plant will allow for the expansion of new residential and business connections, which will generate economic growth and new job creation.	Installing a six-mile force main to connect the Hollister Treatment Plant is estimated to cost \$18 million. The San Juan Bautista's City Council unanimously approved a \$14.6 million bond for the wastewater project. The bond secured two loans totaling \$10.2 million, along with a \$4.3 million Department of Agriculture grant.	The City of San Juan Bautista has accumulated more than \$800,000 in fines from the California State Water Resources Control Board for discharging high levels of sodium chloride and bacterial pollutants into the Pajaro River. The City has until December 2023 to become compliant with the EPA. The City has approved the new wastewater treatment plan and approved the EIR studies. The City is currently negotiating with the San Benito County Water District.
Develop A New Source of Clean Drinking Water for the City of San Juan Bautista	The City of San Juan Bautista, the San Benito County Water District, and the West Hills Water Treatment Plant have formed a partnership to construct five miles of pipeline to transport new clean water needed to lower nitrate levels used by San Juan Bautista residents and businesses. The new clean water source allows the City of San Juan Bautista to comply with EPA standards.	New clean water will also allow the City to permit more breweries and restaurants, which will attract visitor spending, create jobs, and contribute to the tax base.	Cost estimates for the pipeline range between \$12 and \$15 million. Seventy-five percent of the project costs will be funded by a low-interest loan from the USDA. The remainder will be funded by rate payers.	The initiative is in the advance stages of planning and engineering will proceed soon. Funding has been secured.

## Long Term Initiatives

Develop the City of San Juan Bautista Multi Modal Transportation Project	<p>This context-sensitive, rural scale, transportation center will result in enhanced transit patronage and enable transportation services such as carpool, ride share, van pool and other alternative transportation services for those who walk, bicycle or drive to the Multi-Modal Center for travel to/from any destination from Gilroy to Hollister. The project includes:</p> <ul style="list-style-type: none"><li>• A 7-mile shared pedestrian/bicycle path,</li><li>• A Multi-Modal Center,</li><li>• Visitor center, and</li><li>• A gateway.</li></ul>	<p>The Multi-Modal Center will serve multiple civic purposes, accommodating various public and non-profit organizations such as the Chamber, the “Main Street” manager, State Parks office, a City Hall annex, City/School joint use facilities and other local non-profit organization offices. A mix of proximate amenities and uses would facilitate the free flow of visitors and residents to ensure the economic vitality of the City.</p>	<p>The cost to develop the conceptual plan is \$350,000. The cost to build the final project, while unknown at this time, is estimated at between \$15 and \$20 million.</p>	<p>The City of San Juan Batista has submitted a State Department of Transportation (CAL TRANS) Sustainable Transportation Planning Grant application for \$350,000 to fund the planning and 30% conceptual design for this project. Upon completion of the Conceptual Plan the City will pursue additional funding.</p>
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# APPENDIX B

## SOCIOECONOMIC TREND DATA

**Table 1**  
**Population Growth Trends in San Benito County, the Region and California: 2015 - 2022**

Geographic Area	2015	2019	2022	Population Growth		Annual Growth Rate	
				2015 - 2019	2019 - 2022	2015 - 2019	2019 - 2022
California	38,865,500	39,740,500	39,185,600	875,000	-554,900	0.6%	-0.5%
San Benito County	58,140	61,440	65,480	3,300	4,040	1.4%	2.1%
City of Hollister	37,320	39,970	42,550	2,650	2,580	1.7%	2.1%
City of San Juan Bautista	1,950	2,120	2,090	170	-30	2.1%	-0.5%
Santa Clara County	1,911,670	1,944,730	1,894,780	33,060	-49,950	0.4%	-0.9%
City of Gilroy	54,230	56,640	59,270	2,410	2,630	1.1%	1.5%
Monterey County	430,280	440,200	433,720	9,920	-6,480	0.6%	-0.5%

Data Sources: California Department of Finance

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Note: Red numbers connotate negative values

**Table 2**  
**Population Growth Factors in San Benito County, Three County Region and California: 2015 - 2022 (Births, Deaths and Migration)**

Population Change Components	Total Population			Population Increase	Annual Growth Rate	Population Increase	Annual Growth Rate	Net Natural Increase (Births over Deaths)		Net Migration	
	2015	2019	2022	2015 - 2019		2019 - 2022		2015 - 2019	2019 - 2022	2015 - 2019	2019 - 2022
San Benito County	58,140	61,440	65,480	3,300	1.4%	4,040	1.6%	1,650	1,080	2,410	1,200
Santa Clara County	1,911,670	1,944,730	1,894,780	33,060	0.4%	-49,950	-0.6%	48,080	25,050	-26,010	-70,680
Monterey County	430,280	440,200	433,720	9,920	0.6%	-6,480	-0.4%	13,630	8,170	-6,230	-12,700
California	38,865,500	39,740,500	39,185,600	875,000	0.6%	-554,900	-0.4%	820,760	338,750	-204,700	-710,690

Data Sources: California Department of Finance

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Notes: Red numbers connotate negative values

**Table 3**  
**Ethnic Characteristics in San Benito County, Three-County Region and California: 2015 - 2022**

<b>San Benito County</b>	<b>2015</b>	<b>2019</b>	<b>Growth 2015 - 2019</b>	<b>% Increase 2015 - 2019</b>	<b>2022</b>	<b>% Total 2022</b>	<b>Growth 2019 - 2022</b>	<b>% Increase 2019 - 2022</b>
Total Population	58,140	61,440	3,300	5.7%	65,480		4,040	6.6%
Hispanic or Latino	33,660	36,860	3,200	9.5%	39,380	60.1%	2,520	6.8%
Not Hispanic or Latino								
Caucasian	21,320	21,160	-160	-0.8%	21,880	33.4%	720	3.4%
African American	410	460	50	12.2%	510	0.8%	50	10.9%
American Indian, Hawaiian, or Pacific Islander	250	230	-20	-8.0%	250	0.4%	20	8.7%
Asian	1,460	1,790	330	22.6%	1,670	2.6%	-120	-6.7%
Two or more races	1,050	940	-110	-10.5%	1,790	2.7%	850	90.4%
<b>Three-County Region</b>	<b>2015</b>	<b>2019</b>	<b>Growth 2015 - 2019</b>	<b>% Increase 2015 - 2019</b>	<b>2022</b>	<b>% Total 2022</b>	<b>Growth 2019 - 2022</b>	<b>% Increase 2019 - 2022</b>
Total Population	2,400,090	2,446,370	46,280	1.9%	2,393,980		-52,390	-2.1%
Hispanic or Latino	789,390	789,750	360	0.0%	766,580	32.0%	-23,170	-2.9%
Not Hispanic or Latino								
Caucasian	798,740	766,340	-32,400	-4.1%	730,170	30.5%	-36,170	-4.7%
African American	57,470	57,030	-440	-0.8%	55,280	2.3%	-1,750	-3.1%
American Indian, Hawaiian, or Pacific Islander	13,430	12,690	-740	-5.5%	12,200	0.5%	-490	-3.9%
Asian	665,440	731,810	66,370	10.0%	738,310	30.8%	6,500	0.9%
Two or more races	75,610	88,760	13,150	17.4%	91,440	3.8%	2,680	3.0%
<b>California</b>	<b>2015</b>	<b>2019</b>	<b>Growth 2015 - 2019</b>	<b>% Increase 2015 - 2019</b>	<b>2022</b>	<b>% Total 2022</b>	<b>Growth 2019 - 2022</b>	<b>% Increase 2019 - 2022</b>
Total Population	38,865,500	39,740,500	875,000	2.3%	39,185,600		-554,900	-1.4%
Hispanic or Latino	14,726,400	15,616,980	890,580	6.0%	15,366,700	39.2%	-250,280	-1.6%
Not Hispanic or Latino								
Caucasian	14,576,870	14,462,740	-114,130	-0.8%	14,351,860	36.6%	-110,880	-0.8%
African American	2,904,240	2,227,370	-676,870	-23.3%	2,140,390	5.5%	-86,980	-3.9%
American Indian, Hawaiian, or Pacific Islander	301,250	431,080	129,830	43.1%	267,000	0.7%	-164,080	-38.1%
Asian	5,342,320	5,884,900	542,580	10.2%	5,738,670	14.6%	-146,230	-2.5%
Two or more races	1,014,430	1,117,420	102,990	10.2%	1,320,980	3.4%	203,560	18.2%

Data Sources: U.S. Census Community Survey and Headwaters Economics

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Notes: 2022 Ethnicity data are estimates

Red numbers connotate negative values



**Table 4**  
**Educational Attainment in San Benito County, Region and California**  
**Among Adults Age 25 and Older 2022**

Educational Attainment Characteristics	San Benito County		Three County Region		California	
	2022	% Total	2022	% Total	2022	% Total
Total Population	65,480		2,393,980		39,185,600	
Population 25+ years	42,510		1,640,100		26,556,400	
Not High School Graduate	7,680	18.1%	230,440	14.1%	4,269,100	16.1%
HS Graduate - No College Degree	17,460	41.1%	499,940	30.5%	10,953,100	41.2%
Associates Degree	4,160	9.8%	116,080	7.1%	2,115,200	8.0%
Bachelors Degree - no Advanced Degree	10,880	25.6%	423,810	25.8%	5,741,300	21.6%
Graduate or Professional Degree	2,320	5.5%	369,860	22.6%	3,477,800	13.1%

Data Source: U.S. Census American Community Survey and Headwaters Economics

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Note: Three-County Region includes the Counties of San Benito, Monterey and Santa Clara  
 2022 Educational Attainment data are estimates.

**Table 5**  
**Median Household Income and Income Distribution in San Benito County,**  
**The Surrounding Region and California 2022**

	San Benito County	Santa Clara County	Monterey County	California
Population	65,480	1,894,780	433,720	39,185,600
Households	19,350	629,805	128,815	118,019,500
Median Household Income	\$85,810	\$130,890	\$76,940	\$78,700
% Households with Incomes < \$50,000	25.6%	19.2%	31.3%	32.6%
% Households with Incomes > \$50K but < \$100K	31.3%	19.5%	32.2%	27.7%
% Households with Incomes > \$100K but < \$150K	21.4%	17.5%	17.1%	17.1%
% Households with Incomes > \$150,000	21.6%	43.8%	19.4%	22.6%

Data Sources: U.S. Census American Community Service, Headwaters Economics and California Department of Finance

Analysis: Wahlstrom & Associates and Marie Jones Consulting

**Table 6**  
**Per-Capita Income Trends in San Benito County, the Surrounding Region and California:**  
**2015 - 2021 (Adjusted for Inflation)**

Per Capita Income	2015	2018	2021	Real Income Change 2015 - 2018	Real Income Change 2018 - 2021	Real Income Change 2015 - 2021	Annual Rate of Income Change: 2015 - 2018	Annual Rate of Income Change: 2018 - 2020	Annual Rate of Income Change: 2015 - 2020
San Benito County	\$48,070	\$52,580	\$68,870	\$4,510	\$16,290	\$20,800	3.0%	9.4%	6.2%
Santa Clara County	\$91,150	\$112,360	\$138,720	\$21,210	\$26,360	\$47,570	7.2%	7.3%	7.2%
Monterey County	\$54,890	\$55,610	\$63,450	\$720	\$7,840	\$8,560	0.4%	4.5%	2.4%
California	\$59,190	\$63,950	\$76,610	\$4,760	\$12,660	\$17,420	2.6%	6.2%	4.4%

Data Sources: U.S. Bureau of Economic Analysis and California Department of Finance

Analysis: Wahlstrom & Associates and Marie Jones Consulting

**Table 7**  
**Poverty Rates Trends in San Benito County,**  
**Three-County Region and California 2022**

<b>2021</b>	<b>Population</b>	<b>Persons Below Poverty</b>	<b>% Households Below Poverty</b>
California	39,185,600	4,928,360	12.6%
San Benito County	65,480	6,120	9.3%
Santa Clara County	1,894,780	135,860	7.2%
Monterey County	433,720	52,200	12.0%
Three- County Region	2,393,980	194,120	8.1%

Data Sources: Headwaters Economics and California Department of Finance

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Note: Three-County region includes the Counties of San Benito, Santa Clara and Monterey

**Table 8**  
**Households Burdened by Housing Costs in San**  
**Benito County, 2021**

	<b>Percent of Households</b>	<b>Number of Households</b>
Home Owners	31%	4,359
Renters	42%	2,565
All Households	34%	6,924

Source: US Census, 2021

Analysis: Wahlstrom & Associates and Marie Jones Consulting

**Table 9**  
**Employment by Industry in San Benito County, Three-County Region and California 2021**

	San Benito County		Thre- County Region		California	
	Employment	% Total	Employment	% Total	Employment	% Total
<b>Goods Producing</b>						
Agricultural, Forestry & Fishing	1,945	11%	59,800	5%	411,420	2%
Mining	180	1%	400	0%	16,620	0%
Construction	1,575	9%	57,910	5%	883,330	5%
Manufacturing	3,045	17%	174,170	14%	1,277,555	8%
<b>Service Providing</b>						
Utilities	40	0%	2,160	0%	59,485	0%
Wholesale Trade, warehousing & storage	345	2%	33,890	3%	877,235	5%
Retail Trade	1,370	8%	90,670	7%	1,600,475	9%
Transportation	780	4%	17,380	1%	489,200	3%
Information	40	0%	105,640	8%	560,370	3%
Financial & Insurance	200	1%	25,180	2%	539,445	3%
Real Estate Rental & Leasing	160	1%	16,830	1%	289,065	2%
Professional & Technical Services	260	2%	167,780	13%	1,352,597	8%
Management & Administrative Services	1,030	6%	82,860	6%	1,306,900	8%
Waste Management	75	0%	3,310	0%	53,380	0%
Private Education	60	0%	379,670	3%	313,575	2%
Health Services	1,245	7%	149,035	12%	2,419,550	14%
Arts, Entertainment & Recreation	125	1%	13,500	1%	239,145	1%
Lodging	110	1%	11,150	1%	155,460	1%
Food Services	1,370	8%	74,675	6%	1,247,605	7%
Other Services	475	3%	26,880	2%	482,900	3%
<b>Government</b>						
Federal Government	115	1%	15,950	1%	251,770	1%
State Government	85	0%	11,865	1%	480,100	3%
Local Government						
Public Education	1,240	7%	58,525	5%	852,045	5%
Public Administration	840	5%	28,335	2%	493,075	3%
Other Local Government	735	4%	10,610	1%	322,570	2%
<b>Total Employment</b>	<b>17,450</b>		<b>1,276,470</b>		<b>16,974,870</b>	

Data Sources: U.S. Bureau of Labor Statistics and Data Axel

Analysis: Wahlstrom & Associates and Marie Jones Consulting

Note: Three County Region includes the Counties of San Benito, Santa Clara and Monterey

**Table 10**  
**Job Growth Trends in San Benito County, the Three-County Region**  
**and California overall: 2015 - 2021**

<b>Employment Base</b>	<b>2015</b>	<b>2019</b>	<b>2021</b>
San Benito County	15,890	17,360	16,970
Goods Producing Industries	5,050	7,140	6,590
Service Industries	8,080	7,175	7,360
Public Schools & Public Health	1,900	2,010	1,940
Other Federal, State & Local Government	850	1,030	1,080
Three-County Region	1,217,780	1,335,160	1,276,470
Goods Producing Industries	272,980	297,430	292,300
Service Industries	825,110	908,060	858,885
Public Schools & Public Health	58,420	62,660	59,220
Other Federal, State & Local Government	61,260	67,010	66,060
California	16,295,200	17,631,490	16,974,870
Goods Producing Industries	2,458,065	2,651,700	2,588,920
Service Industries	11,458,440	12,475,870	11,986,380
Public Schools & Public Health	992,020	1,050,410	967,475
Other Federal, State & Local Government	1,386,680	1,453,500	1,432,090
<b>Job Gains or Losses</b>	<b>Job Growth 2015 - 2019</b>	<b>Job Growth 2019 - 2021</b>	<b>Job Growth 2015 - 2021</b>
San Benito County	1,470	-385	1,080
Goods Producing Industries	2,090	-550	1,540
Service Industries	-910	180	-720
Public Schools & Public Health	100	-70	40
Other Federal, State & Local Government	180	50	230
Three-County Region	117,380	-58,690	58,690
Goods Producing Industries	24,440	-5,120	19,320
Service Industries	82,950	-49,180	33,770
Public Schools & Public Health	4,240	-3,440	800
Other Federal, State & Local Government	5,745	-950	4,800
California	1,336,285	-6,566,220	679,670
Goods Producing Industries	193,640	-62,780	130,860
Service Industries	1,017,440	-489,490	527,950
Public Schools & Public Health	58,385	-82,930	-24,550
Other Federal, State & Local Government	66,820	-21,415	45,410
<b>Annual Growth Rates</b>	<b>2015 - 2019</b>	<b>2019 - 2021</b>	<b>2015 - 2021</b>
San Benito County	2.2%	-1.1%	1.1%
Goods Producing Industries	9.0%	-3.9%	4.5%
Service Industries	-2.9%	1.3%	-1.6%
Three-County Region	2.3%	-2.2%	0.8%
Goods Producing Industries	2.2%	-0.9%	1.1%
Service Industries	2.4%	-2.7%	0.7%
California	2.0%	-1.9%	0.7%
Goods Producing Industries	1.9%	-1.2%	0.9%
Service Industries	2.1%	-2.0%	0.8%

# APPENDIX C

## STAKEHOLDER INTERVIEWS COMPLETED

- Leslie Jordan, City of San Juan Bautista
- Don Reynolds, City of San Juan Bautista
- Brian Foucht, City of San Juan Bautista
- Brett Miller, City of Hollister
- Ken Lindsay, Airport Associates Owner
- Stephanie Correia, San Juan Bautista Economic Development Citizens Advisory Committee
- Aaron Johnson, EDC of San Benito County
- Renee Wells, EDC of San Benito County
- David Mirrione, City of Hollister
- Steve Loupe, San Benito County Resource Management Agency
- Kristina Chavez Wyatt, San Benito County Business Council
- Jeana Arnold, PG&E
- Victor Gomez, Pinnacles Strategy
- Ryder McDowell, Betabel Commercial Development
- Barbara Hayes, Rural California Representatives of California
- Damon Felice, Felice Consulting
- James Hankins, Hankins Information Technology
- Nathaniel Aguire, PG&E
- Abraham Prado, San Benito County Resource Management Agency
- Omar Rosa, Hollister Downtown Association
- Angela Curro, San Benito County Board of Supervisors
- Enrique Arreola, Workforce Development Board
- Paul Rovella, JRG Attorneys at Law
- John Freeman, City of San Juan Bautista
- Lynn Overtree, San Benito Agricultural Land Trust
- Michelle Leonard, San Benito County Chamber of Commerce
- Jose Martinez Saldana, Youth Alliance
- Diane Ortiz, Youth Alliance
- David Huboi, Huboi Architecture
- Michael Anderson, Anderson Homes
- Eryka Temores, Anderson Homes
- Anne Hall, Performance Art Theater

## STAKEHOLDER SURVEYS COMPLETED

- Paul Rovella – JRG Attorneys at Law
- Brenda Weatherly – Community Foundation for San Benito County
- Mary Hubbell – Business Owner in Tres Pinos
- Stephen Gunstream – Alpha Teknova in Hollister
- Eryka Temores – Anderson Homes in Hollister
- Nikki Rhodabarger – Ridgemark Golf Club
- Darlene Boyd – San Juan Bautista Economic Development Citizens Advisory Committee
- John Freeman – Mayor Pro Tem City of San Juan Bautista
- Rhonda Io - Inaka Japanese Restaurant in Hollister
- Linda Ginn - Vintage Rose Antiques & Collectibles in Salinas
- Rachael Reed – Graniterock Environmental Department