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Stanislaus County

ECONOMIC STRATEGIC PLAN

Accepted by
Board of Supervisors
September, 1989

Acknowledgments

This project was prepared in cooperation with the Stanislaus County Department of Planning and Community Development by Kreines & Kreines Inc.

Funds for this project were provided by the Stanislaus County Board of Supervisors and the California State Department of Commerce.

Several documents were prepared under the Economic Strategic Plan project. They are:

- *Working Paper A: Choices for Stanislaus County*
- *Get Ready For A Capital Improvements Program*
- *Memorandum For Draft Capital Improvement Program*
- *Ownership in Airport Industrial District, 12/4/87*
- *Stanislaus County Redevelopment Feasibility Assessment, Preliminary Report, 5/88*
- *A Strategic Planning Approach for a County in Change, Population and Economic Forecasts 1988-2010, 6/88*
- *Technical Memorandum No. 1: To What Extent Can Stanislaus County Alter Its Future?, 6/88*
- *Stanislaus County Year 2010 Financial Projections for the General Fund, 6/88*
- *Redevelopment Strategy as Part of the Economic Strategic Plan, 9/21/88*
- *Technical Memorandum No. 2: Capital Improvements List, 12/22/88*
- *Capital Improvement Program Financial Feasibility, 1/12/89*
- *Stanislaus County Redevelopment Feasibility Assessment, Final Report, 1/89*
- *Working Paper B: Comments and Directions on Alternative Scenarios, 5/15/89*
- Year 2010 population and employment projections for every traffic zone in Stanislaus County have been installed on the County's computer system.

For information on any of these documents, or questions regarding the Economic Strategic Plan for Stanislaus County, please contact:

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Foreword

The Economic Strategic Plan is a technical document and is not intended to be adopted as policy by Stanislaus County. No attempt should be made to interpret this document as representative of Stanislaus County policy. It is intended that the Board of Supervisors of Stanislaus County *accept* this report but not *adopt* it. Adoption is neither desirable nor possible because the environmental impacts of the Economic Strategic Plan are not known at this time.

The Economic Strategic Plan is proposed to *anticipate* change rather than to *cause* change. Kreines & Kreines Inc., through its subcontractors, QED Research, Inc., first identified two possible scenarios of future visions of Stanislaus County. Both scenarios were probable but not necessarily desirable. The scenarios told the planners that Stanislaus County is changing, and it is changing more rapidly than the existing plans and policies envision or than they are prepared to deal with. One of these scenarios has been selected as a Target Scenario.

The Economic Strategic Plan of Stanislaus County is based upon a series of assumptions. As a technical document, the Economic Strategic Plan asks "What if ...?" As such, the Economic Strategic Plan makes assumptions that certain policies will be put into place in order for the Target Scenario to occur. If some programs, such as a County-Wide General Plan Amendment, are not undertaken, then it is unlikely that the Target Scenario will occur.

The Target Scenario was selected by the County as a basis for the Economic Strategic Plan. Both scenarios or visions of the future showed substantial population, employment and economic growth, considerably in excess of any projections existing in 1988, when the scenarios were created. The Target Scenario is for "remote development," and projects a higher growth rate than the rejected scenario. The rejected scenario saw urban development clustered around existing cities.

The Economic Strategic Plan identifies issues and proposes recommendations that are critical to Stanislaus County regardless of which scenario is the Target Scenario. This Economic Strategic Plan then goes on to recommend programs which grew out of the selected Target Scenario. Therefore, most programs are needed regardless of which scenario is chosen, while only a few programs are unique to the chosen Target Scenario.

Glossary of Terms

Alternatives Analysis	An approach where different options are evaluated equally and consistently. The National Environmental Policy Act requires alternatives analysis, where the California Environmental Quality Act permits a lesser degree of analysis on all alternatives except for the proposed project.
Development	The process of converting land and its supporting infrastructure (e.g., roads and public services) from rural, low intensity use to built-up, high intensity use.
Remote Development	Development which takes place away from existing cities or urban centers. Remote development is generally discouraged in Stanislaus County as well as in most counties of the State of California at this time.
Urban Development	Development occurring within or adjacent to existing cities or urban centers. Urban development is the only type of development encouraged by Stanislaus County policies -- and most other California jurisdictions' policies -- at this time.
Fiscal Impact	The economic impact on the public sector, such as costs to the County as well as revenues to the County. Fiscal impacts do not include economic impacts on the private sector.
Jobs/Housing Balance	A condition within a geographic area where the number and types of job opportunities match the number as well as prices and rents of housing opportunities. When jobs and housing are "out of balance," commuting is forced.
Jobs/Housing Strategy	A jurisdiction's attempt, through a series of programs, to achieve "jobs/housing balance." A strategy is not a plan, a policy, a goal or an objective.
Prime Agricultural Land	A ranking of the best land for cultivation, such as Grade I of the Storie Index. According to Stanislaus County, there are less than 125,000 acres of Grade I land among the 422,000 acres of Stanislaus County irrigated crop land.

Scenario

A vision of how the future might appear. A scenario is not based on goals, objectives or policies, but rather probability. People tend to like their goals, but they do not necessarily like their scenarios.

Worker Deficit

That condition in a geographical area where there are fewer housing opportunities available than required to accommodate all the job opportunities that are available in that area. The Bay Area as defined by ABAG (nine counties) has an extreme worker deficit which is impacting all of the Bay Area's neighboring counties.

Assumptions

- Stanislaus County will increase in population faster than projected by the California Department of Finance, reaching an estimated 610,000 persons by the Year 2010¹.
- Stanislaus County will increase more slowly in employment than population during the 20th Century, but by the Year 2010 employment will increase dramatically to an estimated 237,000 non-agricultural workers².
- The Target Scenario selected for this Economic Strategic Plan is a "balanced growth" vision of the future for Stanislaus County. Growth will be balanced in the following ways:
 - Between jobs and housing, meaning that policies will require...
 - equal numbers of employment opportunities are created with equal numbers of housing opportunities as a result of development approvals.
 - salaries paid to future job holders will result in household incomes sufficient to buy or rent housing created by future nearby development.
 - New development is located in several parts of the County, depending upon highway capacity availability.
- To some extent, new development must be "remote development" as characterized below:
 - In order to preserve prime agricultural land, remote development will occur only in areas with less than prime agricultural land. (This can be achieved through policy, but it is not a County policy at this time.)
 - In order to maximize the use of existing infrastructure, remote development will occur only where access to state and federal interstate highways, or to four-lane County roads, is readily available. (This can be achieved through policy, but it is not a County policy at this time.)

1. See Appendix 1.

2. See Appendix 1.

- In order to avoid forced commutes, remote development will be balanced between jobs and housing, the prices and rents of that housing and the salaries and household incomes to which those jobs correlate. (This can be achieved through policy, but it is not a County policy at this time.)
- The S.R. 99 Corridor, where most of Stanislaus County's population resides today, will continue to grow but less rapidly than the period between 1970 and 1990. (This may be the implicit policy of some Stanislaus County cities.)
- Goals and objectives are not the foundation for a strategic plan. They are used solely to monitor the progress of a strategic plan. (See Program 25.)
- This Economic Strategic Plan will be implemented but it is not necessarily assumed that all programs will be created.

Population and Employment Growth

The United States is Growing (And That Will Impact Stanislaus County)

Although the nation as a whole is entering a phase of "slow growth", the United States is still adding approximately two million persons and creating one and one-half million new jobs each year. Appendix 2 shows the growth of population in the United States and also shows the percentage increases on a five year-basis from 1990 to the Year 2025. Appendix 3 shows labor force growth up to the Year 2000 increasing even more than population, based on the data projected by the Bureau of Labor Statistics³. If three out of four new Americans must be matched by new U.S. jobs, it means that many of our new workers will have to be women and/or children.

California is Growing Faster Than the United States (This Will Really Impact Stanislaus County)

Population growth experienced in the United States will occur more rapidly in some states than in others. California will continue to be the leading state in terms of numerical growth and, overall, will have almost a 1.4% average annual rate of growth in population from 1980 to the Year 2020. These data are shown in Appendix 4 at a constant real rate and in Appendix 5 at a constant percentage rate of growth.

More Growth in Jobs Than Growth in People

Employment growth will show greater increases because, like the United States, the State of California will be adding jobs more rapidly than it will be adding population. The Employment Development Department makes projection estimates to 1995. At that time, 64.8% of those California residents over 16 will be employed. This percentage represents 14,913,000 of 22,998,000 for an annual growth rate of 2.1% over the next seven years⁴. This is almost twice the United States rate in labor force growth as shown in Appendix 3.

3. U.S. Department of Labor, Bureau of Labor Statistics, Occupational Outlook Quarterly, Projections 2000, Fall 1987.

4. Senate Special Committee on Solid and Hazardous Waste, California 1988, March 10, 1988, p. 2.

Zero Unemployment Or Is There Trouble Ahead?

At first reading, this appears to be the much sought-after future of zero unemployment: employment growing twice as fast as population. However, some of the new in-migrants to California will not be able to take on jobs due to their lack of language skills and/or immigration status. On the other hand, some of the jobs to be created will be unfilled because adequate education, training and language skills are not available to all members of the labor force. Consequently, the healthy picture of employment growth is plagued by three worsening trends in California:

- A growing percentage of labor force members are unable to qualify for work.
- More and more jobs will be created with specialized skill requirements not available in the California labor force.
- Residential real estate prices/rents are so high in Coastal California that they are forcing wages to increase.

As a result, unemployment will continue but, more importantly, California jobs will seek those areas -- and other states -- where the most prepared labor force at the lowest wage rates exist. This trend, more than any other, will impact the San Joaquin Valley of California and, in particular, Stanislaus County.

The San Joaquin Valley Will Grow Faster Than the State of California (And Stanislaus County Will Be One Of The Fastest Growing Counties In the San Joaquin Valley)

Even though the United States will experience "slow growth" and the State of California will experience "moderate growth", the San Joaquin Valley will experience *rapid growth* in population. Appendix 6 shows the growth rate of population at a constant real rate in the San Joaquin Valley, according to the California Department of Commerce. Those projections are shown in Appendix 7 to yield a growth rate of population at a constant annual percentage rate of 2%, well above California's and twice the United States rate.

Stanislaus County had an annual growth rate of 4%. Among all California counties with over 250,000 population, Stanislaus County was exceeded only by Riverside (LA Basin), San Bernardino (LA Basin) and Solano (Bay Area)⁵.

Which Comes First, Housing or Jobs?

Usually, jobs are considered to be the reason an area grows; a growth in jobs is followed by a growth in population. In fact, the San Joaquin Valley will begin to grow rapidly for the opposite reason: population will *precede* employment growth and counties such as Stanislaus County run the risk of being *commuter counties*, exporting labor and importing homebuyers. Think about that: Stanislaus County has houses, but the Bay Area has the jobs.

The Key Question: Is Stanislaus County Prepared to be a Commuter County?

The real unknown is the rate at which San Joaquin Valley jobs will grow. Will jobs stay ahead of San Joaquin population or will they lag behind? In a lagging employment scenario, the jobs would stay along the coastal areas, with long distance commuting resulting from homes (San Joaquin Valley) to jobs (Bay Area). Stanislaus County has yet to consider the results of such a scenario.

Key Issue: Jobs do not necessarily get created with housing opportunities and Stanislaus County could become a commuter county.

What Can Stanislaus County Do?

The County of Stanislaus is engaged in a strategic planning process and has learned that:

- Stanislaus County faces a future of unprecedented growth. While there is little Stanislaus County can do to avoid this growth, there are several options open to the County which can shape or alter the type of growth. For example:
- Stanislaus County can influence the quantity, quality and location of growth.
- Stanislaus County can adopt new ways of paying for growth.

5. State of California, Department of Finance Demographic Research Unit, Population Estimates of California Cities and Counties: January 1, 1988, to January 1, 1989, Report No.: 89E-1.

-
- Stanislaus County can pursue economic strategies aimed at industries and markets.
 - Stanislaus County cannot stop growth.

Recommendation: Stanislaus County must take steps to balance new housing opportunities with new job opportunities.

Fiscal Impacts: Serious Enough Without Commuters

Projected Costs and Revenues, 1985-Year 2010

In 1988, Stanislaus County commissioned Kreines & Kreines Inc. to build a financial model that would measure growth in services and government costs as well as compare them to future revenues from projected growth in the Target Scenario. The results showed that Stanislaus County can grow and continue to accumulate a very small surplus as a result of that growth.

But these projections did not account for new capital needs such as roads and major buildings, as well as for the debt service and administration costs generated by them. Stanislaus County commissioned a Capital Improvements Program (CIP) by Kreines & Kreines Inc., which resulted in the first long-range look at capital facilities needs in Stanislaus County for over ten years. The results were sobering: the costs for new capital facilities would range from \$300,000,000 to \$600,000,000, not including debt service or administrative costs⁶. Most of these infrastructure costs can only be assumed if new development pays for them in their entirety. Any attempt to use the small surplus (approximately \$100,000,000 over 20 years) generated by growth in Stanislaus County would quickly put the County into a deficit position.

The message is quite clear that, if the County continues to grow, new sources of infrastructure financing must be developed. Continued reliance on expansion of existing city systems will be self-defeating: costs will be transferred in part to existing users and they will resist further growth. Unless Stanislaus County wants to increase its fiscal burden beyond its existing capacity, it must devise new ways of shifting capital costs, and their resulting debt service and administrative costs, onto the new users creating those costs.

6. The range in costs is a function of state and federal grants or subventions. If all state and federal moneys available were accrued and applied to Stanislaus County's capital improvements, the lower number would result. If only some state and federal moneys were available, the higher number would result.

Why Existing Cities Resist the Costs of Growth

Whenever existing cities expand, they generate costs which are only partially recoverable through fees and revenues from the new development. Inevitably, some of the costs are borne by those who already live in the existing cities. However, under a concept of remote development, where no existing jurisdiction has accumulated debt, and where there are only incidental capital and ongoing costs for municipal services, a funding mechanism can be created only for users of the remote development. In this way, the costs of growth are equitably balanced against those who should be paying those costs.

The theory of urban growth holds that cities must change, adding new facilities and expanding services as necessary. Urban development has always made sense as long as the public sector absorbed its fair share of the costs. Taxpayers' and citizens' revolts have changed all that: they believe that any urban expansion of an existing city relies on that existing city to bear some, if not most, of the costs of that new development. Unless voters are removed from the development approval process -- an unlikely prospect -- the planning maxims of "infill" and "city-centered growth" are not likely to be endorsed by existing residents.

By planning all new development in a totally unserved area, the new development must generate its own revenues to pay for its own costs. If systems are sized properly, those costs can be projected and committed to be a new taxing (e.g., Mello-Roos) district or assessment (e.g., improvement) district. If early residents and owners don't want further growth, even though their systems are sized for it, they can legitimately stop further growth by paying the future residents' and owners' shares. Otherwise, a remote development must grow to assume its master-planned size and shape.

Remote development, whether in "new towns" or planned unit developments, has the advantage of establishing the size of its service area by the established size of its facilities. The only way a remote development can exceed its projected growth is by the vote of its owners: the residents themselves.

New Homeowners: Do They Pay for Themselves?

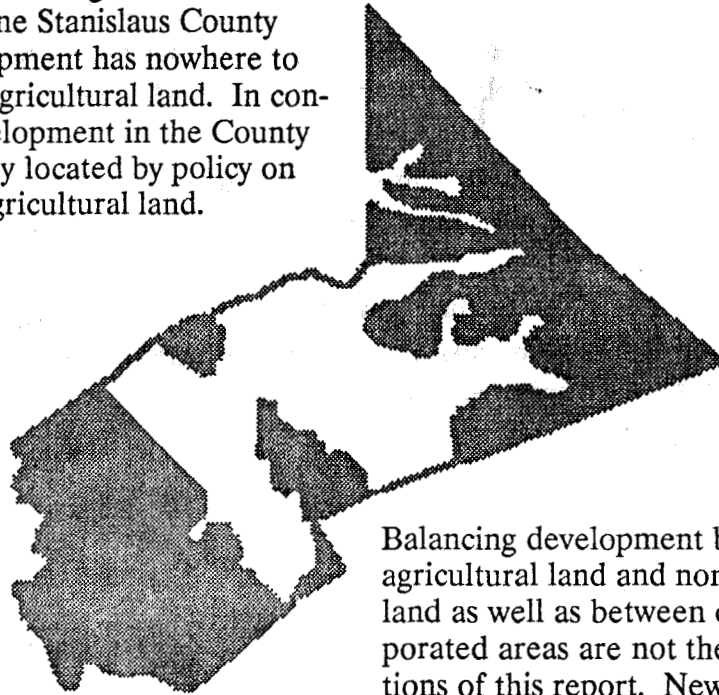
Conventional wisdom holds that housing doesn't pay for itself in terms of fiscal impacts. In a traditional sense, when schools are forced to take children regardless of fees at the same time that streets are required to be widened and signalized regardless of who pays, the housing unit contributes less in revenues than it causes in public costs. Relying on these classical arguments, cities tend to avoid housing development and encourage job-creating development.

However, when housing is placed in a remote development, where it will be balanced with job-creating development, the fiscal impact can be beneficial. All costs to service the remote development are internalized. Property taxes are applied to county-wide services and they are usually in excess of the new development's fair share.

Therefore, even though commuters threaten to worsen the County's fiscal condition, remote development can actually improve the ratio of costs to revenues.

Recommendation: Stanislaus County must begin to encourage remote development not only to balance jobs and housing but to impose the fiscal burden of growth on those who cause it and benefit from it.

The Economic Strategic Plan is an attempt to achieve "balance" between existing development and future development. For example, while the prime agricultural lands (white areas) are concentrated in the center of the County, non-prime agricultural lands (grey areas) are "balanced" at both the East and West sides. This strategy focuses on non-prime agricultural lands where "remote development" can be "balanced" with existing development on prime agricultural land. In seven out of nine Stanislaus County cities, new development has nowhere to go but on prime agricultural land. In contrast, remote development in the County can be strategically located by policy on only non-prime agricultural land.



Balancing development between prime agricultural land and non-prime agricultural land as well as between cities and unincorporated areas are not the only recommendations of this report. New jobs within "remote development" on non-prime agricultural land should be balanced with new housing located on that land. The *types* of jobs need to be balanced between those that require high skills and pay more and those that require low skills and pay less. The types of housing also need to be balanced between higher priced for-sale houses and entry-level rental units. These are some of the reasons that the Target Scenario is called the "balanced" scenario.

Note: Map is not to scale and is illustrative only.

The Challenge of Choosing A Target Scenario

In June 1988, Kreines & Kreines Inc. presented to Stanislaus County two growth scenarios based on factual data and economic projections:

- **Scenario A (Accommodation).** This scenario indicated higher population growth than previously projected for Stanislaus County by any agency. Growth was projected to be concentrated on the S.R. 99 Corridor, and thereby to occur in existing cities or their Spheres of Influence. Even though the high projections of population and employment are different than those used in the Housing Element of the Stanislaus County General Plan, the principles of Scenario A (city-centered growth) are consistent with the Stanislaus County General Plan as well as conventional California general plan thinking. This scenario became the rejected scenario because it concentrated substantial growth around existing cities.
- **Scenario B (Balance).** This scenario indicates substantially higher projections than the Accommodation Scenario and, at the time these numbers were projected, they suggested a growth rate greater than ever considered before in Stanislaus County. Growth was projected to occur in "remote" areas, both on the Westside of Stanislaus County as well as on the Eastside of Stanislaus County. This scenario would be a clear departure from the existing Stanislaus County General Plan. "Remote development" is also a clear departure from conventional general plan thinking in California, which favors the incremental expansion of existing urban areas.

Because the key issue is to control development in order to balance jobs and housing, the County selected Scenario B as the Target Scenario.

Underlying Issue: Must Stanislaus County Trade Farmland For Cities?

Agriculture's Role Is Stable and Must be Preserved

Stanislaus County has, and will retain for the foreseeable future, an agriculture-based economy. However, as a result of external forces, growth in agricultural-related employment in the County will be less than in other economic sectors, and agriculture will not be the dominant factor in future economic expansion. The County can to some extent preserve farming and farmland by encouraging particular methods of agriculture and growth in related industries, but the County has little control over aggregate changes in the agricultural market.

Urban Development Is Increasing

Until now, urban development in Stanislaus County has meant the loss of prime agricultural land. And urban development generated from the San Francisco Bay Area will play an increasingly important role in the County's rising population level and economic future. The County can to some extent shape the level of economic development through policies that either accommodate or balance growth. The County can also influence overall quality of life in the County through its economic and public policies responding to urban development. By strengthening its policies, Stanislaus County can guide urban development away from prime agricultural lands, which occur in the central areas of Stanislaus County but not at the western and eastern edges.

Recommendation: Stanislaus County should direct development away from prime agricultural land.

Diversification Will Follow

Although it is certain that Stanislaus County will be heavily influenced by agriculture for the foreseeable future, agriculture's share of Stanislaus' economy will be reduced as a result of external constraints on agricultural growth. On the other hand, there will be rapid growth in other areas of the economy (i.e. the non-agricultural sector, including manufacturing). Agriculture will also remain a relatively low wage, cyclical, and low profit industry when compared to urban-based manufacturing and service industries.

Recommendation: Stanislaus County should diversify its economy to include a greater dependency on urban-based industries.

Why Must the County's Economy Be Diversified

In an accommodation scenario, which has been rejected for the Economic Strategic Plan, urban-based industries (services and manufacturing) would naturally follow population by five or ten years. Additional houses draw retail sales establishments and an increased labor pool will eventually draw employers.

But Stanislaus County cannot afford to wait five or ten years. By that time, commuting will be very difficult and everyone sitting in traffic will ask "where were the planners?" The Target Scenario seeks to balance jobs and housing by requiring the homebuilders to bring job-creating development with them.

More importantly, the existing jobs in Stanislaus County are not attractive to commuters. They do not pay wages equivalent to the Bay Area and the predominance of agriculture production and agricultural processing jobs will not attract newly arrived skilled and educated workers away from their Bay Area jobs. Agricultural jobs in Stanislaus County are here to stay, but the County needs to add major employers in other types of industries.

Almost All Large Companies Are Engaged In Food and Kindred Products

In Stanislaus County there were eleven firms with over 500 employees in 1986. (See Appendix 8.) Nine establishments are in the "Food & Kindred Products" industry group. The one firm in Stone, Glass & Clay is Gallo Glass which is in direct support of Gallo Wine in Food & Kindred Products. Thus, 10 out of 11 of the largest firms are either grouped in or support the Food & Kindred Products Industry. In the smaller-sized firms, i.e., down to 100 employees, the dominance of Food & Kindred Products decreases slightly, but many of the smaller non-Food & Kindred Products firms support the industry through paper containers (S.I.C. 26), metal cans (S.I.C. 34) and equipment (S.I.C.s 35 and 37). In total, 70-80% of the manufacturing employment in Stanislaus County in 1986 was either Food & Kindred Products or companies directly serving that industry. (See Appendix 9.)

Recommendation: Stanislaus County should attract major employers in addition to those engaged in agriculture production and processing.

Economic Strategies For Diversification

Since Stanislaus County's agricultural sector will remain stable, low wage and cyclical, the County should reduce the degree to which it depends on agriculture and related businesses. Bringing other industries would not discourage agriculture, and in fact new ag-related industries such as Frito-Lay would be encouraged. But so too should other types of industrial development be sought out, won over and brought to strategic locations in Stanislaus County. Those strategic locations should be where the County wants jobs to be, and the County should want jobs to be near housing.

Stanislaus County Jobs

By the Year 2010, the Economic Strategic Plan projects that Stanislaus County will reverse its "commuter county" status. Appendix 10 documents a constant rate in the rise in employment as employers seek locations where young and educated workers might live. The average annual increase in employment of 4.1% is almost twice as fast as California's annual average of 2.1%. Part of this attraction for new employers will be Stanislaus County's lower wage rates. These are very apparent to the worker from the Bay Area, including Silicon Valley, where the low-end workers on a high-end wage scale can't afford the Bay Area's expensive housing.

In addition, the workers will be younger: they will come here to seek entry level housing and they will form a very attractive labor pool for employers seeking early entry labor. Any scenario for Stanislaus County sees it becoming a haven for entry-level housing, but will Stanislaus workers form an early entry labor pool all by themselves, or does the County need to help?

They Will Live Here, But Will They Work Here?

The new commuters will seek comparable housing to their Bay Area residences at low prices and rents in the Northern San Joaquin Valley. They will keep their jobs in the Bay Area but save money on less expensive housing 50 to 100 miles away. While these commuters will still be enjoying higher wages than those paid in Stanislaus County, they will pay the price in increasingly longer and less desirable commutes. The results are predictable: workers will "trade off" higher wages for a better quality of life and look for a job nearer to their new place of residence. But this will only happen if the jobs are in Stanislaus County near the commuters' residences.

How Can We Attract The New Employers?

Stanislaus County must exploit its advantages without "killing the goose that lays the golden egg." At this writing, Stanislaus County has a most desirable quality of life. The challenge to the Economic Strategic Plan is "can Stanislaus County maintain its high quality of life and meet its goal to be an economically viable county at the same time?" How can Stanislaus County attract enough employers to help balance new housing with new jobs? If the first attractions that employers look for in a new location are amenities and a skilled labor force, how will Stanislaus County stand up to scrutiny?

Stanislaus County has few amenities to attract major employers: no regional airport and no stated desire to have one; no major university; no professional golf course open to the public; no major urban park; no industrial parks with campus environments; no performing arts center; and so on. Some of these amenities can be created and Programs 6, 10, 12, 24 and 26 go part of the way toward addressing this need. But the County's greatest lack is skilled labor, and there is currently no strategy to address that need. Program 23, a Strategic Plan for Education, is recommended as a first step.

Stanislaus County Population

Population growth will be substantial in Stanislaus County from 1990 until the Year 2010. Appendix 11 shows population growth at a constant real increase in population.

While these data projections can be made for the entire County with a some degree of confidence, a projection of population also includes the breakdown of data into four areas:

- Westside
- Mid-West
- S.R. 99 Corridor
- Eastside

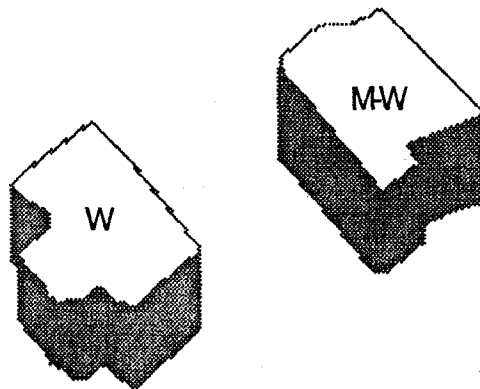
These projections are made with a lesser degree of confidence since it is not known precisely where this growth will occur.

The purpose for breaking projection data into four general areas is to show the distribution of future population based on Economic Strategic Plan assumptions. These assumptions are as follows:

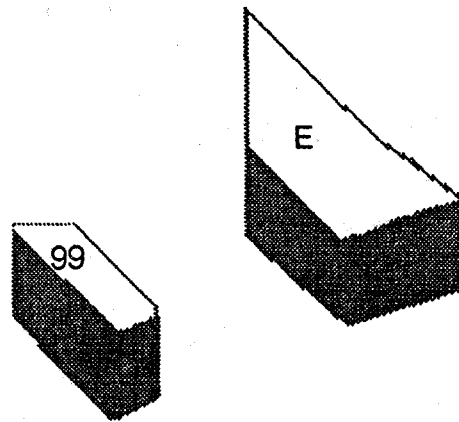
- Remote development will occur in areas with less than prime agricultural land. (This can be achieved through policy, but it is not a policy at this time.)
- Remote development will occur where access to State and Federal interstate highways, or to four-lane and to six-lane County roads, is available. (This can be achieved through policy, but it is not a policy at this time.)
- Remote development will be balanced within the general area in which it occurs, including between jobs and housing, as well as prices/rents and salaries/household incomes. (This is not a policy at this time.)

The S.R. 99 Corridor (99) is the most populous section of Stanislaus County with a 1988 population of 264,889. This area contains five of the nine Stanislaus County cities and this area will add 117,880 persons to yield a Year 2010 population of 382,769.

The Eastside (E) contains the two cities of Oakdale and Waterford. The Eastside will probably see the least amount of growth relative to its potential between 1988 and the Year 2010. Population in 1988 was 37,931, and projected population in the Year 2010 is 71,937, resulting in an increase of 34,006 persons.



The Westside (W) contains the two cities of Patterson and Newman, and had a 1988 population of 12,239. This area will receive the highest relative growth of 102,718 persons, bringing the projected Year 2010 total population to 114,957.



The Midwest (M-W) area contains no cities and two substantial areas of non-prime agricultural land. 1988 population was 23,371, while remote development is projected to add 16,614 persons, resulting in a total population of 39,985 for the Year 2010.

Notes: 1988 data shown are SAAG's 1990 projections, which were used because SAAG projections were running behind actual growth.

Maps are not to scale and are illustrative only.

- The S.R. 99 Corridor, where most of Stanislaus County's population resides today, will continue to grow but less rapidly than the period between 1970 and 1990. (This may be the implicit policy of some Stanislaus County cities.)

The breakdown of future population in the Year 2010 in the four areas is shown in Appendix 12.

Approximately the same trend is projected for employment opportunities under the Economic Strategic Plan. This will only occur under the assumptions listed above, since they are the basis for projecting growth under this plan. Appendix 1 shows the sector breakdowns in employment in Stanislaus County as a whole. Appendix 12 shows a breakdown of Year 2010 employment projections by three employment sectors for the four areas shown in Exhibit 1. It should be noted that these breakdowns are in such small groups that the likelihood of error is very high. The reader is cautioned to use these projections as relative numbers within categories and areas rather than precise measures. As such, they provide guidance but not a guarantee that such numbers are destined to happen.

Recommendation: Stanislaus County should review these projections immediately since they are based on recent changes and longer term trends may be evolving. (See Program 1.)

Transportation: A Critical Strength

An important step toward encouraging a diversity of industries is to recognize and take advantage of the County's current and emerging economic strengths. For example, Stanislaus County is strategically located for mass distribution of products. However, unless important transportation links, such as I-5 and the San Joaquin County portion of I-580, are upgraded to a level of service equal to Interstate highways in other Valley counties, distribution facilities will locate elsewhere. Upgrading Interstate highways will be a significant challenge, because with increased commuter use, truck lines and distribution facilities could cease to be attracted by Stanislaus County's location.

San Joaquin County Experience

I-205 in San Joaquin County offers an example of the results of increasing urban growth without a commitment to highway planning. It is already congested and projected to get worse before any improvements are scheduled. Highway planning decisions are made by Caltrans and the California Transportation Commission. But land use decisions, which depend on highways, are made by local governments.

As a result, warehouses, value-added manufacturing, and freight-forwarding companies initially attracted to Tracy will begin to avoid I-205 and the greater Tracy Area that depends on it. This should not only serve as a lesson to Stanislaus County, it may also impact the ultimate commuter and homebuyer preference of using the I-5 corridor over and above the S.R. 99 corridor.

At the present time, the pressures for growth in Stanislaus County are much stronger in the residential sector than in the commercial/industrial sector. As a result, it is quite likely that, without adequate planning and zoning protection, much of the vacant land surrounding the highway interchanges of the major routes through Stanislaus County will be used for residential development. This will hinder the future commercial and industrial development which will be needed by the County.

Recommendation: Plan and Zone Highway Interchanges For Future Economic Development

Generic Interchange Design

Transportation access is very important in site location decisions by commercial and industrial firms. Convenient access to major transportation routes is required by customers/employees, and to reduce the costs of obtaining materials/subassemblies as well as shipping finished products. Residential use of the land immediately around an interchange could limit or prevent commercial and industrial development in that area.

From the perspective of the landowner, planning and zoning for commercial/industrial use will result in delay, on average, in land sales and development⁷. The County's strongest land demand is for residential construction. However, as the demand for commercial and industrial space grows, the market value for prime vacant land suitable for commercial/industrial development will be higher than prime vacant land for residential development. The difference in value is likely to be sufficient to make prime land around interchanges held for commercial and industrial development worth more -- as measured by present discounted market values -- than if it had been sold for residential development. In the long run, even the owners of the current vacant land at interchanges will benefit from the proposed zoning policy.

How Much Land For Commercial and Industrial Use Is Needed?

It is possible to plan too much land around highway interchanges for commercial and industrial uses, and that only a small portion of that land would ever be needed so that its value would consequently be depressed. By using the Target Scenario of the Economic Strategic Plan and supporting analyses in the required General Plan Amendments, Stanislaus County can guarantee itself an adequate supply of prime commercial/industrial land through the Year 2010.

7. The market price of any commodity is determined by its supply and demand. This Economic Strategic Plan for Stanislaus County indicates that commercial growth will increase in the mid-1990's in response to the population growth and that industrial growth will enter a period of more rapid growth in the late-1990's.

The supply of prime vacant land for commercial and industrial development in relation to the evolving demand in the mid-to late-1990's is projected to be proportionately much smaller than the supply of prime vacant residential land. Consequently, the price of prime commercial and industrial land per acre will be appreciably higher than the price per acre of prime residential land.

What Is The Ratio Of Commercial Land To Industrial Land?

Within a broad commercial and industrial General Plan designation, there may be problems with promoting the best mix (from the County's economic development perspective) between commercial and industrial land. Commercial development will enter a period of faster development sooner than industrial development. Therefore, the zoning within the General Plan designation will have to reflect the need to assure adequate land for the industrial development which will bring jobs to Stanislaus County and create fiscally beneficial growth into the next century.

Two-Stage Development Process Around Interchanges

In order to shorten the time until development occurs, while preserving industrial options, a two-stage development process should be encouraged. The first stage would involve the construction of warehousing space for distribution facilities at highway interchanges. This is a demand which is already present and growing. The second stage will be the subsequent conversion of the distribution space to light industrial facilities as that demand materializes.

Warehousing Comes First

The key to this strategy is the construction of the warehousing space in a manner which will support light manufacturing in the future. The type of light manufacturing that should become the focus is not the current County base, e.g., small furniture and woodworking firms. Rather, the light industrial development will come from firms moving some manufacturing operations out of the Bay Area to Stanislaus County in search of reasonable land prices and an adequate labor supply⁸.

8. In the early-and mid-1980's, the trend was to send manufacturing overseas to achieve very favorable labor rates. However this trend is slowing as a) the labor content of many products is dropping, b) quality control grows more important, and c) "just-in-time" inventory practices, which stress minimum stockpiling, become fashionable. These factors all support the manufacturing of subassemblies and assemblies near, but not in, the nine-county Bay Area.

Light Industrial Is The Ultimate Use

The most appropriate type of first stage warehouse facility would provide a minimum of 50,000 square feet because this is a minimum size for the second stage manufacturing operations. It would have twenty to twenty-four foot ceilings to provide capability for first stage warehouse stacking and later for overhead cranes and parts feeds for light manufacturing. The types of light industrial companies that will be the ultimate users of these facilities will require industrial park amenities. While they need not be implemented initially, the physical improvements must provide for later landscaping and creation of an industrial park atmosphere.

Modular Design of Buildings

To maximize flexibility, the design should be modular and facilitate the selling of space in ten-to twenty-thousand square foot increments for the first stage. Construction at interchanges along State Route 99 near existing development may even need to be modular in smaller sizes. Much of the warehousing and light industrial space currently in demand is in the 1,500 square foot to 6,000 square foot range. Along I-5, it is less likely that space will be built on a spec (no user in mind) basis which must emphasize flexibility for multiple uses. Buildings constructed along I-5 are much more likely to be designed for a contract with a specific major occupant requiring much large increments of square footage.

Example in San Joaquin County

New development is now being attracted to highway sites such as the junction of I-5 and S.R. 132 in San Joaquin County, approximately five miles from Stanislaus County. Straddling that junction is a large-lot residential subdivision representing a community with no jobs within it. This typical community was produced at great opportunity cost, since no industry can now use that valuable distribution site.

This report makes the following recommendations:

Recommendation 1: Distribution sites within one mile of interchanges and major intersections should be general planned and zoned for industrial distribution sites. This should be done immediately.

Recommendation 2: New development approved within one-mile of a major highway should contribute toward the widening of that highway. This requirement should be made part of the Stanislaus County Development Fee Structure, to be enacted by the end of calendar year 1989.

Highways Need Protection as Much as Interchanges

Traffic congestion tends to focus on intersections and interchanges in urban areas. However, in rural areas, mainlines (segments between intersections and interchanges) can become the portions most sensitive to capacity and safety problems. The Economic Strategic Plan recognizes the following problems:

- S.R. 99 (in Stanislaus County) - while serving a vital intra- and inter-state freight forwarding function, this highway is slowly becoming a freeway and rapidly becoming an urban freeway in the S.R. 99 Corridor.
- S.R. 132 (in Stanislaus County) - while this highway has long been scheduled to be upgraded to freeway status, its progress is continually deferred. At the same time, the accident rate between Modesto and the San Joaquin River is one of the highest in the state.
- Oakdale Bypass - this section of S.R. 120 is scheduled for rerouting to the north of Oakdale. The timing for this rerouting is gradual and the chances for completion are conjectural.
- I-5 - this is an example of a rural freeway with little congestion or operational problems at this time. Impending remote development would threaten this condition unless protection was taken *before* the need for improvement is evident.

Because of their close relationship, Stanislaus County is dependent upon San Joaquin County highways, particularly as they relate to the Bay Area. The following problems are acknowledged:

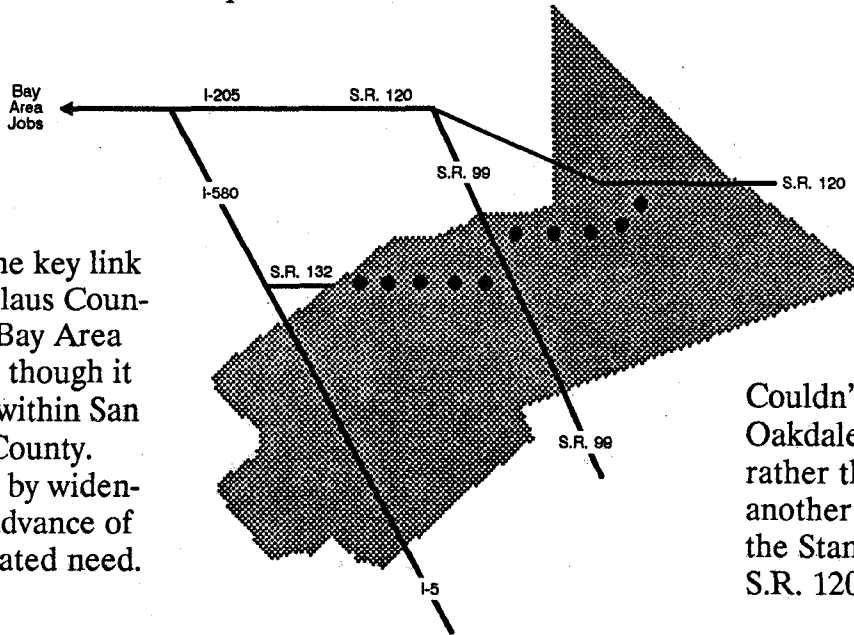
- I-205 - once a rural freeway, this is now a stop-and-go parking lot during peak hours. I-205 and S.R. 120 comprise the main link of San Joaquin County to the Bay Area. In 1987, the San Joaquin County COG projected the dysfunction of I-205 by the Year 2000. However, it is already congested at peak hours and the land use decisions which contribute to this problem were made in the early 1980s.
- S.R. 120 (San Joaquin County) - originally conceived as a three-lane freeway south of Manteca, this road is operating at capacity and is hazardous.
- S.R. 99 (San Joaquin County) - this six-lane rural freeway becomes a four-lane highway between Ripon and Manteca, yet commuters depend on that section for connection to both Stanislaus County as well as Tuolumne County.

Going, going, gone.

The loss of I-205 and S.R. 120 to congestion will serve as a reminder that highways left unprotected in advance of foreseeable demand will hamper a county's economic development.

S.R. 99 in San Joaquin County has an unexplainable four-lane segment between Jack Tone Road and S.R. 120. It is in the interest of Stanislaus County to see it widened to six-lanes.

I-580 is the key link for Stanislaus County to the Bay Area jobs even though it is totally within San Joaquin County. Protect it by widening it in advance of demonstrated need.



Couldn't S.R. 108 bypass Oakdale to the south rather than require another major crossing of the Stanislaus River for S.R. 120?

Within Stanislaus County, I-5 has the most potential for serving the remote development on the Westside. Similar to I-580, steps must be taken for its widening now, not after the problem becomes obvious.

S.R. 132 from Modesto to I-5 is a vital link for that City to the Bay Area. The S.R. 99/S.R. 132 interchange could be assisted by redevelopment, while vital links within Stanislaus County could be achieved through developer dedication and remote development fees.

Going, going and ...

While the S.R. 99 Corridor is about to become a total freeway, its only real relief will come from curtailment of growth within the S.R. 99 Corridor. This is in direct conflict with existing city and county general plans.

Note: Map is not to scale and is illustrative only.

- **I-580 (San Joaquin County) - similar to I-5, this rural freeway is operating above minimum standards now, but continued commuter use will threaten it unless it is protected.**

The Stanislaus County Economic Strategic Plan recognizes the close relationship of these San Joaquin County highways to Stanislaus County's future. In 1988, the San Joaquin County COG proposed extending "developer fees" for improving I-205 to Stanislaus County⁹. Before Stanislaus County agrees to apply development fees to a San Joaquin County highway, it should seek agreement with San Joaquin County on the following recommendations:

Recommendation 1: Any agreement entered into with San Joaquin County regarding contributions toward improving S.R. 120 and I-205 should include the concurrent commitment to widening S.R. 99 as well as I-580 in San Joaquin County.

Recommendation 2: Stanislaus County should take steps now to widen I-580 in San Joaquin County to at least six lanes, if not eight lanes. Some of the funding sources would be Stanislaus County remote development, although cooperation with San Joaquin County will be essential.

Recommendation 3: Consider a way to widen S.R. 99 in San Joaquin County and to bring the Sonora traffic in to Stanislaus County and off at Hammett Road, where development fees could reconstruct S.R. 219 and S.R. 108 to bypass Oakdale to the south.

These are only recommendations. They are not new and they are not necessarily popular, but they deserve consideration.

In Stanislaus County, the following recommendations could become part of several programs recommended by the Economic Strategic Plan.

Recommendation 1: On I-5, All interchanges should be preserved for industrial use and commercial land use with ultimate widening to eight lanes which should be required through remote development fees. Any new interchanges should be located now, before the demand created by remote development.

9. San Joaquin County Council of Governments, *Interstate 205 Capacity Study Report*, January 1988, pp. VI-2 & VI-3.

Recommendation 2: Move S.R. 132 improvements west of Modesto from "priority" (which means 20 years) status to a position where private parties (landowners and developers) can contribute to its completion immediately.

Recommendation 3: Stanislaus County should initiate a Highway Development Authority. (See Program 15.)

Redevelopment Potential

Some of the needed funding of highway improvements, particularly interchanges, can be achieved through the redevelopment process.

Several interchange areas along S.R. 99 were reviewed for redevelopment potential and two have strong commercial/industrial potential:

State Route 99/Future State Route 132 Interchange

This area surrounds the future State Route 99/Future State Route 132 interchange. Current uses within the area include light industrial, roadside commercial (gasoline stations and motel accommodations), residential, warehousing, etc. Building conditions range from good to deteriorated. A large part of the area consists of urbanized, vacant land. Hazardous wastes may be present.

South 9th Street Corridor

This area centers around a run-down commercial strip extending from the Tuolumne River nearly to Hatch Road. Uses along this strip include auto dismantling, tire dealers, services, stores, motels, and vacant lots. The condition of buildings along the strip ranges from good to badly deteriorated.

Uses in areas behind the South 9th Street strip include light industrial, warehousing, residential, service and commercial. This area also includes modern industrial buildings, a pocket of deteriorated housing, and deficient public improvements.

In addition, the following interchange areas have potential for other types of uses, as discussed below:

Interstate 5/Howard Road Interchange

The potential for additional commercial development at this interchange appears to be good. The County may wish to consider the encouragement, through planning, development controls, and the provision of suitable infrastructure, of higher quality development at this interchange. The objective would be the creation of a major tourist destination comparable in quality to the Nut Tree in Vacaville or the Harris Ranch complex near Coalinga.

Keyes Community

The State Route 99/Keyes Road freeway interchange has some potential for roadside commercial expansion. Expansion at this location should be coordinated with the revitalization of Keyes itself.

Salida Community

Central Salida is beginning to experience urbanization pressures from the construction of new housing in the surrounding area. There are strong indications that this construction activity will continue. Relative to this expansion, Salida is strategically located. It has the potential of becoming the shopping and service center for a new planned community composed largely of market-rate housing.

Existing areas of county-controlled land (held as easements) provide an opportunity for replanning and joint County/private development. These areas include the old State Route 99 right-of-way and Salida's main street (Broadway). By careful replanning, in cooperation with the owners of the underlying fee, it should be possible to convert at least part of these areas to more attractive and productive uses (such as retail, commercial, service, or parking.)

County-Wide General Plan Amendment

Many of the foregoing transportation recommendations will need a General Plan Amendment to begin their process of implementation. They could all be accomplished in a single General Plan Amendment that covered the entire County.

Recommendation: Instead of Processing Several General Plan Amendments, One New County-Wide General Plan Amendment is Needed

Furthermore, Stanislaus County could undertake most programs recommended in the Economic Strategic Plan immediately. However, some of these programs should be preceded by a series of General Plan Amendments along with associated environmental review, which would thereby provide the required rational basis for supporting policy changes.

First, any areas of development not now contemplated in the Stanislaus County General Plan must be so designated before any other supporting programs can be undertaken. Second, almost any funding mechanism selected as a tactic will require discussion in, if not consistency with, the Stanislaus County General Plan.

Third, it will be impossible to plan for and finance each developer's application if they are considered one-at-a-time. If the General Plan Amendments are to be done properly, they must all be considered in one single County-Wide General Plan Amendment, and that must be undertaken as quickly as possible.

Recommendation: Update Population Projections

There has been an increasing number of people moving to Stanislaus County. Many of these "in-migrants" have kept their jobs in the Bay Area and are attracted to Stanislaus County by the lower cost of living and, in particular, the lower cost of housing. (See Appendix 12.)

Based upon an analysis of drivers license changes, the percentage of net migration from the Bay Area appears to be approximately 60% of the total net migration since 1983. This percentage is trending upward. Between 1985-86 and 1986-87, 73% of the increase in net migration came from the Bay Area. (See Appendix 14.)

There are currently no reliable data on the nature and extent of commuting from and to Stanislaus County. The 1980 Census provides the last year for which a complete analysis of the number of commuters and patterns of commuting are available. It shows a net out-commuting to the Bay Area from Stanislaus County of only 646 persons compared to 1,611 to San Joaquin County. It is clearly out of date and misleading.

Stanislaus County could wait for the results for the 1990 U.S. Census, but the results would not be available in useful form until 1992. By that date, most programs recommended in the Economic Strategic Plan should either be underway or completed.

Population Growth May Be Underestimated

Population growth must be supported by employment growth to maintain a balanced economy. The population growth occurring in Stanislaus County is only possible because of the rapid increase in the population which commutes to jobs outside Stanislaus County ("commuter" jobs provide both direct employment to the residents who commute and indirect employment through the expansion of the services and construction-related industries in the County to serve the new residents). Currently, Stanislaus County has population projections based on three-to-four-years of drivers license data. This is not a long enough trend upon which to base projections.

Bay Area Influence of Stanislaus County

The crucial question for Stanislaus County is the rate of net migration in the future. For example, will the ratio of net migration to natural increase continue to increase as it has done over the last four years; or will it continue roughly at the same ratio that was reached in 1986-87; or will it decrease? The answer appears to rest on the projected rate of economic growth in the Bay Area and the resulting net "worker deficit" in the Bay Area's nine counties. "Worker deficit" is a term applied to regions like the Bay Area which, due to scarce and expensive housing, must import residents from other regions to fill jobs in the "worker deficit" region. As long as housing price and rent in the Bay Area remains among the highest in the Continental U.S., the Bay Area is destined to be a "worker deficit" region. The greater the Bay Area's worker deficit, the larger will be the number of Stanislaus County residents commuting to the Bay Area and/or the more jobs that move out to San Joaquin or Stanislaus County, the more increases in Stanislaus County commuting to San Joaquin County will occur. Stanislaus County population projections will follow Bay Area projections.

Simple Problems Are Really Complex Problems

Stanislaus County cannot address its Economic Strategic Plan alone. Not only are neighboring counties involved, but cooperation with ABAG, a neighboring regional agency, is also recommended. ABAG might respond to a request for a joint study. This idea needs further development before becoming a program of the Economic Strategic Plan.

The County-Wide General Plan Amendment should be a simple statement of goals, objectives and policies made to fit with the existing Stanislaus County General Plan. Unfortunately, policy changes affecting transportation need to be proven in conjunction with assumptions made regarding land use and, conversely, remote development will have substantial transportation impacts. The actual "proof" of whether Stanislaus County's land use growth -- in addition to other counties' growth -- can fit on the North San Joaquin Valley highway system is a complicated matter involving mathematical models. The County-Wide General Plan Amendment will require a sophisticated analysis of this relationship between land use and transportation.

Transportation/Commuters: Key Issues

The Association of Bay Area Governments (ABAG's) estimate of the net worker deficit in the Bay Area between 1985-2005 is 237,000 workers. This number is low given current policies limiting residential growth in a number of Bay Area cities and counties. However, the Bay Area's high demand for workers will be constrained from inducing all of the commuting implied by ABAG's estimate because the transportation network, given current capital expansion plans, will not be able to accommodate that number of commuters. Stanislaus County should work with ABAG during the development of population and transportation projections.

Action vs. Inaction

The Economic Strategic Plan has several recommendations and programs, all of which cost money and most of which will encounter problems nobody wants to deal with. It would be much easier and less painful to just do nothing.

New Towns?

The Economic Strategic Plan does not recommend nor endorse the approval of any particular "new town" development. Those are decisions for the Board of Supervisors to make based upon recommendations of the County Planning Commission. The Planning Commission's recommendations will be based upon thorough environmental review and public comment.

The Price Of Inaction

If the County does nothing, each proposed large-scale development will be reviewed on the basis of its incremental merits or demerits. The County will not have the advantage of the necessary overview and a cumulative impact analysis. Stanislaus County will very quickly reach the point where all other urbanizing counties are today: growth controls, growth management and needed jobs locating in areas with less traffic congestion.

Recommendation: Create A Large-Scale Development Approvals Process

There are several choices for approving or denying large-scale development which Stanislaus County needs to make. For example, does Stanislaus County want to use specific plan documents? If so, then General Plan Amendments must proceed -- unless already approved -- in tandem with such large scale development specific plans. If not, then the General Plan Amendments must be detailed enough to allow the large-scale development to go to the next step: reclassification of zoning.

If a specific plan is to be used, should it be developer-initiated? If not, then the County would have to initiate its own specific plan, thereby requiring findings and data which would justify such a procedure.

Is a model development agreement enough to guarantee the County that all needed infrastructure and services will be put into place at the right time? One need only look to Orange County to see that the answer is "no."

Stanislaus County should also put in place, whether by adoption or through the CEQA process, regulatory mechanisms which coordinate phasing, the provision of infrastructure and maintaining the balance between jobs and housing.

Why Can't This Just Be A New "Land Use Plan"?

Most people believe that when a County plans for change, it must do so by changing "land use."

This is not true. Many other things must change besides "land use." Some of these things are transportation and residential development for all income groups. The general plan guidelines of the California Office of Planning and Research state "since a general plan represents the most comprehensive local expression of the general welfare as it relates to land use regulation, to recognize social and economic concerns in the general plan is not only appropriate, but necessary."¹⁰

Many people believe that these changes can be brought about by a new or revised general plan. "If," they ask, "we just revise our general plan, won't that guarantee our readiness for the change we see coming?"

No, the general plan doesn't foresee change and then continually adapt to that change. The general plan rather sets policy within a "snapshot" perspective: this is the way we see our county today, tomorrow and until such time as we change that view. General plan policies are set for long-term application and may not recognize short-term trends which may alter those policies. For example, the existing Stanislaus County General Plan makes no mention of the trend of becoming a commuter County. The concept of balance, whether applied to jobs and housing or applied to economic development is not pursued in the existing General Plan. The existing Stanislaus County General Plan is not in conflict with these strategies, it just doesn't require anyone to do anything about them.

10. State of California, General Plan Guidelines, June 1987, p. 10.

The strategies of dealing with a commuter county and achieving balance, along with the three goals of the Economic Strategic Plan dealing with fiscal impacts, economic opportunity and economic development, bring a totally new perspective to the Stanislaus County General Plan. The General Plan can be changed or it can just sit there, but the County must consider new policies never stated anywhere before.

The State of California requires a General Plan which typically tells a developer what he can or cannot do. But the General Plan does not tell a county what *it* should do.

The General Plan is passive and doesn't require the County to do a thing. The General Plan is also static and is only changed when someone insists on it, usually a developer.

Strategic Planning Is More Than Land Use/Transportation

In contrast to a General Plan, this Economic Strategic Plan tells Stanislaus County that it should do many things, including revise the General Plan. But most issues are beyond the concern of the General Plan. There are people issues (dare we call them social issues?). There are proactive issues (issues the County must take the lead on). There are institutional issues. These result in a varied and unproven group of programs. Taken together, the programs add up to an exciting group of unthinkable challenges called an Economic Strategic Plan. Taken separately, any one of the programs would help the County meet the challenge of impending growth.

But even though the Economic Strategic Plan is broad, even comprehensive, in nature, it is not all-inclusive. As stated in the book *Mastering Change*, "Strategic planning has more of a bias for action than comprehensive planning. It focuses on the important issues and provides a clear direction. Using strategic planning to overcome the stigma of ineffective comprehensive planning is a classic example of making lemonade out of lemons."¹¹

11. Bruce W. McClendon and Ray Quay, *Mastering Change*, 1987, APA Planner Press, p. 57.

Programs

The Economic Strategic Plan is presented as a series of "tactics" or programs. Some of these programs are already foreseen and others may appear to be wishful thinking. Stanislaus County may only be successful in dealing with the future to the degree it implements all of these programs.

More Than A General Plan Amendment Will Be Needed

The Economic Strategic Plan speaks to economic and social issues never covered in a General Plan. Substantial research has been directed at who lives in Stanislaus County and how they are employed (or not employed). All of this work is pointing to a key direction for the Economic Strategic Plan: Stanislaus County must avoid the adverse impacts of becoming a commuter county. The County can do this by preparing for the demand for new jobs and by training the labor pool in Stanislaus County. Unlike most other urbanizing counties, Stanislaus County has the opportunity to be self-sufficient at the beginning of its growth cycle.

Economic Issues Are Raising Social Issues

Under an accommodation scenario, housing will grow first in Stanislaus County and jobs will follow slowly, as much as ten years later. Even at that undesirable time lag, Bay Area and Southern California employers will only move to Stanislaus County when certain requirements are met. If adequate skills are not present in the labor force, and/or if training is not providing these skills, the new jobs will go elsewhere.

Foundation For Economic Development

It is true that, once urban in-migrants fill the new subdivisions, Stanislaus County will attract the white collar and highly skilled employers. By that time, the relocating firms from the Bay Area and Southern California may have found other counties with more highly skilled labor forces. In order to be competitive, Stanislaus County must immediately address its ability to train a skilled labor force. The challenge is not only to our educational system, but in keeping students inside their classrooms rather than dropping out. More than growth, traffic, air quality, groundwater contamination and/or agricultural preservation, these issues of education and job skills training will emerge as the Number 1 and 2 priorities in the 1990's.

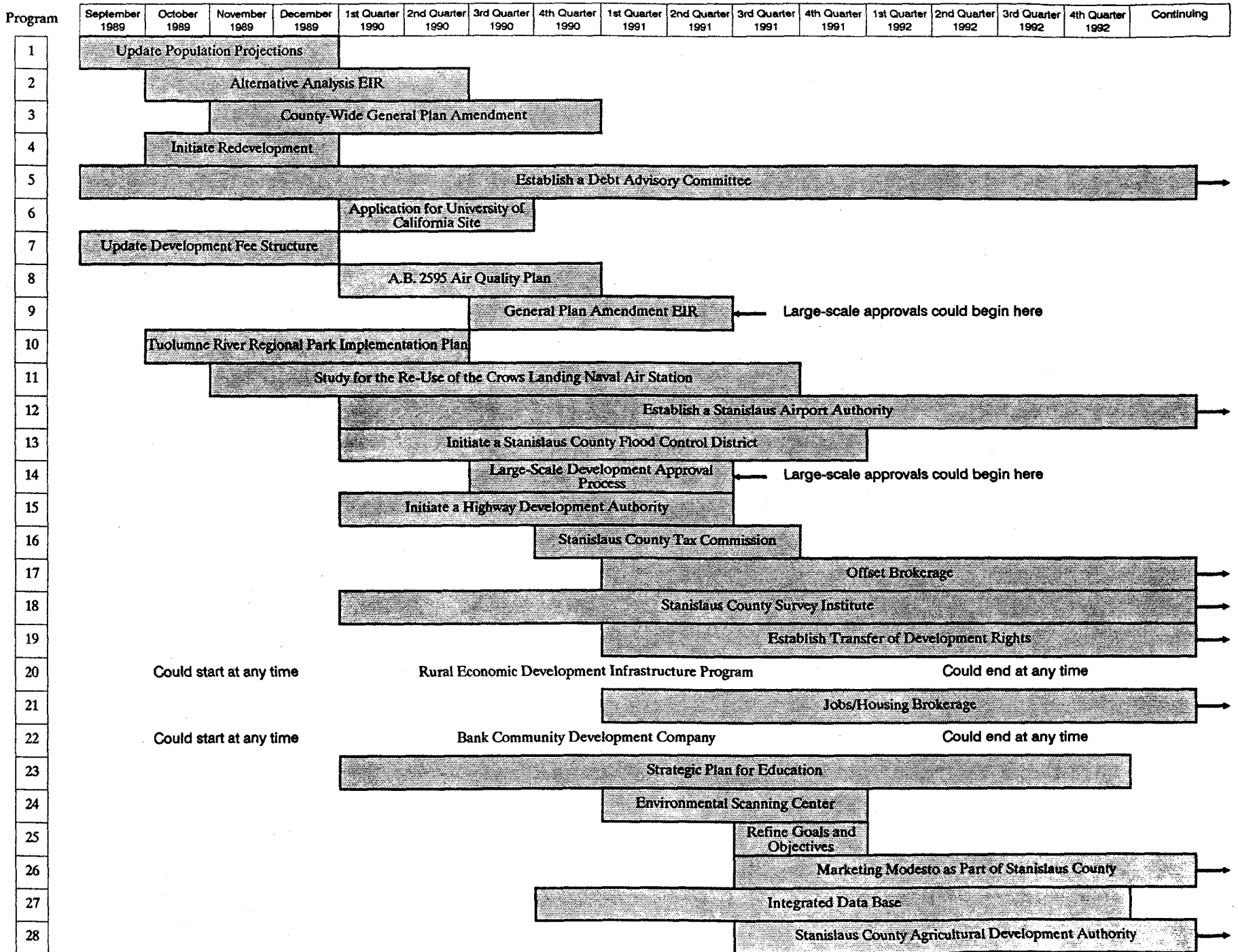
Will Stanislaus County Adopt New Programs?

As in any complicated set of actions, not all of the programs are essential to preparing Stanislaus County for future growth. Said another way, if some of the programs were not undertaken, either by the public sector or the private sector, Stanislaus County might still be able to successfully deal with the problem of rapid and, until now, unanticipated, growth. The following chapter of the Economic Strategic Plan discusses 28 programs, each of which should be evaluated on their own merits. The discussion of each program is arranged in the following manner:

- **Rationale:** Why is this program necessary?
- **Contents:** What would this program consist of?
- **Inputs to:** What preceding programs, or other efforts, lead into this program?
- **Outputs from:** What other programs, or efforts outside the Economic Strategic Plan, would this program lead to?
- **Responsibility:** What agency or entity would undertake this program?
- **Precludes/Includes:** What other programs may, if undertaken, preclude the need for this program or include this program with them? (For example, if Stanislaus County undertakes an Alternatives Analysis EIR, the County won't need to prepare a County-Wide General Plan Amendment EIR.
- **Funding:** Where would the money needed for this program come from?
- **Schedule:** When should this program begin and how long might it take?

The chart on the following page compares the schedules for the programs.

Schedule: Economic Strategic Plan for Stanislaus County



Recommended Programs for the Economic Strategic Plan

The following pages identify programs, or tactics, that the County of Stanislaus should undertake for at least one of two reasons:

- In the event that Stanislaus County wants to be ready for the Target Scenario. (This is called "positioning.")
- In the event that Stanislaus County wants to help the Target Scenario occur. (This is called "facilitating.")

Stanislaus County can both position itself and facilitate the Target Scenario without undertaking all programs. Some of the programs are duplicative in part, but governments can't always start programs and find financing for them exactly when they are needed. Because some efforts need to be started when the opportunity arises, the Economic Strategic Plan identifies where each program precludes or includes tasks in other programs.

One program usually leads to another in the course of getting a job done. This is called an "input" and a prior task has inputs to a subsequent task. Similarly, a subsequent task has "output" to a later task. These linkages are also explained for each program, and in some cases to functions outside the Economic Strategic Plan.

Programs are offered generally in order of chronological priority, although the most immediate programs are not necessarily the most important.

<p>Program 1</p>	<p>Update Population Projections</p>
<p>Rationale:</p> <p>One of the first programs needed is the preparation of new population projections for Stanislaus County and the four areas identified in Appendix 12. The reason for this urgent need is that no population projections exist today that have a defensible basis from which vital decisions about Stanislaus County must be made.</p> <p>The "QED" projections used for the Economic Strategic Plan are, at this writing, more than one year old. Because they are based on three-year to four-year changes in migration patterns, the difference encountered with one year's new data could be significant.</p> <p>The Stanislaus Area Association of Governments (SAAG) projections are also in need of updating. These numbers are based on percent growth over time and are relatively insensitive to shifts in policy and the amount of available land left in the County and nine cities.</p>	
<p>Contents:</p> <p>The contents of any population update report should include a mechanism for the constant monitoring and updating of the projections as new information, such as the 1990 Census, becomes available. The projections should be broken down to at least Census Tract level, but preferably to the traffic zones which have been split or combined into sub-zones for use with the SAAG MINUTP traffic model.</p> <p>The updated population projections must show a sensitivity to changing city/county policies and the available land within each jurisdiction. This can only be done through a survey of <i>all</i> land within each jurisdiction and the rating of its development potential by General Plan designations and/or zoning districts. This approach is followed by the major California Councils of Government, such as the Association of Bay Area Governments (ABAG) and Southern California Association of Governments (SCAG).</p>	

Inputs To:

The inputs to this process are from the QED projections and SAAG population projections. Other jurisdictions have data which will influence this task, in particular the San Joaquin County growth projections and those of ABAG.

Outputs From:

The outputs of this program will be to most programs listed in the Economic Strategic Plan. Most importantly, a General Plan revision will require these updated projections as a basis for the General Plan Amendment.

Responsible Agency:

The responsible agency for this program should be the Department of Planning and Community Development of Stanislaus County. Supporting agencies should be the Department of Management Information Services and the Stanislaus Area Association of Governments (SAAG). It is assumed that a close cooperative arrangement with the nine cities of Stanislaus County will be followed in this task.

Funding:

Funding should originate from the from the Development Fee Program of Stanislaus County. In areas where previous projections (SAAG, 1987) showed very little or no growth, the new developers can be held responsible for funding those population projections.

Precludes/Includes:

This task would include the preparation for the 1990 Census, a task which the County, all cities and SAAG should be preparing for. However, waiting for the results of the 1990 Census would be tantamount to waiting for 1992, when the first real results become available.

Schedule:

This task should begin with the acceptance of the Economic Strategic Plan and should be completed within four months.

Program

2

Alternatives Analysis EIR

Rationale:

The California Environmental Quality Act allows for an EIR to be prepared when a *program* may have an environmental impact. Therefore, an EIR need not be based on a single *project*. This EIR would be prepared on three alternative growth futures for Stanislaus County. Future 1 is the existing General Plan. Future 2 is the development that would be caused by the Target Scenario. Future 3 is the development that would be caused by the Stanislaus County Primary and Secondary Sewage Treatment Initiative.

Each of these futures has different quantities of population, employment, traffic, air quality, water demand, sewage loading, etc. These can be quantified, tested and mitigated in terms of their environmental impacts. Undertaking this EIR at an early stage would lay to rest any concerns that selection of an alternative future actually took place before environmental analysis was performed. Instead of doing an EIR on one project, or one version of the County-wide General Plan, this approach would compare three versions of the County-wide General Plan, each analyzed on an equal basis.

Contents:

The contents of an Alternatives Analysis EIR would be the same as a program EIR. Instead of the description of the project, the three or more alternative futures (or scenarios) would be described (e.g., the existing General Plan, the Target Scenario and the future which would result if the Stanislaus County Primary and Secondary Sewage Treatment Initiative were passed by a vote of the people). The selection of a target year (e.g., 2010) would be made and a comparison of the three alternative futures (or scenarios) would be based on alternative totals and distributions of population, employment and land uses.

The program EIR would contain analyses of all potential county-wide and valley-wide impacts ranging from earth resources (e.g., seismic, soils and grading) to cultural resources (e.g., archaeological and historic sites). To the extent that site-specific impacts are not known, mitigation measures would be presumed that would require monitoring procedures in accordance with AB 3180.

Inputs To:

Inputs to this task would be the projections underlying the Target Scenario given in the Economic Strategic Plan, a quantification of the growth caused by the proposed initiative and the assumptions of the Stanislaus County General Plan.

Outputs From:

Outputs from this program would be used to determine the scope and depth of the County-Wide General Plan Amendment.

Responsible Agency:

The lead agency for the Alternatives Analysis EIR would be the Department of Planning and Community Development. The Stanislaus County Local Agency Formation Commission (LAFCO) may be a responsible agency if jurisdictional issues are to be analyzed. It is assumed that a close cooperative arrangement with the nine cities of Stanislaus County will be followed in this task.

Funding:

Funding would be from the Development Fee Program of Stanislaus County. Each developer would pay a share of the cost of the EIR equal to their portion of the potential development area. Contribution to the EIR would not guarantee approval of projects. Non-profit groups such as the Sierra Club, Ecology Action, GOAL and the Valley Air Trust should be asked to help defray the cost.

Precludes/Includes:

This program would preclude the need to do an EIR on the County-Wide General Plan Amendment or on the Stanislaus County Primary and Secondary Sewage Treatment Initiative.

This task would also include some of the analysis work required for the A.B. 2595 Air Quality Plan, but it would not include all the necessary elements of that plan. This task could include an updating of the County's population projections (Program 1).

Schedule:

If the Alternatives Analysis EIR is to provide input into the County-Wide General Plan Amendment, it should be certified during calendar year 1990.

Program

3

County-Wide General Plan Amendment

Rationale:

The Target Scenario represents a marked departure from the existing Stanislaus County General Plan. Because the General Plan is the foundation for all development decisions to be made in the County, a sweeping amendment to the General Plan, more correctly a *revision* of the General Plan, would be necessary. Without this County-Wide General Plan Amendment, there would be no basis for the approvals (and denials) which would be required under the Target Scenario future.

The Economic Strategic Plan does not recommend that a County-Wide General Plan Amendment be adopted but rather that it be attempted. It could be that a General Plan Amendment adopting the Target Scenario has adverse political and environmental consequences. The political consequences would be discussed in the County-Wide General Plan Amendment and the environmental consequences would be discussed in the County-Wide General Plan Amendment EIR. Until the facts supporting (or challenging) such a General Plan Amendment are brought before the Board of Supervisors, they will not have a basis to adopt or deny.

Contents:

The contents of the County-Wide General Plan Amendment should be an element-by-element review of the existing Stanislaus County General Plan. Any conflicts with the assumptions of the Target Scenario, such as permitting remote development in various rural areas of the County, should be dropped in favor of identifying those areas where development would be permitted. New data should be introduced to reflect increased population and employment projections. Additional goals and objectives should be added to deal with the need to balance jobs and housing and to preserve agricultural land between areas of remote development and existing development. Mapping should identify areas where remote development might be considered.

At a minimum, the current Housing Element of the Stanislaus County General Plan is out-of-date, whether the Target Scenario is found to be acceptable or not. New projections of housing (as well as employment) will have to be prepared, particularly in terms of jobs/housing balance (or imbalance).

Inputs To:

The input to this task will be primarily from the revised population projections and the Alternatives Analysis EIR, if either or both of those programs are undertaken.

Outputs From:

Outputs from this program will become the basis for reviewing and either approving or denying the anticipated applications for remote development.

Responsible Agency:

The responsible agency for the County-Wide General Plan Amendment will be the Department of Planning and Community Development.

Funding:

Funding for the County-Wide General Plan Amendment would be largely from the Development Fee Program of Stanislaus County. Any potential development not now presently planned could, through an assessment or development fee process, provide partial funding to offset this expense. Contribution to the General Plan Amendment would not guarantee project approval.

Precludes/Includes:

This task precludes the need to undertake the Alternatives Analysis EIR if the County-Wide General Plan Amendment is undertaken first. This program could include all the elements required in the AB 2595 Air Quality Plan, although the funding and scheduling of such an inclusion would add an order of magnitude to the effort.

Schedule:

The County-Wide General Plan Amendment should be undertaken as soon as the Economic Strategic Plan is accepted by the Board of Supervisors. Completion of the General Plan Amendment should occur before the end of calendar year 1990.

<p>Program 4</p>	<p>Initiate Redevelopment Planning</p>
<p>Rationale:</p> <p>Initial steps have been already been undertaken to form the Stanislaus County Redevelopment Agency. Decisions still remain as to which areas should be the initial redevelopment areas to be planned and redeveloped. Some areas, such as the I-5/Howard Road Interchange, may be impacted in the Target Scenario future. Other areas must be undertaken quickly in order to allow the Target Scenario to occur, such as the S.R. 99/Future S.R 132 interchange, which could be facilitated through the redevelopment of the surrounding area. The Tuolumne River Regional Park Implementation Plan (Program 10) has all of these attributes: the Target Scenario impacts the area's S.R. 99 interchanges, the redevelopment portion will create needed job-creating development and the fiscal problem of the park could be turned around.</p> <p>In its early stages, redevelopment is always difficult to undertake and frightening to those who do not understand it. Nothing would serve the Stanislaus County Redevelopment Agency better than an early project that is highly successful, popular and indicative of the positive impacts of redevelopment.</p>	
<p>Contents:</p> <p>For any redevelopment area, planning should include the designation of a Survey Area, the selection of a Project Area and the formulation of preliminary plans. This program would end with the preparation and adoption of Redevelopment Plans for each Project Area.</p> <p>Stanislaus County has several viable candidates for redevelopment before it at this time. Staff should be identified, priority areas selected and planning begun as soon as possible.</p>	

Inputs To:

The inputs to the redevelopment plans would be from the redevelopment portions of the Economic Strategic Plan and the updated population projections, particularly those areas where residential development is to be relocated or added.

Outputs From:

Outputs from the program would lead to Disposition and Development Agreements, ultimately resulting in the redevelopment of each project area.

Responsible Agency:

The Responsible Agency shall be the Redevelopment Agency, presumably incorporated within the Department of Planning and Community Development.

Funding:

Financing is obtained directly through the tax increment method and can be accumulated in advance through the sale of bonds on the anticipation of tax increment.

Precludes/Includes:

This effort does not preclude any other effort to be undertaken as part of the Economic Strategic Plan and does not include any tasks described elsewhere in the Economic Strategic Plan.

Schedule:

The initiation of redevelopment planning should begin as soon as the first priority areas are identified and a staff is named, but in no circumstances should this occur later than the end of calendar year 1989.

Program

5

Establish a Debt Advisory Committee

Rationale:

Historically, the public sector has constructed roads, bridges, sewer systems and maintained these facilities. Because the private sector is interested and willing to assume some of these financial responsibilities, Stanislaus County should allow developers to construct and maintain facilities under special districts, such as the Mello-Roos Community Facilities District or Benefit Assessment Districts. Stanislaus County must take official action on these districts and they may impose a direct or indirect financial risk on the County.

Stanislaus County should adopt a mechanism for establishing districts for the private assumption of debt where the County's interest is impacted. Such a mechanism would be ongoing, tied to the traditional county staff functions and contain rules or guidelines equally applicable to all developers. In order to develop this mechanism, guidelines and a periodic group meeting of key staff would be necessary.

Contents:

A mechanism should be established to contain two parts: Policy Guidelines and a Debt Advisory Committee.

The Policy Guidelines would deal with appraisals of development property, market analysis of development property, any special taxes, any necessary bond issues, lien provisions on development property, selection of consultants, reimbursement of the County and the financial obligations as well as the cooperation of the County.

The Debt Advisory Committee could be comprised of:

- County Administrator
- Treasurer/Tax Collector
- Auditor-Controller
- Public Works Director
- County Counsel
- Finance Officer
- Director of Planning and Community Development

The Debt Advisory Committee will review applications and advise the Board of Supervisors.

Inputs To:

Memorandum from Stanislaus County Planning and Community Development Director dated 6/5/89.

Outputs From:

Large-Scale Development Approvals Process.

Responsible Agencies:

Department of Planning and Community Development, Auditor-Controller, Treasurer/Tax Collector, County Counsel and Department of Public Works.

Funding:

Reimbursement from proceeds of bond sales as determined by guidelines.

Precludes/Includes:

This program may include some facilities found eligible for development fees in the program to "Update Development Fee Structure."

Schedule:

To begin immediately upon approval of the Board of Supervisors.

Program

6

Prepare An Application for a University of California Site in the Modesto Area

Rationale:

Stanislaus County is a candidate location for at least one of the anticipated San Joaquin Valley campuses of the University of California. The County is in the center of intense growth pressures and is centrally located between the growth path from the North (Sacramento and San Joaquin County) and the growth path from the South (Fresno and Merced County). This is an important project on which Stanislaus County and the City of Modesto can cooperate and agree.

The State of California will look for a jurisdiction that has its proverbial "act together." That will be a county that has positioned itself for change rather than a county caught up in responding to it. That will also be a county where the cities and the County officials are working toward a common vision of the future. Will that be Stanislaus County?

Contents:

The contents of this program would include site selection criteria and growth projections, particularly age-specific, for Stanislaus County and the Northern San Joaquin Valley. Off-site requirements, such as infrastructure and adequate housing, must be identified as part of the site selection criteria. This program would end with the proposal of three to five alternative sites, each presented in terms of pros and cons in an EIR format. The possibility of a document serving as an Alternatives Analysis EIR for a U.C. campus should be considered, thereby having the EIR completed before the site is selected.

Since both the Cities of Berkeley and Santa Cruz are waging constant issue with the U.C. Board of Regents over the question of "growth management," the application should have a statement regarding Stanislaus County's growth policy. A definite advantage of Stanislaus County would be the agreement that growth could occur within previously defined (and liberally construed) limits.

Inputs To:

The inputs to this program are the updated population projections and, if completed, the Alternatives Analysis EIR.

Outputs From:

This program would be the output to the formal selection of a U.C. campus site and a development agreement with the U.C. Board of Regents.

Responsible Agency:

The responsible agency for the application for a U.C. campus site should be the Department of Planning and Community Development. The corresponding agency for the City of Modesto should be the Modesto City Planning Department and assistance is expected from both the Stanislaus County Economic Development Corporation (SCEDCO) and the Department of Economic Development of the City of Modesto.

Funding:

Funding for this program should be from the Stanislaus County and City of Modesto General Funds, to be shared equally.

Precludes/Includes:

This effort does not preclude any other task to be undertaken as part of the Economic Strategic Plan and does not include any tasks described elsewhere in the Economic Strategic Plan.

Schedule:

The schedule for beginning an application should depend upon the availability of updated population projections. The application should be complete by September 1990.

<p>Program 7</p>	<p>Update Development Fee Structure</p>
<p>Rationale:</p> <p>In February 1989, Stanislaus County started the preparation of a development fee structure which would comply with A.B. 1600. This development fee structure is predicated on a Capital Improvements Program based upon the rejected scenario and is therefore 1) understated and 2) inapplicable in areas of remote development. In order for fees to be applied to unforeseen improvements, such as those only benefiting the Westside, a revised development fee structure must be prepared.</p> <p>Of the first ten programs discussed in the Economic Strategic Plan, half could be supported by development fees. None of these programs, however, have been considered for inclusion in the Stanislaus County Development Fee Structure.</p>	
<p>Contents:</p> <p>The contents of an updated Development Fee Structure would be a revised Capital Improvements Program that reflects the Target Scenario growth. Narrow-based improvements for areas of remote development will be included where they were previously ignored.</p> <p>The Development Fee Structure must show "nexus," that is, a conceptual linkage between the fee charged and the benefit received or the impact created. Mathematical formulae would be compared against project costs so that, for example, 10,000 acres of development would offset a study cost of \$100,000 at a fee of \$10 per acre.</p>	

Inputs To:

The only input to this task would be the recently completed Development Fee Structure.

Outputs From:

The only output of this program will be a schedule of development fees to be proposed on future projects in Stanislaus County.

Responsible Agency:

The responsibility for updating the Development Fee Structure would be that of the Department of Planning and Community Development.

Funding:

Funding would be provided via the development fees themselves.

Precludes/Includes:

This program precludes the necessity for updating the Capital Improvements Program on the basis of a County-Wide General Plan Amendment, if such an effort were anticipated by Stanislaus County. An EIR on the Development Fee Structure could be included in this task or may be considered part of the County-Wide General Plan Amendment EIR, if that document includes the updated Development Fee Structure.

Schedule:

The updated Development Fee Structure should be initiated by September 1989 and in place by December 1989.

Program

8

A.B. 2595 Air Quality Plan

Rationale:

In September 1988, the State of California mandated the preparation of air quality plans by all counties with the passage of A.B. 2595 (Sher). This law mandates new policies and functions for the Air Pollution Control Officer of Stanislaus County. The primary thrust of this mandate is to require a plan which establishes land use and transportation patterns most amenable to preserving air quality.

In California's South Coast (Los Angeles Basin) air quality has deteriorated to such an extent that the Air Quality Management District has assumed broad land use and transportation powers. This transfer of decision power leaves the cities and counties of the Los Angeles Basin shocked after years of acknowledging the problem but essentially doing nothing. Is this a model for Stanislaus County?

Contents:

While A.B. 2595 states generally what is required in an Air Quality Plan, the following five tasks are suggested:

- Update Air Quality Trends and History
- Review Ozone and Carbon Monoxide Control Strategies
- Prepare Projections of Future Year Emissions
- Future Year Projections of Air Quality
- Recommend Alternative Control Measures

Many of these tasks will be interrelated with the County-Wide General Plan Amendment and County-Wide General Plan Amendment EIR.

If any program of the Economic Strategic Plan is capable of studying the "carrying capacity" of Stanislaus County, this would be the one. The concept of carrying capacity holds that there is a maximum or optimum size for any geographical area. That area's "limits" are a function of how much it can use its natural resources, including its air quality. Does Stanislaus County have a limit on the use of its air and, if so, what is its "carrying capacity."

Inputs To:

The inputs to the Air Quality Plan would come from the Alternatives Analysis EIR and the County-Wide General Plan Amendment (unless the analysis portions are undertaken in the Alternatives Analysis EIR). If possible, the planning portion of the Air Quality Plan should be completed concurrently with the completion of the County-Wide General Plan Amendment. However, if it isn't, then it becomes a stand-alone effort which still meets the State mandates.

Outputs From:

The outputs of the Air Quality Plan would lead to the establishment of an Offset Broker in Stanislaus County. The Offset Broker would seek other uses or activities which could be curtailed in order for new air quality emissions to be allowed.

Responsible Agency:

The responsible agency for the Air Quality Plan should be the Department of Planning and Community Development. The assisting agency should be the Department of Environmental Resources.

Funding:

Funding for this program should originate from offset fees collected by the Department of Environmental Resources.

Precludes/Includes:

If this program precedes the Alternatives Analysis EIR, it would preclude the need for an air quality section for that EIR. The Air Quality Plan could be considered an Air Quality Element of the County-Wide General Plan as long as its assumptions were consistent with the County-Wide General Plan Amendment.

Schedule:

The A.B. 2595 Air Quality Plan should be completed by the end of calendar year of 1990.

Program 9	County-Wide General Plan Amendment EIR
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Rationale:

If the County-Wide General Plan Amendment is undertaken without benefit of an Alternatives Analysis EIR, then it is a discretionary project which requires a program EIR under CEQA. It is not known whether such an EIR would find significant impacts, and would therefore force the modification of the General Plan Amendment or not, therefore making this a critical program to be undertaken independently from the General Plan Amendment itself.

The questions that need to be answered are "how significant are the impacts of the Target Scenario?" and "can they be mitigated?" All mitigation measures, such as wider roads and the development of new infrastructure, must be identified along with the party responsible for funding each mitigation measure. AB 3180 will require a monitoring program for each mitigation measure which will ensure that growth will not occur without adequate measures for avoiding and/or reducing impacts.

Contents:

The contents of the County-Wide General Plan Amendment EIR will be a *program EIR*, or the foundation document for a tiered approach. Allowance should be made for more detailed environmental documents as facts about specific projects are made known.

For example, traffic on all major roads may be estimated, but critical measures such as turning movements and accurate trip generation, distribution and assignment must be undertaken in a project-specific EIR, which is a subsequent document.

Inputs To:

The inputs to the County-Wide General Plan Amendment EIR are from the County-Wide General Plan Amendment.

Outputs From:

The output of this task is to any and all subsequent, supplemental or amended EIRs which might be based on the County-Wide General Plan Amendment EIR as a foundation document. This will determine the extent to which future analysis must be provided to determine significant impacts.

Responsible Agency:

The responsible agency for the County-Wide General Plan Amendment EIR would be the Department of Planning and Community Development.

Funding:

Funding for the County-Wide General Plan Amendment EIR should be undertaken by Development Fees from those private developers making up the portion of the EIR costs attributable to their projects. Contributions would not guarantee project approval, only project review.

Precludes/Includes:

The County-Wide General Plan Amendment EIR will preclude the necessity for an Alternatives Analysis EIR (if it hasn't been done) and includes the air quality analysis required in the A.B. 2595 Air Quality Plan. If the A.B. 2595 Air Quality Plan precedes the County-Wide General Plan Amendment EIR, then the air quality section of this EIR can be replaced by the analysis portion of the A.B. 2595 Air Quality Plan.

Schedule:

The County-Wide General Plan Amendment EIR cannot be initiated until after the County-Wide General Plan Amendment is underway and it should be completed by June 1991.

<p>Program</p> <p>10</p>	<p>Prepare a Tuolumne River Regional Park Implementation Plan</p>
<p>Rationale:</p> <p>Stanislaus County, with assistance from the City of Modesto and the City of Ceres, has been charged with the acquisition and development of a multi-activity, environmental park along the Tuolumne River. The County contributed toward the maintenance of these lands and to some development but, in 1987, fiscal realities forced the contributions to stop. The Cities of Modesto and Ceres followed suit. It is clear that the Tuolumne River Regional Park cannot be completed unless substantial revenues are used to offset costs, although such revenues are virtually all committed for other projected County operations.</p> <p>Three of the recommended County redevelopment areas lie adjacent to the Tuolumne River Regional Park. If redevelopment of deteriorating areas could be combined with the development of the Tuolumne River Regional Park, then sources of park revenues could be found and all areas could be improved by private development.</p>	
<p>Contents:</p> <p>An implementation plan would contain market potential, financial feasibility and a schedule of development. As discussed in the "Initiate Redevelopment Planning" (Program 4), a proposed redevelopment area must be surveyed, a Project Area identified and a preliminary plan drafted in accordance with the California Health and Safety Code, Section 33300 et seq. This process may also require the re-working of the original Tuolumne River Regional Park plan, which was drafted in 1972.</p> <p>The Tuolumne River Regional Park Implementation Plan would determine the extent to which redevelopment can both benefit from, and help finance the realization of the Tuolumne River Regional Park. Preliminary designs would be sufficient to estimate the cost of infrastructure and other public improvements necessary to attract private developers. Costs and revenues to the County would indicate the speed and the degree to which revenues could be applied to park acquisition and development. The product would be adequate to begin the actual redevelopment process.</p>	

Inputs To:

Initiate Redevelopment Planning and 1972 Tuolumne River Regional Park plans.

Outputs From:

Preliminary redevelopment plans leading to Disposition and Development Agreements.

Responsible Agency:

The Responsible Agency shall be the Redevelopment Agency, presumably incorporated within the Department of Planning and Community Development.

Funding:

Financing is obtained directly through the tax increment method and can be accumulated in advance through the sale of bonds on the anticipation of tax increment.

Precludes/Includes:

This effort may be included in the Initiate Redevelopment Planning (Program 4).

Schedule:

A six-month effort should be initiated no later than October 1989.

Program

11

Study for the Re-Use of the Crows Landing Naval Air Station

Rationale:

The U.S. Navy has a ring of West Coast Naval Air Stations (NAS's) which, such as Lemoore NAS and Crows Landing NAS, back up coastal facilities such as Moffett NAS and Alameda NAS. All of these facilities are experiencing encroachment from urban development. The expansion of existing facilities may be less cost-effective than moving existing facilities to more remote locations. With remote development on the Westside, conflicts could emerge with Crows Landing NAS and these conflicts would be best avoided by the ultimate relocation and decommissioning of the present facility.

The question to the County is "what should be done with the Crows Landing NAS if it should be decommissioned?" A strategic approach takes the position that it is better for Stanislaus County to have the answer *before* the decision is made by another jurisdiction, such as the U.S. government.

Contents:

The U.S. Congress identified 86 bases (not including the Crows Landing NAS) in January 1989 that are to be closed or scaled down. That process is lengthy and contains many checks and balances. The study of Crows Landing NAS as a re-used facility could avoid the Congressional approach by Stanislaus County initiating its own report containing:

- Reuse Alternatives, such as:
 - Stanislaus County Regional Airport
 - "Remote development"
 - New University of California Campus
- Environmental impacts, as mandated by:
 - CEQA (EIR)
 - NEPA (EIS)
- Economic impact as mandated by the U.S. Department of Commerce.
- Eligibility for redevelopment under California Health and Safety Code Section 33000 et seq.

Inputs To:

Existing Crows Landing NAS Master Plan (U.S. Navy) and AICUZ Study (U.S. Navy).

Outputs From:

County-Wide General Plan Amendment (depending upon timing), Initiate Redevelopment Planning (depending upon timing), Prepare an Application for a University of California Site in the Modesto Area and Establish a Stanislaus County Airport Authority.

Responsible Agency:

Department of Planning and Community Development.

Funding:

General Fund, with provisions for development fee reimbursement.

Precludes/Includes:

If this study were undertaken prior to future U.S. Department of Navy studies, it could avoid lengthy and counter-productive procedures by precluding those studies.

Schedule:

Immediately upon direction by the Board of Supervisors.

Program

12

Establish a Stanislaus County Airport Authority

Rationale:

Previous studies have indicated that the Modesto General Aviation Airport should serve a local (Stanislaus County) feeder service to San Francisco Airport and Los Angeles Airport while regional air service would be provided by the Greater Stockton Airport. In fact, the people in the trade area of the Greater Stockton Airport often use Buchanan Field (Concord), Sacramento and Oakland Airports, thereby limiting or reducing the potential service available from Stockton.

With the growth projected for Stanislaus County and Merced County, the Modesto Airport should soon command a regional service base of its own. While the airport is presently operated by a joint city-county arrangement, the physical facility is located within the jurisdiction of Modesto but should fall within a county level of operation and control. Accordingly, an authority with representation from all over the region, including Merced County, should be established.

Contents:

An authority must have its own governing body and taxing authority. Funds for the planning and expansion of airline activities should be generated from regional sources as specified in the new authority's charter. It may be that the ultimate location of a regional airport would be better oriented to population growth projected to the west and that existing facilities, such as Crows Landing Naval Air Station, should be investigated.

The Stanislaus County Airport Authority will need to interact with several agencies, including the U.S. Department of Transportation (FAA) and Caltrans (Division of Aeronautics). Revisions to the Stanislaus County General Plan as well as guidance by the Stanislaus County Airport Land Use Commission will also be necessary. The Airport Industrial District will be directly impacted by an expansion of the existing airport.

Inputs To:

Previous consultants reports, Updated Population Projections.

Outputs From:

County-Wide General Plan Amendment, Initiate Redevelopment Planning (depending upon timing), Marketing Modesto As Part Of Stanislaus County, Stanislaus County Tax Commission (depending upon timing), and Study for the Re-Use of the Crows Landing NAS (depending upon timing)

Responsible Agency:

Department of Planning and Community Development.

Funding:

Self-supporting with tax authority, although an initial outlay from the Stanislaus County general fund may be necessary.

Precludes/Includes:

The Stanislaus County Airport Authority might be precluded if it were made a part of a Stanislaus County Transportation Authority.

Schedule:

Immediately upon preparation of a feasibility study by the Department of Planning and Community Development. The feasibility study could be completed by the end of 1989.

<p>Program 13</p>	<p>Initiate Stanislaus County Flood Control District</p>
<p>Rationale:</p> <p>The Target Scenario will require development in areas with poor natural drainage and little if any engineered facilities for accommodating urban storm water runoff.</p> <p>Normally, when a project requires infrastructure, developers are required to make such facilities available on their own. However, the need to manage and treat large volumes of urban runoff will require a <i>regional</i> approach, thereby offering economies of scale and a critical mass of users needed to support a regional facility.</p> <p>In addition, it is anticipated that the City of Modesto will eventually be required to connect its dry wells to a positive drainage system. Because of the massive implications of interconnection between the several drainage sheds, a regional approach is required. The precedent for a County-Wide flood control district offering drainage to both urban and unincorporated development is well established throughout California. In order to implement such an approach, substantial studies and intergovernmental cooperation will be necessary.</p>	
<p>Contents:</p> <p>The contents of a program to initiate a Stanislaus County Flood Control District would be a County-Wide drainage study based on an update of the 1976 Nolte Master Plan. In 1976, the growth of Stanislaus County and its urbanized areas was not foreseen to the degree it has already occurred. Consequently, studies already initiated with the Draft Capital Improvements Program (based on Scenario A) must be completed.</p> <p>The district approval must meet the requirements of the Cortese-Knox Local Government Organization Act of 1985 and the Stanislaus County LAFCO Guidelines. The district may even need enabling legislation at the State level or a vote of the general electorate. If the district is not formed, the County could still develop, but the attempt to initiate a Stanislaus County Flood Control District should be made as soon as possible.</p>	

Inputs To:

The input to this program will be the Nolte Master Plan for 1976, the Draft Capital Improvements Program and the County-Wide General Plan Amendment.

Outputs From:

The output from this task will be plans and financing structures for building of a County-Wide drainage system.

Responsible Agency::

The responsible agency for this program will be the Stanislaus County Department of Public Works.

Funding:

Funding will be initiated by the Stanislaus County General Fund and reimbursed by the Flood Control District upon its formation and assessment of charges or fees.

Precludes/Includes:

If this program is initiated soon enough, it can preclude the need for storm water runoff mitigation measures in the County-Wide General Plan Amendment EIR. This program could include that portion of the Development Fee Structure dealing with the provision of drainage facilities.

Schedule:

The initiation of the Stanislaus County Flood Control District should depend upon the progress of the County-Wide General Plan Amendment. Completion of this task should be by the end of calendar year 1991.

Program

14

Establish a Large-Scale Development Approvals Process

Rationale:

Stanislaus County is anticipating several large-scale development projects and has already reviewed one such development around the community of Salida. The review of a large-scale development proposal requires a long and complex process, and each large-scale development is unique from the large-scale development process preceding it. Each of these processes promises to be presented differently and will require the analysis of different types of documents. In Orange County, one large-scale development application rarely relates to the next large-scale development, thereby causing the current problems of "cumulative impact."

In order to conduct an orderly, cumulative, and equitable review of these large-scale developments, Stanislaus County should develop a procedure which identifies the types of information, the nature of documents and the sequence with which such approvals should be reviewed and approved or denied. Is a "new town" subject to different review than a "village"? Is a PUD the same thing as a specific plan? These standards need to be established.

Contents:

The contents of this program would be a manual specifying the use of the Specific Plan process (Government Code 65450 et seq.), the need for CEQA documentation, fiscal impacts analysis, and other documentation, such as a Development Agreement, which will be required.

Stanislaus County should be wary of applications where claims of "experience" with large-scale developments are made. One visit to Orange County may enlighten the Stanislaus County observer to the profound differences between previous California large-scale developments and those needed in Stanislaus County.

Stanislaus County must require more than a series of "villages" wrapped around a shopping center and connected by bike paths. How will education, including child care and on-the-job training, be provided? What kind of jobs will be created and how much will the housing sell for? Will there be transit? By not providing answers to key questions, an applicant should be held up until such answers are forthcoming.

Inputs To:

The inputs to this process are the experiences of Stanislaus County to date and those experiences of other nearby counties. It is advisable that at least a portion of the County-Wide General Plan Amendment be underway before these procedures are established.

Outputs From:

The output from this task would be a series of steps which each applicant must follow so that each applicant receives fair and equitable treatment.

Responsible Agency:

Responsibility for this program will be shared between the Department of Planning and Community Development and the Department of Public Works.

Funding:

Initial funding will be provided by the Stanislaus County Development Fee Structure and it will be reimbursed by all large-scale developers who choose to use the large-scale development approvals process.

Precludes/Includes:

To some extent, this program may preclude portions of the County-Wide General Plan Amendment where the General Plan Amendment deals with specific project areas. The program would include requirements that may be made part of the County-Wide General Plan Amendment or the County-Wide General Plan Amendment EIR.

Schedule:

The determination of when a large-scale development approvals process should be established will be a function of how many -- and how soon -- large-scale developments begin to apply to Stanislaus County. It should be assumed that a Large Scale Development Approvals Process should be in place sometime during calendar year 1990.

Program

15

Initiate a Highway Development Authority

Rationale:

Stanislaus County has an immediate need to expedite highway and freeway improvements in Stanislaus County. While a one-half cent sales tax override may be possible in Stanislaus County, it would be years before its impact would be felt. A Highway Development Authority should be commissioned immediately to acquire land and plan/develop needed facilities. These improvements include but are not limited to the following:

- S.R. 132 (to be a freeway from S.R. 99 to the San Joaquin River)
- S.R. 219/S.R. 108 (a new connection from S.R. 99/Hammett Road to S.R. 120 east of Oakdale)
- New interchanges along, and widening of, Interstate 5

In addition, the following San Joaquin County projects are needed and Stanislaus County could lend its support to them:

- S.R. 99 widening between Ripon and S.R. 120 in Manteca
- I-580 for its entire length in San Joaquin County

This authority should not be confused with a Transportation Authority as authorized by SB 142, since that arrangement would require a majority vote of the general electorate.

Contents:

The Highway Development Authority would start up with financial methods other than a tax to expedite immediate highway development. For example, developers along rights-of-way can contribute land as approvals come forward. Development fees, redevelopment tax increment funds and special districts may be used for construction, along with the ultimate monies provided by increased gas taxes (State of California) and a one-half cent sales tax override (County of Stanislaus).

The Highway Development Authority should have the responsibility for overseeing the contracts, design and engineering as well as entering into joint agreements with Caltrans, SAAG and local governments. With an immediate infusion of development fees, the Highway Development Authority could plan and design the improvements identified above as well as prepare for their financing.

Inputs To:

The needed highway and freeway improvements should rise out of a new Capital Improvement Program which, in turn, is a product resulting from the County-wide General Plan Amendment. This program responds to AB 2218 and AB 680 which are currently pending before the California Legislature. Neither bill need pass in order for this program to be implemented.

Outputs From:

The direct result of the Highway Development Authority and its ability to deal directly with Caltrans and local government would be the construction of needed highway and freeway improvements.

Responsible Agency:

This would be a new agency, initiated by the Stanislaus County Board of Supervisors and responsible solely to them. The Authority must have a very close and cooperative working relationship with Caltrans District 10.

Funding:

The Highway Development Authority would be initiated by development fees from those projects that are seen to benefit from the highway and freeway improvements. As redevelopment and special districts (Mello-Roos, assessment and benefit districts) become operational, sources of funding would permit acquisition and limited construction. Ultimately, a one-half-cent sales tax override and/or a gasoline tax would provide money for other construction.

Precludes/Includes:

Part of the taxing authority may be precluded by the Stanislaus County Tax Commission, although that Commission's purview could be limited by including all highway matters under this program. The Highway Development Authority could be included within a Stanislaus County Transportation Authority.

Schedule:

The Highway Development Authority should be established before approval of any large-scale development projects.

Program

16

Stanislaus County Tax Commission

Rationale:

This would be a sunset organization, with very little staff and one year to make recommendations. The projected financing mechanisms in other programs of the Economic Strategic Plan may not generate sufficient funds to support all of the necessary public improvements in Stanislaus County. Mello-Roos districts and development fees may totally support remote development, but the S.R. 99 Corridor will be almost totally made up of development needed by existing cities to finance capital improvements in concert with the County. Typically, there is insufficient revenue generated by close-in development to defray all of the city's cost.

The Stanislaus County Tax Commission would have legal status, chartered by the Board of Supervisors, to investigate options for generating revenues for future capital and operating costs to the public sector. The Commission may turn into a taxing authority, but only at the behest of the voters. Its immediate, limited and one-time mission would be to develop new taxing sources.

Contents:

A blue ribbon board would be appointed with representatives from both incorporated and unincorporated areas. Various types of taxing instruments would be studied, including real estate transfer taxes, sales taxes and parcel taxes. Revenue from these sources would be compared to the mounting costs projected for capital and operating expenses for both Stanislaus County as well as the nine cities and some special districts. Staff to do this job would be minimal with most work being farmed out for small periods of time and limited in scope.

Upon a vote of the people, the Stanislaus County Tax Commission could become a taxing agency such as the Stanislaus County Traffic Authority or the Stanislaus County Infrastructure Board. The Economic Strategic Plan does not recommend the formation of such groups, only that their potentials be considered.

Inputs To:

An updated Capital Improvements program would be needed to determine infrastructure costs in the future. The Stanislaus County (QED) financial model can be used for County costs, both operating and capital, to some extent. Once the Integrated Data Base is operational, it can be used to provide information to the Stanislaus County Tax Commission.

Outputs From:

Products of the Stanislaus County Tax Commission would have direct impact on the County Finance functions as well as the financial offices of the nine cities and special districts.

Responsible Agency:

The responsible agency is the Stanislaus County Board of Supervisors.

Funding:

Funding is self-supporting, with necessary funds needed to defray accumulated operating costs provided by the tax recommended by the Stanislaus County Tax Commission. For startup purposes, the Stanislaus County General Fund would provide "seed money."

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

This program should not be initiated until after the results of the June 1990 election. A one-year sunset requirement should be attached to the charter of the Stanislaus County Tax Commission.

Program

17

Offset Brokerage

Rationale:

The concept of "offsets" is not new to the study of air quality. If one source of emissions could be removed, then it would be acceptable to introduce a new and similar source as long as certain controls were adhered to. Substituting one source for another has its detractors who claim offsets are not an improvement and may result in no improvement at all. There are also those who claim trade-offs can't be defined, or "what is the commensurability between a cogeneration plant, for example, and 1,000 dwelling units, the air quality effects of which are difficult if not impossible to measure?" If offsets offer a viable way of gaining control of air quality, this would be a program worth pursuing.

The difficulty of providing offsets is in finding sources which can be removed or foreclosed in order to permit other sources to be introduced. The Valley Air Trust has recently received money from a Stockton developer for the purpose of buying offsets so that they can not come to market. As a result, offsets will become more valuable in the future than they are now. As with any economic commodity, particularly one which will increase in demand, a brokerage is necessary to bring together "buyer" and "seller." In this particular case, an Offset Brokerage would seek out other sources of emissions before others find them and then successfully link those "phase-out" emissions with new emissions desired by Stanislaus County. This would be a public/private function.

Contents:

An Offset Brokerage could be located within a storefront office or a County building. A professional air quality expert would be assisted by a clerk/secretary. Their job would be to find sources of emissions which would be "phased out" either by purchase or agreement. These old emissions can then be used to introduce new emissions when the County desires them.

Since County approval is necessary to implement offsets, the questions of where the brokerage resides is critical. If the brokerage resides in the County offices, then offsets become political before they are even attempted and less aggressive searches will result. If the brokerage resides outside the County offices, then offsets will become expensive and the County will have only a ministerial role to play at the Department of Environmental Resources.

Inputs To:

Direction for the Offset Brokerage would come from the AB 2595 Air Quality Plan. Sources for trading off would be generated by the Environmental Scanning Center.

Outputs From:

The Offset Broker would have direct relevance to Marketing Modesto as Part of Stanislaus County as well as the efforts of SCEDCO and the Modesto Office of Economic Development.

Responsible Agency:

The responsible agency would be the Department of Environmental Resources of Stanislaus County. If the public sector declines management responsibility, this could become a private sector function.

Funding:

The Offset Brokerage would be self-supporting, with a seed money grant from the General Fund of Stanislaus County.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

The Offset Brokerage should be initiated upon the adoption of the AB 2595 Air Quality Plan. The Offset Brokerage should continue until it can no longer be self-supporting.

Program

18

The Stanislaus Survey Institute

Rationale:

Surveys are seen with increasing frequency to be the most effective method for obtaining grass-roots understanding. Survey techniques vary from the formal questionnaire to loosely structured focus groups, but they all have one little known fact in common: a two-way flow of communication.

Most surveys are taken on an *ad hoc* basis. Private firms, universities and research institutions often duplicate each other's answers while, in the process, sending a confused message to the respondent. In a growing area such as Stanislaus County, the continual need for grass-roots understanding suggests the need for one center within which all survey work is undertaken and analyzed. Presumably, all techniques which attempt to survey the public should be in the public interest. If that holds true, then it makes sense to have a non-profit institution conduct as much survey research in a single geographic area as possible. Of course, results can be made proprietary and users' names suppressed just as respondents are anonymous. The purpose is to build a capability and body of grass-roots understanding through a single non-profit entity.

Contents:

Ideally, the Stanislaus-Survey Institute would be located within an educational institution. Overtures should be made to officials at California State University, Stanislaus regarding their interest, but leadership should remain with a joint public/private organization. A board selected by SCEDCO, Stanislaus County Board of Supervisors, Modesto Chamber of Commerce and others should make policy and determine direction.

A staff of one director, three professionals and two data handling clerks should be sufficient for start-up operations.

Inputs To:

The Stanislaus Survey Institute needs to begin from a survey it conducts itself: who would be its users and what types of surveys do they seek to undertake?

Outputs From:

The Stanislaus Survey Institute would have direct influence on revising the Economic Strategic Plan, the Environmental Scanning Center and the Integrated Data Base.

Responsible Agency:

California State University, Stanislaus should take the lead. If the University displays an entrepreneurial interest when first contacted, they should be given a small fee to get the Stanislaus Survey Institute up and running. If results are not achieved within four weeks, a private sector organization should take the lead.

Funding:

The private sector should provide the seed money and the Stanislaus Survey Institute should be self-supporting within one year of start-up.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

The Stanislaus Survey Institute should be fully operational by the end of calendar 1989. Results of surveys should be available to the public prior to the June 1990 election. If a one-year trial period proves unsuccessful, the Stanislaus Survey Institute should be closed.

Program

19

Establish Transfer of Development Rights

Rationale:

All land is presumably created equally, and when prime agricultural land is "skipped over" for the purpose of remote development, property owners "skipped over" have a right to ask "why is our land only worth its value as farmland, while adjacent land -- worth less as farmland -- has a far greater potential value as remote development?" This is a legitimate question, and the transfer of development rights (TDR) concept allows for the compensation of prime agricultural land if it is held as prime agricultural land. TDRs grant an "overlay" zone to prime agricultural land which permits the owner to transfer his/her rights to develop to another parcel of land neither owned by nor contiguous to the transferring party. In this way, farming can be sustained on prime agricultural land, while potential development rights on that prime agricultural land can be shifted to areas of "remote development."

This is a legal concept, still in its trial stages, and one that has encountered implementation problems in the eastern United States where it is most commonly attempted.

Contents:

In order to establish Transfer of Development Rights, the Stanislaus County Zoning Ordinance should be amended.

The ordinance must state the criteria for identifying two types of properties:

- Prime agricultural lands in the path of urban development.
- Areas approved for "remote development."

The ordinance must contain a formula which converts development rights on prime agricultural lands onto "remote development" sites. The ordinance must provide for submittals, including precise delineation of areas to be kept forever agricultural as well as those areas of "remote development" which would receive the transfer of development rights. Some ongoing organization, such as an agricultural land trust, must be available to guarantee that the preserved agricultural land will be a working farm in perpetuity.

Inputs To:

Inputs to this program are from the County-wide General Plan Amendment and County-wide General Plan Amendment EIR which should identify both prime agricultural land and "remote development" areas. The concept of TDRs should be established within the revised General Plan as a foundation for this ordinance.

Outputs From:

The output of this program is to the Stanislaus County Zoning Ordinance and to an agricultural land trust or some other institution which would operate to preserve working farms.

Responsible Agency:

The Department of Planning and Community Development would initiate and implement the TDRs.

Funding:

This program could be totally funded from development fees collected by both owners of the "remote development" areas as well as prime agricultural lands from which development rights are to be transferred.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

This program should be established by the time that the County-wide General Plan Amendment is adopted.

Program

20

Apply for the Rural Economic Development Infrastructure Program

Rationale:

The Rural Economic Development Infrastructure Program will provide needed funding for roads, streets, water and sewage systems and other public improvements in amounts up to \$2 million per project and with loan terms and conditions that are tailored to meet specific financing needs of rural cities and counties.

In addition, SB 1005 has recently released \$500,000 for outright grants from the State of California. This bill makes an appropriation by funding this program with \$500,000 from existing funds in, or from, appropriations to the Rural Economic Development Fund, a continuously appropriated fund. It would authorize the director of the Office of Local development to make grants to applicants of \$10,000 to \$50,000 for specified uses related to rural economic development.

Contents:

Remote development areas may be eligible for loans and grants from the following:

- State Water Resources Control Board/United States Environmental Protection Agency, Clean Water Grants Program
- Farmers Home Administration, Water and Sewer Loans and Grants and Community Facilities Loans
- Department of Water Resources and Department of Health Services, California Safe Drinking Water Program
- Water Conservation Account, Clean Water Bond Law of 1984, Water Conservation and Water Quality Bond Law of 1986
- Davis-Grunsky Act
- Economic Development Administration, U.S. Dept of Commerce

These may be packaged and even matched by Rural Renaissance moneys.

State moneys are requested through an Infrastructure Review Panel. Loans and grants may be made to a local agency, and loans may be made to a developer, for assisting in financing public improvements. Preliminary design work, including a cost estimate for the project shall be completed before a loan or grant is awarded.

Inputs To:

Communities and grant areas are identified in the Economic Strategic Plan and the Redevelopment Feasibility Report.

Outputs From:

If obtained from the State, an award of a grant or loan would be made to the most cooperative and proactive developer or local group in terms of the Economic Strategic Plan.

Responsible Agency:

The responsible agency would be the Stanislaus County Department of Planning and Community Development.

Funding:

Rural Renaissance or Rural Economic Development Infrastructure Program of the State of California.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

Depending upon application deadlines.

<p>Program 21</p>	<p>Jobs/Housing Brokerage</p>
<p>Rationale:</p> <p>Stanislaus County must avoid becoming a predominantly commuter county where most new residents leave Stanislaus County to go to work. In order to achieve a jobs/housing balance, residential development must be created in tandem with commercial/industrial development.</p> <p>Large-scale development can be phased so that build-out and infrastructure need not be undertaken all at once. However, regulations should be adopted which will require each phase of a large-scale development to be balanced between jobs and housing. For smaller scale development, such as a single family subdivision, other small commercial/industrial developments, such as a neighborhood shopping center, can be "packaged" with the residential development so that the overall total results in a balance. Because the residential applications will run ahead of the commercial/industrial development, it may be necessary to accelerate commercial/industrial development through incentives and an aggressive search effort. A broker is needed to make sure that the jobs and housing applications are considered in tandem.</p>	
<p>Contents:</p> <p>For its part, Stanislaus County would require the concurrent approvals of job creating development with equivalent housing opportunities. This would be done by resolution or ordinance, preferably based on the County-Wide General Plan Amendment. How these applications are combined or packaged would be the concern of the Jobs/Housing Brokerage.</p> <p>No buying and selling of properties is anticipated for the Jobs/Housing Brokerage, but rather the "tagging" of applications. A builder has his subdivision "tagged" to go with a commercial/industrial development by the brokerage. This requires low-level expertise with two clerks and one administrator. A storefront office near the County Administration Building would serve as the location where tagging would be done and where prospective packagers could come to find a combination.</p> <p>This is an example of a program that needs no active governmental involvement. Similar to a title company, if all parties understand the rules, the private sector can make the County function more effectively.</p>	

Inputs To:

Inputs to this process would be the application process within the Department of Planning and Community Development. Also the County-Wide General Plan Amendment would provide the legal basis for the ordinance.

Outputs From:

The output would be to the Marketing Modesto as Part of Stanislaus County program. Marketing would be targeted to employers of needed jobs and this information should be made available to SCEDCO and, where appropriate, to the Office of Economic Development for the City of Modesto.

Responsible Agency:

The Jobs/Housing Brokerage is not intended to be one more layer of bureaucracy and private industry should be allowed to implement it. This idea has been tested before the CCBIA at their April 1989 meeting and has received their enthusiastic support.

Funding:

Funding would be initiated by a seed grant from the Central California Building Industry Association. Future applicants would support the brokerage by paying a fee for packaging. The Jobs/Housing Brokerage should be self-supporting within one year of initiation.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

The Jobs/Housing Brokerage should be initiated as soon as the County-Wide General Plan Amendment is adopted, but no later than the beginning of calendar year 1991.

Program

22

Establish a Bank Community Development Company

Rationale:

Bank Community Development Companies, or "Bank CDCs," are established by national banks or bank holding companies. They can be used by local bankers to finance many types of conventional economic development projects.

Bank CDCs offer incentives for banks to participate in local community development. They are permitted to make equity investments in real estate and businesses that are not otherwise permitted by the bank regulatory agencies, allowing Bank CDCs to be more flexible with their investments than banks must be with conventional loans.

Many Bank CDCs are involved in promoting economic development, focusing on projects to create jobs and stimulate local business growth. In addition to benefiting the local economy, these projects provide direct benefit to the sponsoring banks in fees and interest from loans and/or deposits, as well as long-term growth in other bank business from a growing customer base.

Contents:

There are many things that Stanislaus County can do to participate with local banks:

- Identify the Needs - define and prioritize needs among potential fundable projects such as economic development, housing, neighborhood revitalization, small business seed capital, or others.
- Do Initial Homework - assist in organizing Bank CDCs by gathering information, visiting other Bank CDCs, consulting with professionals.
- Leverage Investment Capital - provide access to local funding sources so that banks don't have to "go it alone" in starting a Bank CDC.
- Participate in Management - serve as board members, advisors, or staff for Bank CDCs to better plan and coordinate local economic development projects.

This program has direct potential for redevelopment programs, economic development, a new airport and other amenities needed by Stanislaus County.

Inputs To:

Initiate Redevelopment Planning, Tuolumne River Regional Park Implementation Plan, Offset Brokerage and Jobs/Housing Brokerage.

Outputs From:

Marketing Modesto As A Part of Stanislaus County, and Re-use of Crows Landing NAS.

Responsible Agency:

SCEDCO, with support from Department of Planning and Community Development.

Funding:

Strictly private, beginning with the Bank CDC.

Precludes/Includes:

This program precludes no other program in the Economic Strategic Plan and includes nothing undertaken by other programs.

Schedule:

As soon as a bank -- or a group of banks -- comes forward.

Program

23

Strategic Plan for Education

Rationale:

Stanislaus County faces a crisis in human development. While, on the one hand, the County is growing at a pace faster than local school districts can keep up with, educational services that *are* being delivered are failing to train the future skilled labor force needed in Stanislaus County. Interviews by SCEDCO have shown that many employers feel *basic* skills, let alone vocational skills, are lacking in their employees. The suggestion is that remedial education is warranted.

Some observers believe that education begins with pre-school and child care functions. These functions are increasing in Stanislaus County as more commuters move here. Many expanding industry sectors -- such as health care and building trades -- complain of a lack of adequate training of their employees. The implications are that educational challenges exist at all levels up to and through community college and the university system.

A Strategic Plan for Education is needed to determine what the problems are, where the opportunities lie, as well as how and who should take specific actions to address them.

Contents:

The environmental scanning for the Strategic Plan for Education consists of surveying what others are doing to plan for new growth (e.g., Modesto City Schools) or providing training programs (e.g., Ceres High School). What is the precise nature of the challenge: space (where is it needed?), quality (what is needed?), and/or preparation for work (training)?

A comparison of external factors versus internal factors might show that, internally, sources of funds are limited and curriculum are outdated. Externally, the numbers and types of students might be compared to occupational demands of the future. For scenario-building, the Strategic Plan for Education should compare business-as-usual with the cost of providing educational needs via the public sector or placing the cost and responsibility on the backs of the private sector companies.

The Strategic Plan for Education would end with choices and programs.

Inputs To:

Sources of data would be the Integrated Data Base, the Environmental Scanning Center, and the updated population projections.

Outputs From:

The output would be to the school districts, the Capital Improvement Program and the Stanislaus County Tax Commission.

Responsible Agency:

The Modesto City Schools would share responsibility with Modesto Junior College, California State University, Stanislaus and the other school districts as well as JTPA/PIC.

Funding:

The Strategic Plan for Education needs to be funded by outside private sources such as business and industry. Business must be brought to understand that this is their future as well as the children's at stake.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

The Strategic Plan for Education in Stanislaus County should begin after the updated population projections are completed, and will hopefully be completed by the end of calendar year 1992.

Program

24

Environmental Scanning Center

Rationale:

While data is key to the strategic planning process, opportunities and issues are first identified in a process known as "environmental scanning." This process is different from data collection and analysis in that informal techniques such as newspaper clipping and conference attending are used to increase knowledge. Environmental scanning is usually the first step in the process of identifying trends or learning of opportunities before they become widely known. In rapidly changing environments, data handling and management often become after-the-fact functions. Only environmental scanning can keep the Economic Strategic Plan current and on target.

Contents:

The Environmental Scanning Center should be an open-to-the-public facility that identifies trends and issues as they happen either within or outside Stanislaus County. Different from a library, the Environmental Scanning Center allows a person to enter and browse from a variety of media, e.g.: print, video, audio and graphic. The reference desk, instead of directing the user to a shelf where material can be accessed, would assemble a "profile" for a charge. Profiles could be as detailed as the "Future of the Apricot Industry in the San Joaquin Valley" to the general "Housing Trends in California." Reports would be assembled within 24 hours due to the rapidly changing environment.

The Environmental Scanning Center would rent space, donated or subsidized by the real estate or development industry interested in seeing the Stanislaus County future projected. A professional and at least two assistants would be needed to staff the center. Clients would be environmentalists, developers, relocation specialists and anyone planning a move in the business world.

Inputs To:

The Environmental Scanning Center is a start-up operation without any inputs from prior functions or programs of the Economic Strategic Plan.

Outputs From:

The Environmental Scanning Center would lead to continual updating, and ultimately the revision, of the Economic Strategic Plan. All private sector operations that use the Environmental Scanning Center would, by virtue of consistency, be helping to implement the Economic Strategic Plan.

Responsible Agency:

The Environmental Scanning Center should be conceived and launched by SCED-CO, but could begin as a strictly private operation and would become self-supporting immediately thereafter.

Funding:

The real estate and development industry should subsidize a portion of the Environmental Scanning Center's expenses, but user charges should defray most of the cost.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

The Environmental Scanning Center should be launched after the adoption of the County-Wide General Plan Amendment, but it will be needed by the end of calendar year 1991.

Program
25

Refine Goals and Objectives

Rationale:

The Economic Strategic Plan calls for programs which need to be measured against desired levels of achievement. Do the programs set out in this Economic Strategic Plan accomplish what we asked them to do? If not, why not, and to what degree do they fail?

The role of this program is to ensure that these objectives actually show the progress anticipated. If not, either the objectives should be modified or the Economic Strategic Plan should be revised.

Contents:

The programs of the Economic Strategic Plan may or may not fulfill the desired goals and objectives. The Economic Strategic Plan has the following three goals by which it should be monitored for achievement:

- Minimize the fiscal problems created by future growth.
- Improve Stanislaus County's ability to make money, both for the private sector as well as for the public sector.
- Encourage economic development beneficial to Stanislaus County.

Each of these goals is supported by measurable objectives as follows:

- Maximize new job opportunities created relative to new housing opportunities created.
- Exceed forecasted budget surpluses (QED model) for each fiscal year.
- Encourage current public sector functions to be undertaken by the private sector when service levels can be guaranteed.
- When public sector functions must be expanded, seek funding from the private sector.
- Increase the number of attractions, such as amenities and a highly educated labor force, most sought after by relocating companies.
- Direct economic development strategies to those companies Stanislaus County needs relative to those which are easy to bring here but which may have questionable benefit to the County.

The Stanislaus County Board of Supervisors may choose to add to the above list. Both goals and objectives are open to revision at any point in the process.

Inputs To:

The current goals and objectives are drawn from Working Paper B of the Economic Strategic Plan. The rationale for their consideration is offered in the various technical memoranda and working papers of the Economic Strategic Plan.

Outputs From:

Outputs will determine the need for, and the nature of, any revisions of the Economic Strategic Plan.

Responsible Agency:

The Department of Planning and Community Development is responsible for this program.

Funding:

Funding is from the General Fund.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

The process of refining the Economic Strategic Plan's goals and objectives should begin immediately upon adoption of the County-Wide General Plan Amendment; but, under no circumstances should this refinement be delayed later than the end of calendar year 1991.

Program

26

Marketing Modesto As Part of Stanislaus County

Rationale:

As far as the private sector is concerned, Stanislaus County (in general), and the City of Modesto (in particular), have an image problem. An August 1987 survey by the Modesto Chamber of Commerce found that many Bay Area respondents, while giving Modesto high marks in general, have two persistent questions about the area: the quality of the labor pool and the transportation advantages of locating in Modesto. Even among residents of Modesto, less than half believed that the area had good employment opportunities. More pointedly, over 50% of Modesto respondents felt that employment opportunities in the area were poor.

In fact, one could begin to see improvement if the facts were known about "Greater Modesto." The need for the City of Modesto, and Stanislaus County, is to demonstrate those facts and to publicize them to potential firms relocating from the Bay Area and Southern California. Modesto and Stanislaus County will have to begin being thought of as one, such as Sacramento or San Francisco.

Contents:

This would be a live, repeatable presentation by employees and employers in Stanislaus County. Employees would talk about productivity, wages and quality of life. Employers would talk about shipping advantages, cost savings and the positive business climate. Builders would be part of the presentation, stressing the price/rent advantages as well as the variety of product being developed. Public figures should be made available to describe the desirable lifestyle and the commitment of government in Stanislaus County.

A basic module (railroad car, mobile home or other enclosed vehicle) would be placed at targeted conventions (e.g., food processing, computers, etc.). There would be periodic presentations open to attendees of the conventions. Hospitality refreshments would be offered and breaks would occur every 15 minutes or so to provide one-on-one interaction.

The personnel required for this program would primarily be residents of Stanislaus County (no actors) donated by private companies and County and City government. There would be site specialists, real estate brokers and an offset broker on hand to provide deal-making capability.

Inputs To:

Marketing Modesto as part of Stanislaus County would arise out of an analysis of previous company inquiries to both the Economic Development Office of the City of Modesto and to SCEDCO. Data culled from the Environmental Scanning Center would identify which industries are convening when in the Bay Area and Southern California. Such data would also include industries thinking of leaving those areas as well as industries in financial stress or hiring modes in those areas.

Outputs From:

Marketing Modesto as Part of Stanislaus County would be a direct pipeline to the real estate industry in Stanislaus County. Both SCEDCO and the Economic Development Office of the City of Modesto may also use leads and contacts uncovered by the program.

Responsible Agencies:

SCEDCO and the Office of Economic Development of the City of Modesto should try to undertake this program. If they decline, private industry (e.g., real estate brokers) should attempt it.

Funding:

Funding would be entirely provided by the real estate industry of Stanislaus County.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program.

Schedule:

Planning for this program should begin immediately with start-up scheduled for 1991. Trial operations should last until 1993, after which the City and County should determine its value and future or pass it to the private sector.

Program

27

Integrated Data Base

Rationale:

Stanislaus County is growing, but no one knows how fast, exactly where and how this affects projections for the future. The County needs numbers which can be related to each other so that the increase in households can be shown to represent the number of people in the labor force, for example.

Strategic planning requires data, both raw and refined, as well as projections made over time and analyzed. This need suggests a program rather than a one-shot update of population as suggested in Program 1. The private sector uses the concept of a "relational data base." In the company, users interrelate market data with sales data and production data. This concept is transferable to County departments where data needs are substantial and interrelated. All of these departments would be coordinated by the Department of Management Information Services.

In addition, a geographical information services (GIS) function is proposed. GIS not only analyzes data over time and between subjects, but also within spatial boundaries. Because small areas of Stanislaus County will be changing, the capability to store and change all types of data must be developed. With GIS, data can be displayed electronically, with hard copy, or in map formats.

Contents:

The Integrated Data Base is a network system supported by a mainframe in the Department of Management Information Services and mini-computers (such as in Public Works and Social Services) linked to the mainframe. Together with microcomputers in most departments, these hardware are interactive and also independent.

Types of data include past and projected demographics, broken down beyond population and employment to income, age/sex and educational achievement. Building activity is recorded and analyzed, identifying housing by price/rents, commercial square footage by value as well as retail sales generation, and industrial square footage by value and employment generation. Labor market updates would show occupation growth, including salaries, training requirements and companies hiring. Available sites could be listed in terms of zoning, infrastructure availability and price. County revenues and their sources, such as property tax and sales tax, can be identified on a geographic as well as a County-wide data base.

Inputs To:

The inputs to this program are from the Updated Population Projections, one of the first tasks to be undertaken under the Economic Strategic Plan. However, ultimately, all departments' data bases should be considered inputs into the system.

Outputs From:

The Integrated Data Base will be imperative for all decisions about the future made by county departments. Private developers should be allowed to access certain portions of the Integrated Data Base for a fee. Revisions to the Economic Strategic Plan must be undertaken with the latest data, presumably available from the Integrated Data Base.

Responsible Agency:

The Department of Management Information Services should be the lead agency for this program, with primary assistance from the Department of Planning and Community Development.

Funding:

Funding should be by private sector and department use, with the availability of federal and state grants for usership applied to the building and maintenance of the Integrated Data Base. On this basis, the Integrated Data Base should be self-supporting after one-year of operation.

Precludes/Includes:

Once the Integrated Data Base is established, all EIRs and General Plan Amendments would have a common standard and uniform system of data to work with. There would be no more relying on "outside" data sources. Any need to manipulate data for purposes of projecting the future would be assumed under the Integrated Data Base function, once it is operational.

Schedule:

The startup of the Integrated Data Base should begin within calendar year 1990 and should be fully operational by the end of calendar year 1992.

Program

28

Establish a Stanislaus County Agricultural Development Authority

Rationale:

Stanislaus County is a preserve of the family farm, a vanishing American institution. The many small holdings and cash crops guarantee a continuation of this trend locally, but only if necessary cash investments can be financed by farmers. Commercial lending can be enhanced by the offering of tax-exempt bonds which provide the capital for loans to eligible applicants.

This concept has been tried in the State of Colorado with limited success. Approximately \$15 million has been lent at low-interest rates with only two foreclosures. Since this performance weathered the farm recession years of the mid-1980s, the program may actually be more successful than commonly thought.

Contents:

Stanislaus County would create a new entity with the power to sell bonds and to participate with commercial lending institutions. While these moneys may be similar to Industrial Development Bonds and other government lending sources, notice must be taken of restrictions imposed by the Tax Code of 1986. The new Authority would require a staff to market its issues, to guarantee its debt and to screen loan applicants. It is unclear to what extent the full faith and credit of Stanislaus County would be involved.

Because of rising land prices in Stanislaus County, the Authority loans may be totally secured by land values. However, a high incidence of farm foreclosures eventually leads to abandonment, thereby resulting in only one alternative to recoupment: urban development. Unless farms are strategically located in areas of potential development, Stanislaus County would have a potential conflict by liquidating a foreclosure for urban or remote development in an area of prime agricultural soils. The idea of using the Agricultural Development Authority to actually pace development by holding remote development lands off the market should be explored.

This program would probably have two markets: those farms in prime agricultural lands where loans would be limited to the value of the farm land, and those farms in non-prime agricultural lands with ultimately higher values in the future.

Inputs To:

Alternatives Analysis EIR, County-Wide General Plan Amendment, Establish a Large-Scale Development Approvals Process and Establish a Debt Advisory Committee.

Outputs From:

Successful long-term financing operations would result from this program.

Responsible Agency:

New entity responsible to its own board or the Stanislaus County Board of Supervisors.

Funding:

Initial funds would be lent by the County General Fund with repayment upon bond sales.

Precludes/Includes:

No other program in the Economic Strategic Plan is either precluded or included in this program. It is specifically noted that the Agricultural Development Authority would be precluded from implementing TDRs since prime agricultural land could not be foreclosed for development purposes.

Schedule:

This program only has long-range potential since the County would need sufficient surpluses to back any bonds secured by the County's full faith and credit.

Appendix

1. Target Scenario
2. Increase in U.S. Population
3. Increase in U.S. Labor Force
4. Growth in California Population, Constant Real Increase
5. Growth in California Population, Constant Rate of Increase
6. Growth in San Joaquin Valley Population, Constant Real Increase
7. Growth in San Joaquin Valley Population, Constant Rate of Increase
8. Large Establishments by the Number of Employees
9. Percent of Total Manufacturing Employment
10. Growth in Stanislaus County Employment
11. Growth in Stanislaus County Population
12. Population, Dwelling Units, and Non-Agricultural Employment Projections
13. Sources of Population Increase
14. Net Drivers License Changes
15. County Center III: A Site in Transition
16. Airport Industrial District

APPENDIX 1

SUMMARY OF SCENARIOS (IN THOUSANDS)

	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>
TARGET SCENARIO								
Population	304.9	313.8	326.8	370.0	440.0	502.0	560.0	610.0
Total Labor Force	141.1	144.0	150.8	172.3	205.8	241.8	272.6	299.5
Employment	119.6	123.8	132.6	153.7	186.9	221.2	253.5	281.5
Unemployment (%)	15.2	14.0	12.1	10.8	9.2	8.5	7.0	6.0
Agriculture Employment	13.4	12.2	14.0	13.6	12.8	12.5	12.2	12.0
Non-Agricultural W&S* Employment	93.5	98.0	104.3	118.5	142.5	173.1	207.2	236.9
Commuters	7.5	8.5	10.0	16.0	26.0	30.0	28.5	27.0
Self-Employed/ Residual	5.2	5.1	4.3	5.6	5.6	5.6	5.6	5.6
Housing Units	108.2	112.2	116.9	132.9	160.9	183.6	204.7	223.0
REJECTED SCENARIO								
Population	304.9	313.8	326.8	363.0	414.0	455.0	494.0	535.0
Total Labor Force	141.1	144.0	150.8	169.0	193.2	217.8	239.6	263.6
Employment	119.6	123.8	132.6	149.9	172.9	198.2	221.7	246.6
Unemployment (%)	15.2	14.0	12.1	11.4	10.5	9.0	7.5	6.5
Agriculture Employment	13.4	12.2	14.0	13.6	12.8	12.5	12.2	12.0
Non-Agriculture W&S* Employment	93.5	98.0	104.3	115.8	135.0	160.1	183.9	208.9
Commuters	7.5	8.5	10.0	15.0	19.5	20.0	20.0	20.0
Self-Employed/ Residual	5.2	5.1	4.3	5.6	5.6	5.6	5.6	5.6
Housing Unit	108.2	112.2	116.9	130.4	151.4	166.4	180.6	195.6

* W&S - wage and salary employment.

Source: Kreines & Kreines Inc., A Strategic Planning Approach for a County in Change. Population and Economic Forecasts 1988-2010, June 1988, pp. 10 and 13.

APPENDIX 2

INCREASE IN U.S. POPULATION, 1990 TO YEAR 2025, U.S. CENSUS
MIDDLE SERIES (14)*, IN THOUSANDS OF PERSONS

	<u>Population</u>	<u>Increase</u>	<u>Percentage Increase*</u>
1990	249,657		
1995	259,559	9,902	3.97%
2000	267,955	8,396	3.23%
2005	275,677	7,722	2.88%
2010	283,238	7,561	2.74%
2015	290,406	7,168	2.53%
2020	296,597	6,191	2.13%
2025	301,394	4,797	1.62%

* This is the middle projection (less than high, more than low) made in 1987, and it assumes 1.9 births per woman, a life expectancy of 79.6 years and an annual net in-migration of 450,000.

** These are five-year percentage increases and should be compared to the annual percentage increases in Appendix 3.

Source: U.S. Bureau of the Census, Current Population Reports, Series P-25, No. 952.

APPENDIX 3

INCREASE IN U.S. LABOR FORCE, 1986-YEAR 2000,
IN THOUSANDS OF PERSONS

<u>Year</u>	<u>Labor Force*</u>	<u>Increase</u>	<u>Percent Increase</u>
1986	118,000 **		
1987	119,500	1,500	1.27%
1988	121,000	1,500	1.26%
1989	122,500	1,500	1.24%
1990	124,000	1,500	1.22%
1991	125,500	1,500	1.21%
1992	127,000	1,500	1.20%
1993	128,500	1,500	1.18%
1994	130,000	1,500	1.17%
1995	131,500	1,500	1.15%
1996	133,000	1,500	1.14%
1997	134,500	1,500	1.13%
1998	136,000	1,500	1.12%
1999	137,500	1,500	1.10%
2000	139,000 **	1,500	1.09%

* "Labor Force" includes jobseekers as well as jobholders so that unemployment is not a factor.

** The 1986 and Year 2000 numbers are given by the source below. All other numbers are inferred in order to yield the constant real increase of 1,500,000 every year. The reason for this inference is to note the annual rate of increase, which is considerably higher than that for the U.S. population during the same years.

Source: U.S. Department of Labor, Bureau of Labor Statistics, Occupational Outlook Quarterly, Fall 1987, p. 5.

APPENDIX 4

GROWTH IN CALIFORNIA POPULATION, 1980 TO YEAR 2020,
CONSTANT REAL INCREASE

	<u>Population</u>	<u>Increase</u>	<u>Percent Increase</u>
1980	23,775,360 *		
1985	25,880,757	2,105,397	8.86%
1990	27,986,154	2,105,397	8.13%
1995	30,091,551	2,105,397	7.52%
2000	32,196,948	2,105,397	7.00%
2005	34,302,345	2,105,397	6.54%
2010	36,407,742	2,105,397	6.14%
2015	38,513,139	2,105,397	5.78%
2020	39,618,536 *	2,105,397	5.47%
Total Increase		16,843,176	

* The 1980 and Year 2020 numbers are given by the source below. All other numbers are inferred.

Source: Dr. Tony Quinn, Growth Issues in California, Office of Economic Research, California Department of Commerce, no date, Table 4, p. 6.

APPENDIX 5

GROWTH IN CALIFORNIA POPULATION, 1980 TO YEAR 2020,
CONSTANT RATE OF INCREASE

	<u>Population*</u>	<u>Increase</u>	<u>Percent Increase</u>
1980	23,775,360		
1985	25,422,992	1,647,632	6.93%
1990	27,184,806	1,761,813	6.93%
1995	29,068,713	1,883,907	6.93%
2000	31,083,175	2,014,462	6.93%
2005	33,237,239	2,154,064	6.93%
2010	35,540,579	2,303,341	6.93%
2015	38,003,541	2,462,962	6.93%
2020	39,618,536	<u>2,633,645</u>	6.93%
Approximate Increase		16,861,827	

* The 1980 number is given by the source below. The Year 2020 number is also given by the source below, but the increase of 16,861,827 is only the approximate increase between 1980 and the Year 2020. All other numbers are inferred in order to yield a constant rate of increase of 6.93%.

Source: Dr. Tony Quinn, Growth Issues in California, Office of Economic Research, California Department of Commerce, no date, Table 4, p. 6.

APPENDIX 6

GROWTH IN SAN JOAQUIN VALLEY POPULATION, 1980 TO YEAR 2020,
CONSTANT REAL INCREASE

	<u>Population</u>	<u>Increase</u>	<u>Percent Increase</u>
1980	2,154,350 *		
1985	2,462,415	308,065	14.30%
1990	2,770,480	308,065	12.51%
1995	3,078,545	308,065	11.12%
2000	3,386,610	308,065	10.01%
2005	3,694,675	308,065	9.10%
2010	4,002,740	308,065	8.34%
2015	4,310,805	308,065	7.70%
2020	4,618,868 *	<u>308,065</u>	7.15%
Total Increase		2,464,518	

* The 1980 and Year 2020 numbers are given by the source below. All other numbers are inferred.

Source: Dr. Tony Quinn, Growth Issues in California, Office of Economic Research, California Department of Commerce, no date, Table 4, p. 6.

APPENDIX 8

**LARGE ESTABLISHMENTS AND THE NUMBER OF EMPLOYEES
BY INDUSTRY FOR STANISLAUS COUNTY IN 1986**

		Number of <u>Employees</u>	<u>Establishments by Number of Employees</u>			
			<u>100- 249</u>	<u>250- 499</u>	<u>500- 999</u>	<u>1,000 or more</u>
	Manufacturing	20,193	23	6	10	1
<u>S.I.C.</u>	<u>Title</u>					
20	Food & Kindred Products	10,986	11	2	8	1
23	Apparel and Other Textiles	70	--	--	--	--
24	Lumber & Wood Products	797	1	--	--	--
25	Furniture & Fixtures	317	1	--	--	--
26	Paper & Allied Products	1,470	2	1	1	--
27	Printing and Publishing	1,077	1	1	--	--
28	Chemicals & Allied Products*	250-499	--	1	--	--
30	Rubber & Misc. Plastic Products	149	--	--	--	--
32	Stone, Glass & Clay	1,159	--	--	1	--
34	Fabricated Metals	2,063	5	1	--	--
35	Machinery, except electrical	891	--	--	--	--
36	Electric and Electronic Equipment*	20-99	--	--	--	--
37	Transportation Equipment	508	2	--	--	--
38	Instruments & Related Products	100	--	--	--	--
39	Misc. Manufacturing Industries	83	--	--	--	--

S.I.C. - Standard Industrial Classification Code.

* When there is only one establishment in a SIC group, the exact number of employees is expressed as a range for reasons of confidentiality.

Source: County Business Patterns 1986, California CBP-86-6, U.S. Department of Commerce, Bureau of the Census, Data for Mid-March pay period.

APPENDIX 9

**PERCENT OF TOTAL MANUFACTURING EMPLOYMENT
BY INDUSTRY FOR STANISLAUS COUNTY IN 1986**

<u>S.I.C.</u>	<u>Title</u>	<u>% of Manufacturing Employment</u>
20	Food & Kindred Products	54.0%*
24	Lumber & Wood Products	4.0%
25	Furniture & Fixtures	2.0%
26	Paper & Allied Products	7.0%
27	Printing and Publishing	5.0%
28	Chemicals & Allied Products	2.0%
30	Rubber & Miscellaneous Plastic Products	1.0%
32	Stone, Glass & Clay	6.0%
34	Fabricated Metals	10.0%
35	Machinery, except electrical	4.0%
36	Electric and Electronic Equipment	0.3%
37	Transportation Equipment	3.0%
38	Instruments & Related Products	<u>0.5%</u>
Total		100.0%**

* Mid-March is a low period for S.I.C. 20. California EDD employment figures for the entire year have S.I.C. 20 as 60% of total manufacturing employment.

** Does not add to 100% due to rounding.

S.I.C. - Standard Industrial Classification Code.

Source: Kreines & Kreines Inc., What Happens in the Event of a Plant Closing: A Case Study of the Contadina Plant in Stanislaus County, California, May 1989, p. 15.

APPENDIX 10

GROWTH IN STANISLAUS COUNTY EMPLOYMENT, 1985 TO YEAR 2010,
CONSTANT RATE OF INCREASE

	<u>Population*</u>	<u>Increase</u>	<u>Percent Increase</u>
1985	93,500		
1990	112,602	19,102	20.43%
1995	135,607	23,005	20.43%
2000	163,311	27,704	20.43%
2005	196,676	33,364	20.43%
2010	236,856	40,181	20.43%
Total Increase		143,400	

* The 1985 number is given by the source below and while the increase of 143,400 is also attributable to the source, the Year 2010 number is approximate in order to yield the constant five-year rate of increase of 20.43%. All other numbers are inferred and have been altered to achieve a constant five-year rate of increase of 20.43%.

Source: Kreines & Kreines Inc., A Strategic Planning Approach for a County in Change, Population and Economic Forecasts 1988-2010, June 1988, Table Four, p. 13.

APPENDIX 11

GROWTH IN STANISLAUS COUNTY POPULATION, 1985 TO YEAR 2010,
CONSTANT REAL INCREASE

	<u>Population</u>		<u>Increase</u>	<u>Percent Increase</u>
1985	304,900	*		
1990	365,920		61,020	20.01%
1995	426,940		61,020	16.68%
2000	487,960		61,020	14.29%
2005	548,980		61,020	12.51%
2010	610,000	*	<u>61,020</u>	11.12%
Total Increase			305,100	

* The 1985 and Year 2010 numbers are given by the source below. Interim numbers for 1990, 1995, Year 2000 and Year 2005 have been altered to yield a constant real increase every five years.

Source: Kreines & Kreines Inc., A Strategic Planning Approach for a County in Change, Population and Economic Forecasts 1988-2010, June 1988, Table Four, p. 13.

APPENDIX 12

**POPULATION, DWELLING UNITS, AND NON-AGRICULTURAL EMPLOYMENT
PROJECTIONS, YEAR 2010, TARGET SCENARIO**

<u>Area</u>	<u>Population</u>	<u>Dwelling Units</u>	<u>Service Employment</u>	<u>Retail Employment</u>	<u>Other Employment</u>
Mid-West	39,985	15,088	6,837	864	4,933
Westside	114,957	43,379	22,456	2,554	5,088
Eastside	71,937	27,146	11,435	3,120	9,188
S.R. 99 Corridor	<u>382,769</u>	<u>144,435</u>	<u>57,854</u>	<u>32,693</u>	<u>64,039</u>
Totals	609,648	230,048	98,582	39,231	83,248

Source: Kreines & Kreines Inc.

Note: These totals are aggregated from SAAG traffic zones or smaller areas and have been installed on County computer disks. They are approximate and subject to change based on Updated Population Projections and future General Plan Amendments(s).

APPENDIX 13

SOURCES OF POPULATION INCREASE

<u>Year</u>	<u>Natural Increase</u>	<u>Net Migration (In Minus Out)</u>
1983-84	2,930	2,870
1984-85	2,857	4,943
1985-86	3,136	6,864
1986-87	3,292	9,708

Source: California Department of Finance, Population Research Unit, Report 87E-2.

APPENDIX 14

NET DRIVERS LICENSE CHANGES

<u>Year</u>	<u>Total Net Change</u>	<u>Net Changes From Bay Area</u>
1983-84	730	755
1984-85	1,325	750
1985-86	2,617	1,587
1986-87	3,432	2,183

Drivers license data on address changes are both subject to problems of under-reporting as well as time delays. These data are adjusted by the Department of Finance in its estimates of net migration.

Source: Department of Finance, Population Research Unit, Table 3B, Driver License Address Changes.

APPENDIX 15

COUNTY CENTER III: A SITE IN TRANSITION

What would be the feasibility of developing County Center III using the example of a Community Development Corporation as proposed in the Economic Strategic Plan contract, page 9, Exhibit B?

Community Development Corporation Approach

The Community Development Corporation develops public land as a non-profit venture. The only differences between a Community Development Corporation and a Redevelopment Agency are that 1) the Community Development Corporation cannot condemn land, 2) it is not restricted to blighted areas and 3) it can make a positive return on investment. Any return-on-investment is redistributed to other projects undertaken by the Community Development Corporation. This does not mean that the Community Development Corporation fails to make money, but rather that proceeds are kept within the Community Development Corporation operations.

A Community Development Corporation must also undertake projects with "public benefit." A Community Development Corporation Board is formed to ensure that projects are of a public benefit and that no public disbenefit would result from a project. Example of public disbenefit would be disruption of the status quo and a degradation of the community's quality of life. Public benefits need not be expressed in dollar terms, and could include the improved appearance of an area, the enhanced image of the community and the completion of a "successful project." These benefits are subjectively measured and are beyond the scope of this report.

Cost-effectiveness is also not always measured by dollars. For example, placing all of an organization's offices and agencies under one roof or on one centralized site may be more or less efficient than splitting those facilities up, but the dollar costs are only one measure of whether the solution is cost-effective or not. Accordingly, depending on the measures of effectiveness, a less expensive solution is not automatically the most cost-effective solution. The measures of cost-effectiveness are also beyond the scope of this report.

Frictional Costs

Whenever redevelopment is undertaken, whether public or private, there are "frictional" costs involving evacuation and relocation. Moving existing uses not only involves transportation but also the dismantling of equipment and fixtures to be relocated. Relocation not only involves occupying new space, but finding it and securing it (by rental or by purchase) as well.

When considering the costs of a redevelopment project, frictional costs reduce the raw land value of any location. In other words, it is worth less with occupied buildings on it. Therefore, raw land sites should not be compared to redevelopment sites because of frictional costs. Any public agency must take particular note of frictional costs, because the public benefit requirement obligates the public agency to relocate residences and workplaces with the community's benefit in mind. For example, a redevelopment agency must place the relocation consideration equal to -- if not higher -- than reuse requirements.

A Community Development Corporation must consider frictional costs in both dollar terms as well as non-dollar terms. For example, will relocation of existing uses result in a less expensive allocation of public resources? Should frictional costs be reduced by finding the least expensive relocation sites? And, even though positive cash flow may result from the Community Development Corporation project, how positive is that return when reduced by the amount of frictional costs? These are all questions that are beyond this analysis.

Assumptions

The existing uses on County Center III total approximately 185,000 square feet and are allocated by the Auditor/Controller as shown in Table A. The respective agencies may not occupy the space allocated to them since inter-departmental trading does take place. However, the control total of 185,000 square feet represents the amount of space needed to be replaced if the entire site is to be cleared and developed by a Community Development Corporation.

Table A: County Center III Space
(per Stanislaus County Auditor's Office)

<u>Use</u>	<u>Square Feet</u>
Social Services	41,611
Warehouses	26,040
Agriculture	14,374
Auditorium	3,977
Agricultural Commissioner (1)	5,739
Welfare (3)	6,974
School Superintendent (01)	41,312
Agricultural Extension (01)	8,635
Agricultural Commissioner (2)	5,739
Agricultural Extension (02)	8,635
Women's Detention	12,118
Coroner	3,488
Fire Safety	<u>5,865</u>
Total	184,507

Source: Stanislaus County Auditor-Controller.
(1) Auditor's code numbers.

The number of employees on the site has been determined by personal interviews with department representatives. These are shown in Table B.

Table B: County Center III Employees

	County Center III <u>Today</u>	New Building <u>Year 2010</u>	County Center III <u>Year 2010</u>	Ideal Site, No <u>Location</u>
Social Services	530	913*		
Fire Safety	20		45	53**
Purchasing Depart.	12		24	
U.C. Extension	24		30	
Agricultural Commissioner	5		8	
Sheriff				
Coroner's Office	9		20	
Women's Detention	25			
School Superintendent	<u>176</u>		<u>205</u>	
Totals	801		1,255	***

* Straight line projection at 3%, with existing 14% caseload increasing to 17% in Year 2010.

** If Fire Safety moves, the Department will add programs.

*** Total of second and third columns.

Source: Kreines & Kreines Inc., personal communications.

These employees include workers who are on-site more than half the time as well as volunteers and working inmates who occupy semi-permanent work stations. However, non-working inmates at the women's detention hall are not considered employees for this analysis.

When growth is considered, this analysis uses the assumption of meeting existing space needs only. Because the sources of future employee needs and future space needs were from each department, the responses were disparate and non-uniform. Consequently, some space needs and some employment needs were reported to be much greater than others. In addition, some

space needs do not appear to correlate with employment needs, although neither estimate is necessarily "official" as far as the Stanislaus County Board of Supervisors is concerned. Even though they were not used in this analysis, future growth increments are substantial and should be factored in to the relocation process.

Why Future Employment and Space Needs Are Ignored in This Analysis

The reader is cautioned that different estimates of future employment result when the assumption of any future site is either at County Center III or in a new location. For example, the Social Services estimate of future employees is based on the assumption that the new Social Services building will be built to house that number of employees. On the other hand, the U.C. Cooperative Extension has a limited employment growth estimate based on the fact that space availability at the present County Center III site is extremely limited and therefore would not permit as great an increase in employment as might really be needed.

In contrast to these two extremes, the Agricultural Commissioner, Coroner (Sheriff) and Women's Detention (Sheriff) all assume that they would be able to expand their physical plants on their present County Center III site location. Therefore, their employment estimates are centered on County Center III and assume that an expanded departmental location would be provided.

Finally, the Fire Safety Department assumes radically different scenarios between expanding at County Center III or moving to a new location where a training mission for the entire County would be assumed. Taking all of the above examples into account, it can be seen that employment -- and space -- projections are made from different perspectives with different assumptions underlying them.

The frictional costs due to relocation needs are therefore conjectural. It is probable that those existing uses leaving County Center III will need considerably more space than they have now. Moving existing uses off the County Center III site begs the question of whether the location should provide for future expansion as well as existing space. This analysis only provides for sufficient space for the existing number of employees.

There are also differing ideas as to what and where the ideal relocation site should be. This is because different agencies have different needs and, regardless of the importance of those needs, not all the desires of the individual agencies

will be met. The assumption in this memo is that no relocation sites are specifically identified. Therefore, they all have generic configurations as to type (e.g., urban, suburban, rural, etc.) and location.

In accordance with the generic and location of sites, the prices and rents of relocation space must also be considered generic. Therefore, if the sites are not known, and the method of tenancy (sale or rent) is not known, then land costs or construction costs, if necessary, are not known either. Therefore, only generic rents, which can be capitalized, are used in this analysis.

New Building Cost and Revenues

The cost of construction of 185,000 square feet of office buildings ranges from \$14 to \$25 million, 1989 prices. The wide range would depend on the number of structures, how "smart" the buildings would be, how parking will be handled, etc.

Rental income from the 185,000 square feet of new building would be about \$185,000 per month which will grow at about 6% per year depending on the term of the lease. At a conservative capitalization rate of 6, the project would be valued at \$15 million. This is at the low end of the construction cost and makes the project questionable.

However, a large portion of county agency rents are reimbursed by other units of government. Reimbursements generally do not include payment for county-owned land. When rent for a reimbursed agency on county-owned land is compared to land owned by a Community Development Corporation, the County would be reimbursed more for the land owned by the Community Development Corporation. Therefore, moving agencies paying zero rent on County Center III may not cost the County more money, but creates potential income from selling the county-owned land to the Community Development Corporation.

If all County Center III agencies moved to nearby private offices, their rental costs would be about \$1 per square foot per month. These costs could be reduced if the county agencies moved to lower cost sites. However, many of these rents would be reimbursable by the State of Federal Government, as long as the new sites were not county-owned.

Questions and Answers Regarding this Analysis

- Q. Aren't there many other ways to develop -- or redevelop -- County Center III?
- A. Yes, this analysis singles out the Community Development Corporation approach by contract.
- Q. Couldn't some of the existing uses remain on a redeveloped County Center III site?
- A. Yes, but the selection of which uses should remain becomes more difficult than the analysis itself, so complete clearance and evacuation was assumed.
- Q. Couldn't County departments rent space in the new office buildings?
- A. Yes, although net rents would probably be lower elsewhere.
- Q. Wouldn't a shopping center on the site return more money to the Community Development Corporation?
- A. Possibly, but the public benefit would be much less, since additional shopping would impact existing shopping uses in the area.
- Q. Couldn't more office space than 185,000 square feet be placed on the site?
- A. Yes, but the public benefit requirement assumes that new space be no greater than existing space.
- Q. Won't procedural steps, such as rezoning and an Environmental Impact Report, need to be done?
- A. Yes, and they are decisions delegated to the City of Modesto.
- Q. Doesn't the existing use of County Center III generate substantially more traffic than an equal amount of offices due to visitation and the motor pool?
- A. Yes, these are valid questions for an EIR to examine and to report on.

APPENDIX 16

AIRPORT INDUSTRIAL DISTRICT

The Economic Strategic Plan was charged with examining the Airport Industrial District as a potential redevelopment project. The Airport Industrial District has been broadly defined by the Economic Strategic Plan consultants to include unincorporated areas and areas within the City of Modesto.

The boundaries proposed by the Economic Strategic Plan consultants for study purposes take into consideration the possibility of a joint city/county redevelopment effort.

Uses to the north of the Airport Industrial District include strip commercial (mainly along Yosemite Blvd.), residential, industrial, and the Modesto city/county airport. Except possibly for the airport and one or two pockets of well maintained residences, deteriorating buildings and other blighted conditions can be found throughout the area. Most of the area lies within the flight path of the airport and would benefit from a change to non-residential uses.

The Future of the Airport Industrial District

A major change in land use and occupancy, from residential to light industrial, has been considered by the Economic Strategic Plan consultants for the northwesterly portion of the area (bounded roughly by the railroad right-of-way on the north, Conejo and Empire Avenues on the east, Oregon Drive on the south, and Santa Rosa Avenue on the west). Under this approach, redevelopment would be used as necessary to assemble property, provide relocation assistance, install public improvements, prepare sites for private development, and market land for appropriate new industrial uses.

Although property acquisition and relocation may be appropriate also for the area west of the airport and south of Oregon Drive, consideration should be given to the retention of as much as possible of this residential neighborhood.

Project Eligibility

Careful analysis of existing conditions will be required to support a determination of blight within the area. The easterly industrial and airport sections of the Airport Industrial District will require special attention. However, the preliminary field survey conducted by the Economic Strategic Plan consultants on 10/14/88 indicates that substantial portions of the area are likely to be eligible for redevelopment action.

Appropriate Implementation Techniques

Implementation techniques appropriate to the Airport Industrial District include:

- . The preparation of a redevelopment plan and strategy.
- . Property acquisition, relocation, and site clearance.
- . The participation of existing property owners as may be consistent with the objectives of the redevelopment plan.
- . The assembly of acquired properties into marketable sites.
- . Installation of infrastructure improvements, including sewer system as needed.
- . The marketing of assembled sites, including marking documents, advertising, and developer selection.

Residential and commercial rehabilitation should occur only to the extent that it is appropriate (potentially applicable only to a joint city/county project).

Implementation Time Frame

The time required for implementation of a redevelopment program within the Airport Industrial District is estimated to be approximately 10 to 15 years. However, the time actually required will be influenced greatly by the availability of implementation funding.

Potential for Successful Redevelopment

The Airport Industrial District would be a major redevelopment program involving several millions of dollars of public and private investment. It should be studied carefully to determine feasibility. Potential concerns include the capability of the city or the city and county to administer such a program (extensive staffing may be required) and the adequacy of funding sources, especially "front-end" funding. The project will require extensive property acquisition, relocation, and other costly activities during the early stages of implementation. Although it is not unreasonable to expect that most or all of these costs could be recaptured later, a source of funding for these "front end" costs is absolutely essential to project success. Such sources could include advances from the city or county, as well as private developers. However, without the availability of funding sufficient to cover these costs, the project is likely to be infeasible.

If funding sufficient to cover "front end" costs becomes available, then the potential for successful redevelopment is good.