CALENDAR FOR THE BOARD OF SUPERVISORS

CONTRA COSTA COUNTY

AND FOR SPECIAL DISTRICTS, AGENCIES, AND AUTHORITIES GOVERNED BY THE BOARD

BOARD CHAMBERS, ADMINISTRATION BUILDING, 1025 ESCOBAR STREET
MARTINEZ, CALIFORNIA 94553-1229

DIANE BURGIS, *CHAIR*, 3RD DISTRICT
FEDERAL D. GLOVER, *VICE CHAIR,* 5TH DISTRICT
JOHN GIOIA, 1ST DISTRICT
CANDACE ANDERSEN, 2ND DISTRICT
KAREN MITCHOFF, 4TH DISTRICT

MONICA NINO, CLERK OF THE BOARD AND COUNTY ADMINISTRATOR, (925) 655-2075

To slow the spread of COVID-19, the Health Officer's Shelter Order of December 16, 2020, prevents public gatherings (Health Officer Order). In lieu of a public gathering, the Board of Supervisors meeting will be accessible via television and live-streaming to all members of the public as permitted by the Governor's Executive Order N29-20. Board meetings are televised live on Comcast Cable 27, ATT/U-Verse Channel 99, and WAVE Channel 32, and can be seen live online at www.contracosta.ca.gov.

PERSONS WHO WISH TO ADDRESS THE BOARD DURING PUBLIC COMMENT OR WITH RESPECT TO AN ITEM THAT IS ON THE AGENDA MAY CALL IN DURING THE MEETING BY DIALING **888-251-2949** FOLLOWED BY THE ACCESS CODE **1672589#.** To indicate you wish to speak on an agenda item, please push "#2" on your phone.

All telephone callers will be limited to two (2) minutes apiece. The Board Chair may reduce the amount of time allotted per telephone caller at the beginning of each item or public comment period depending on the number of calls and the business of the day. Your patience is appreciated.

A lunch break or closed session may be called at the discretion of the Board Chair.
Staff reports related to open session items on the agenda are also accessible online at www.contracosta.ca.gov.

SPECIAL MEETING
AGENDA
January 26, 2021

9:00 A.M. Convene, call to order and opening ceremonies. ***(Chair, Diane Burgis)***

D.1 Board Operating Procedures and Communications (*Chair, Diane Burgis*)

D.2 ACCEPT report "The COVID Recovery: How Long is the road to Recovery". *(Dr. Christopher Thornberg, Beacon Economics)*

D.3 ACCEPT report on budget and key issues for FY 2021/22 and beyond. *(Monica Nino, County Administrator, David Twa, and Lisa Driscoll, County Finance Director)*

****** BREAK ******

D.4 ACCEPT report on Capital Projects. *(Eric Angstadt, Chief Assistant County Administrator)*

D.5 ACCEPT report on Redistricting 2021. *(David Twa, County Administrator's Office)*

12:00 P.M. BREAK FOR LUNCH AND CLOSED SESSION

--RESUME OPEN SESSION--

D.6 ACCEPT report on COVID-19 response. *(Anna Roth, Health Services Director & Dr. Chris Farnitano, County Health Officer)*

D.7 ACCEPT report on economic development initiatives. *(John Kopchik, Conservation & Development (DCD) Director; Brian Balbas, Public Works Director; Amalia Cunningham, Deputy DCD Director; and Keith Freitas, Airports Director)*

D.8 Public Comment (2 minutes)

Wrap-up and Closing Comments *(Chair, Diane Burgis)*

ADJOURN

GENERAL INFORMATION

The County will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Clerk of the Board at least 24 hours before the meeting, at (925) 655-2000. An assistive listening device is available from the Clerk, First Floor.

Copies of recordings of all or portions of a Board meeting may be purchased from the Clerk of the Board. Please telephone the Office of the Clerk of the Board, (925) 655-2000, to make the necessary arrangements.

Forms are available to anyone desiring to submit an inspirational thought nomination for inclusion on the Board Agenda. Forms may be obtained at the Office of the County Administrator or Office of the Clerk of the Board, 1025 Escobar Street, Martinez, California.

Subscribe to receive to the weekly Board Agenda by calling the Office of the Clerk of the Board, (925) 655-2000 or using the County's on line subscription feature at the County's Internet Web Page, where agendas and supporting information may also be viewed:

www.co.contra-costa.ca.us

Glossary of Acronyms, Abbreviations, and other Terms (in alphabetical order):

Contra Costa County has a policy of making limited use of acronyms, abbreviations, and industry-specific language in its Board of Supervisors meetings and written materials. Following is a list of commonly used language that may appear in oral presentations and written materials associated with Board meetings:

AB Assembly Bill
ABAG Association of Bay Area Governments
ACA Assembly Constitutional Amendment
ADA Americans with Disabilities Act of 1990
AFSCME American Federation of State County and Municipal Employees
AICP American Institute of Certified Planners
AIDS Acquired Immunodeficiency Syndrome
ALUC Airport Land Use Commission
AOD Alcohol and Other Drugs
ARRA American Recovery & Reinvestment Act of 2009
BAAQMD Bay Area Air Quality Management District
BART Bay Area Rapid Transit District
BayRICS Bay Area Regional Interoperable Communications System
BCDC Bay Conservation & Development Commission
BGO Better Government Ordinance
BOS Board of Supervisors
CALTRANS California Department of Transportation
CalWIN California Works Information Network
CalWORKS California Work Opportunity and Responsibility to Kids
CAER Community Awareness Emergency Response
CAO County Administrative Officer or Office
CCE Community Choice Energy
CCCPFD (ConFire) Contra Costa County Fire Protection District
CCHP Contra Costa Health Plan
CCTA Contra Costa Transportation Authority
CCRMC Contra Costa Regional Medical Center
CCWD Contra Costa Water District
CDBG Community Development Block Grant
CFDA Catalog of Federal Domestic Assistance
CEQA California Environmental Quality Act
CIO Chief Information Officer
COLA Cost of living adjustment
ConFire (CCCFPD) Contra Costa County Fire Protection District
CPA Certified Public Accountant
CPI Consumer Price Index
CSA County Service Area
CSAC California State Association of Counties
CTC California Transportation Commission
dba doing business as
DSRIP Delivery System Reform Incentive Program

EBMUD East Bay Municipal Utility District
ECCFPD East Contra Costa Fire Protection District
EIR Environmental Impact Report
EIS Environmental Impact Statement
EMCC Emergency Medical Care Committee
EMS Emergency Medical Services
EPSDT Early State Periodic Screening, Diagnosis and Treatment Program (Mental Health)
et al. et alii (and others)
FAA Federal Aviation Administration
FEMA Federal Emergency Management Agency
F&HS Family and Human Services Committee
First 5 First Five Children and Families Commission (Proposition 10)
FTE Full Time Equivalent
FY Fiscal Year
GHAD Geologic Hazard Abatement District
GIS Geographic Information System
HCD (State Dept of) Housing & Community Development
HHS (State Dept of) Health and Human Services
HIPAA Health Insurance Portability and Accountability Act
HIV Human Immunodeficiency Syndrome
HOME Federal block grant to State and local governments designed exclusively to create affordable housing for low-income households
HOPWA Housing Opportunities for Persons with AIDS Program
HOV High Occupancy Vehicle
HR Human Resources
HUD United States Department of Housing and Urban Development
IHSS In-Home Supportive Services
Inc. Incorporated
IOC Internal Operations Committee
ISO Industrial Safety Ordinance
JPA Joint (exercise of) Powers Authority or Agreement
Lamorinda Lafayette-Moraga-Orinda Area
LAFCo Local Agency Formation Commission
LLC Limited Liability Company
LLP Limited Liability Partnership
Local 1 Public Employees Union Local 1
LVN Licensed Vocational Nurse
MAC Municipal Advisory Council
MBE Minority Business Enterprise
M.D. Medical Doctor
M.F.T. Marriage and Family Therapist
MIS Management Information System
MOE Maintenance of Effort
MOU Memorandum of Understanding
MTC Metropolitan Transportation Commission
NACo National Association of Counties
NEPA National Environmental Policy Act
OB-GYN Obstetrics and Gynecology

O.D. Doctor of Optometry
OES-EOC Office of Emergency Services-Emergency Operations Center
ORJ Office of Reentry and Justice
OPEB Other Post Employment Benefits
OSHA Occupational Safety and Health Administration
PACE Property Assessed Clean Energy
PARS Public Agencies Retirement Services
PEPRA Public Employees Pension Reform Act
Psy.D. Doctor of Psychology
RDA Redevelopment Agency
RFI Request For Information
RFP Request For Proposal
RFQ Request For Qualifications
RN Registered Nurse
SB Senate Bill
SBE Small Business Enterprise
SEIU Service Employees International Union
SUASI Super Urban Area Security Initiative
SWAT Southwest Area Transportation Committee
TRANSPAC Transportation Partnership & Cooperation (Central)
TRANSPLAN Transportation Planning Committee (East County)
TRE or **TTE** Trustee
TWIC Transportation, Water and Infrastructure Committee
UASI Urban Area Security Initiative
VA Department of Veterans Affairs
vs. versus (against)
WAN Wide Area Network
WBE Women Business Enterprise
WCCTAC West Contra Costa Transportation Advisory Committee

Contra Costa County

To: Board of Supervisors

From: Monica Nino, County Administrator

Date: January 26, 2021

Subject: Annual Update on Economic Conditions in Contra Costa County

RECOMMENDATION(S):
ACCEPT report "The COVID Recovery: How Long is the road to Recovery".

FISCAL IMPACT:
This report is for informational purposes and has no specific fiscal impact.

BACKGROUND:
Attached is Beacon Economics report entitled "The COVID Recovery: How Long is the road to Recovery".

☑ APPROVE ☐ OTHER

☑ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2021** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

Contact: Lisa Driscoll, County Finance Director (925) 335-1023

cc: All County Departments (via CAO)

ATTACHMENTS

Update on Economic Conditions

BEACON ECONOMICS

The Covid Recovery:

How long is the road to recovery?

January 2021

Christopher Thornberg, PhD
Founding Partner, Beacon Economics
Director, UCR SoBA Center for Economic Forecasting and Development

Happy New Year!

The Pandemic Recession

- Covid-19: A global natural disaster
  - Approaching 100 million cases and 2 million deaths, ~20% here in the US
  - In midst of largest surge to date, new waves of closures
- The light at the end of the tunnel
  - Context: Spanish flu 50m deaths in a smaller world population, 100x more deadly
  - New treatments have lowered fatality rates
  - 3 vaccines shown to have varying degrees of effectiveness
  - Roll outs in progress, Others in the pipeline
- The Economic Debate
  - The macro debate, “U”, “V”, or whatever… most called “U”, slow recovery
  - This is not the great recession
  - Our outlook ”V”—This is not the great recession situation, rapid movement back to normality
- The Bounce
  - Recession ended in April, 80% back
  - Current surge having modest impact on economy
  - Sufficient pent-up demand to drive close full recovery this year
  - Real issues are post-pandemic: Federal debt, inflation issues, shifting land use needs

- Approaching 100 million cases and 2 million deaths, ~20% here in the US
- Evidence suggests a portion of survivors have long run complication
- Context: Spanish flu 50m deaths in a smaller world population, 100x more deadly

- New treatments have lowered fatality rates
- 2 vaccines roll outs in progress, learning curve is being run down

Miserabilism and the Pandemic

Carl Icahn Says Commercial Real Estate Market Will 'Blow Up'

Economy

CBO: Coron
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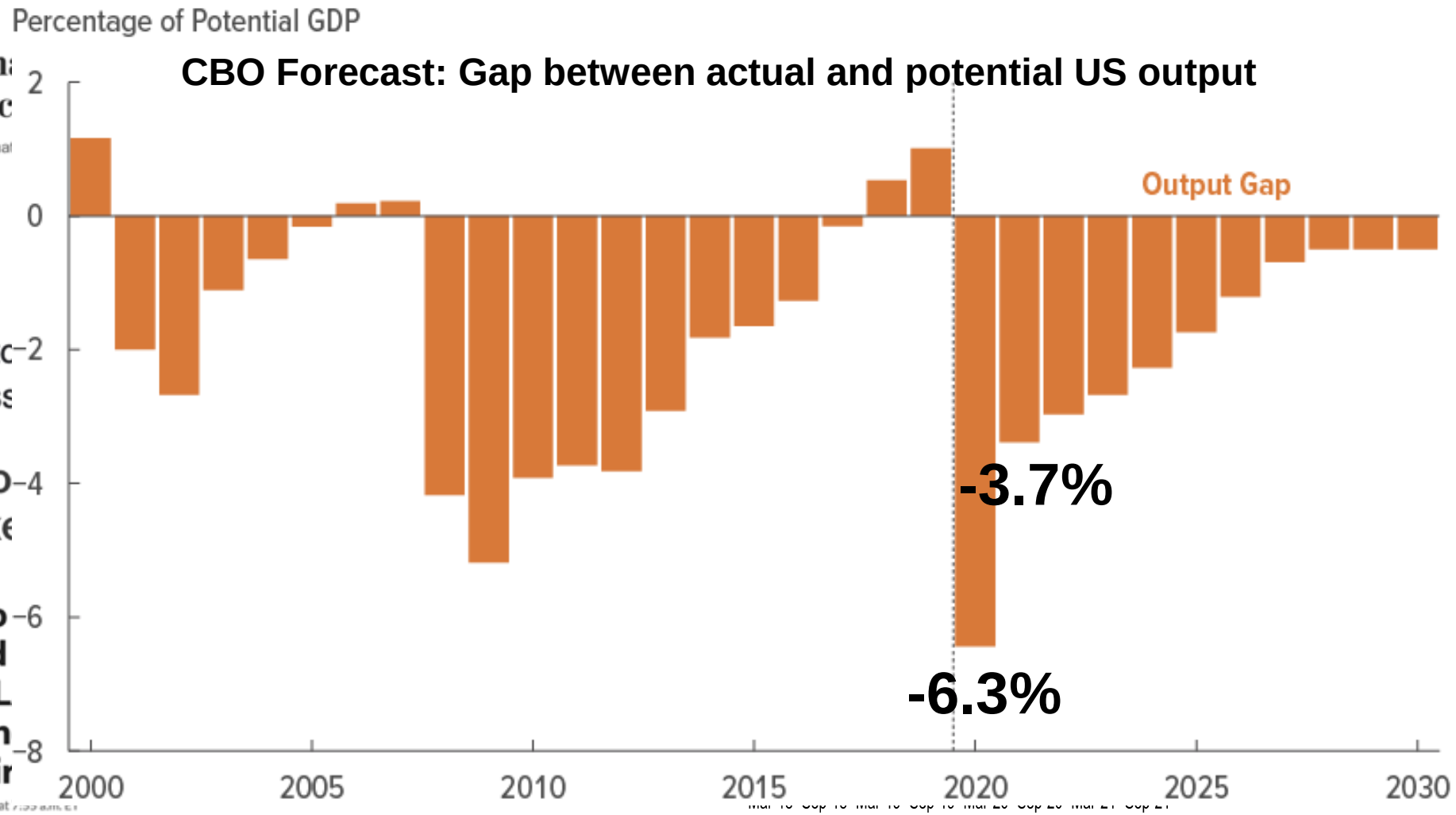
Published: June 26, 2020 at



Source: BofA Global Research, Bureau of Economic Analysis

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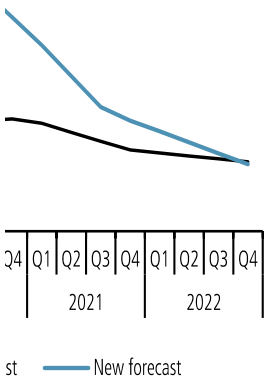
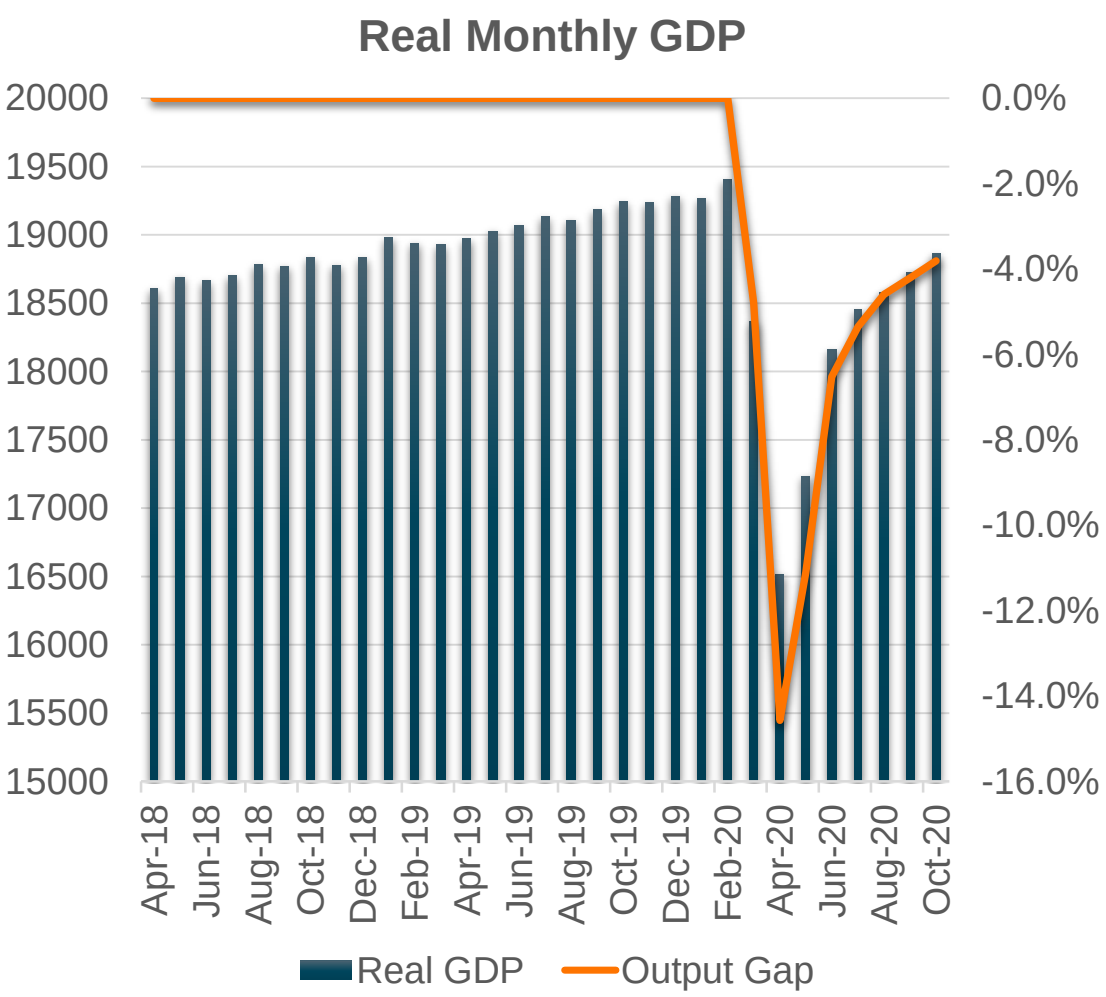


Source: BLS, UBS estimates

The Recession Ended in April



	2020			Diff from
	Q1	Q2	Q3	19Q4
GDP	**-5**	**-31.4**	**33.1**	**-3.5%**
Consumption	-4.75	-24.01	25.27	-3.3%
Goods	**0.03**	**-2.06**	**9.24**	**6.7%**
Services	-4.78	-21.95	16.04	-7.7%
Fixed investment	-0.23	-5.27	4.96	-2.7%
Structures	-0.11	-1.11	-0.43	-14.0%
Equipment	-0.91	-2.03	3.34	-1.9%
Intellectual property	0.11	-0.53	-0.03	-2.6%
Residential	**0.68**	**-1.6**	**2.09**	**5.1%**
Inventories	-1.34	-3.5	6.62	
Net exports	1.13	0.62	-3.09	
Exports	-1.12	-9.51	4.9	-15.3%
Imports	2.25	10.13	-7.99	-7.1%
Government	0.22	0.77	-0.68	-0.2%

Source: American Community Survey

Evolution of forecasts

FEDERAL RESERVE BANK of ATLANTA | GDPNow

Evolution of Atlanta Fed GDPNow real GDP estimate for 2020: Q4

Quarterly percent change (SAAR)

12

GDPNow is not an official fore

Table 1 Comparative Surveys *(Median Forecast Reported)*

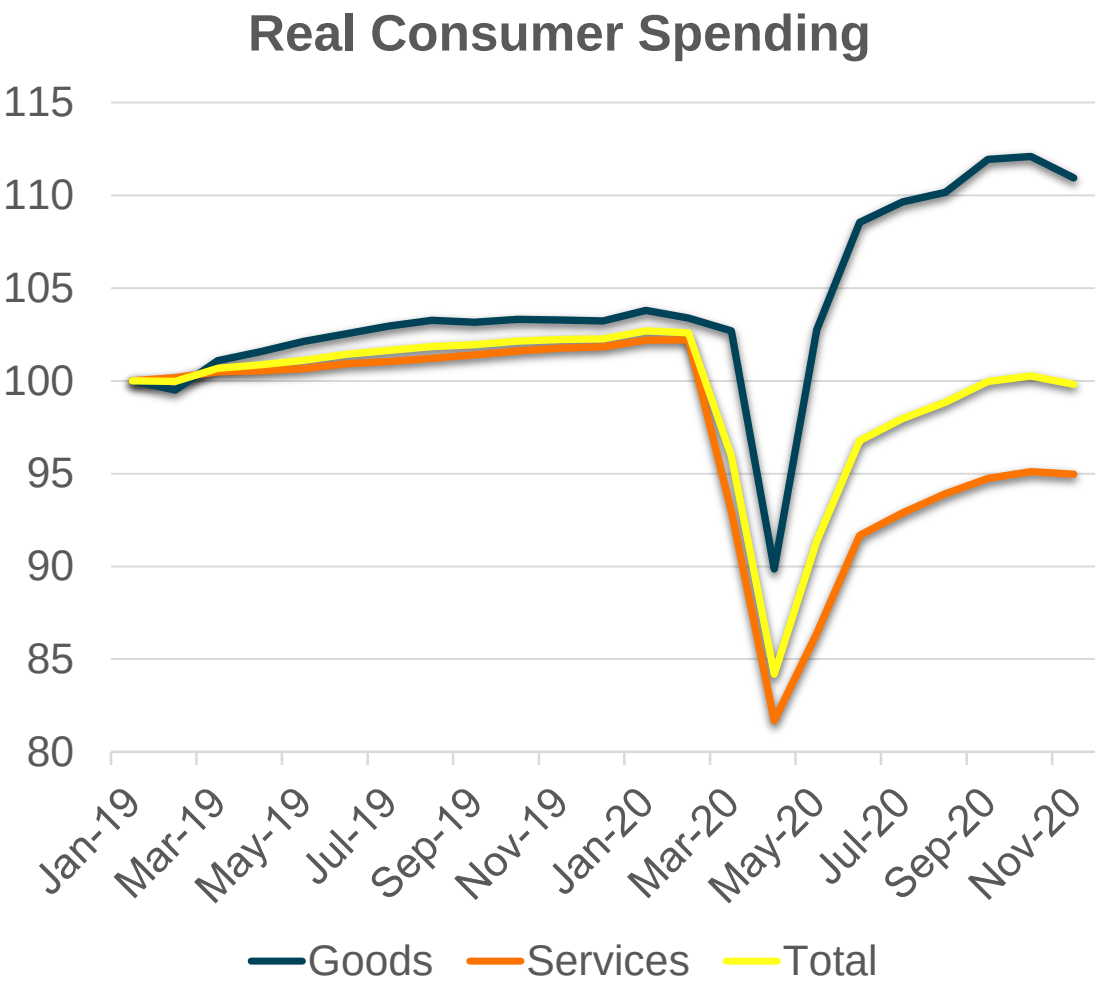
	ACTUAL	FORECASTS				
	2019	2020			2021	
		June 2020	October 2020	December 2020	October 2020	December 2020
Real Gross Domestic Product, % change, Q4/Q4	2.3	-5.6	-3.8	-2.6	3.6	3.4
Real Gross Domestic Product, % change, annual average	2.2	-5.9	-4.3	-3.5	3.6	3.8
Personal Consumption Expenditures, % change, annual average	2.4	-6.4	-4.6	-3.8	4.0	4.6
Nonresidential Fixed Investment, % change, annual average	2.9	-10.8	-6.0	-4.8	2.4	3.7
Residential Fixed Investment, % change, annual average	-1.7	-6.6	1.1	4.4	3.4	6.8

Date of forecast

Sources: *Blue Chip Economic Indicators* and *Blue Chip Financial Forecasts*

Note: The top (bottom) 10 average forecast is an average of the highest (lowest) 10 forecasts in the *Blue Chip* survey.

Consumers Leading the Way

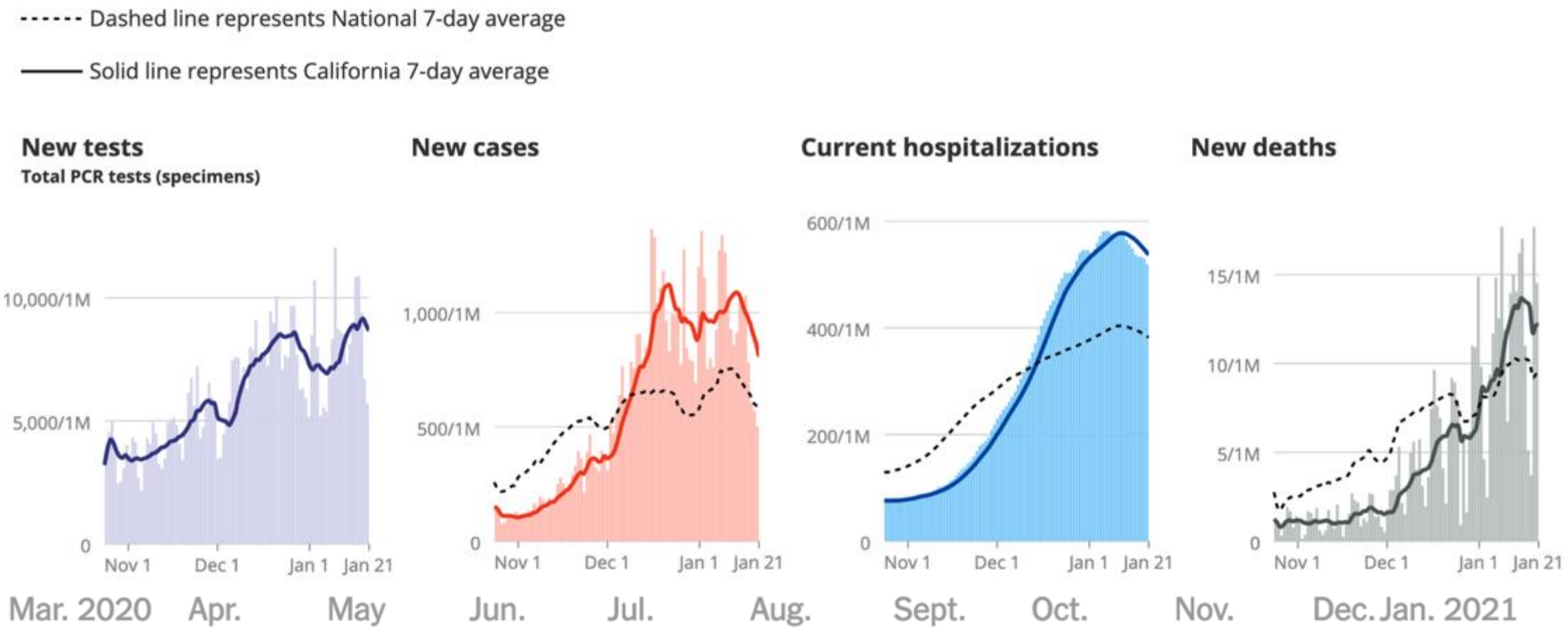


Retail Sales Numbers

	20/19	N/N
Total	0.3	4.1
Nonstore retailers	22.6	29.2
Sporting goods, hobby, musical	4.3	19.6
Building material & garden eq &	13.4	18.7
Food & beverage stores	11.6	10.9
Motor vehicle & parts dealers	0.0	6.0
Furniture & home furn stores	-6.4	3.6
Health & personal care stores	1.1	3.5
General merchandise stores	3.1	3.4
Electronics & appliance stores	-14.1	-8.3
Clothing & clothing accessories	-28.5	-16.1
Gasoline stations	-16.4	-17.1
Food services & drinking places	-19.4	-17.2

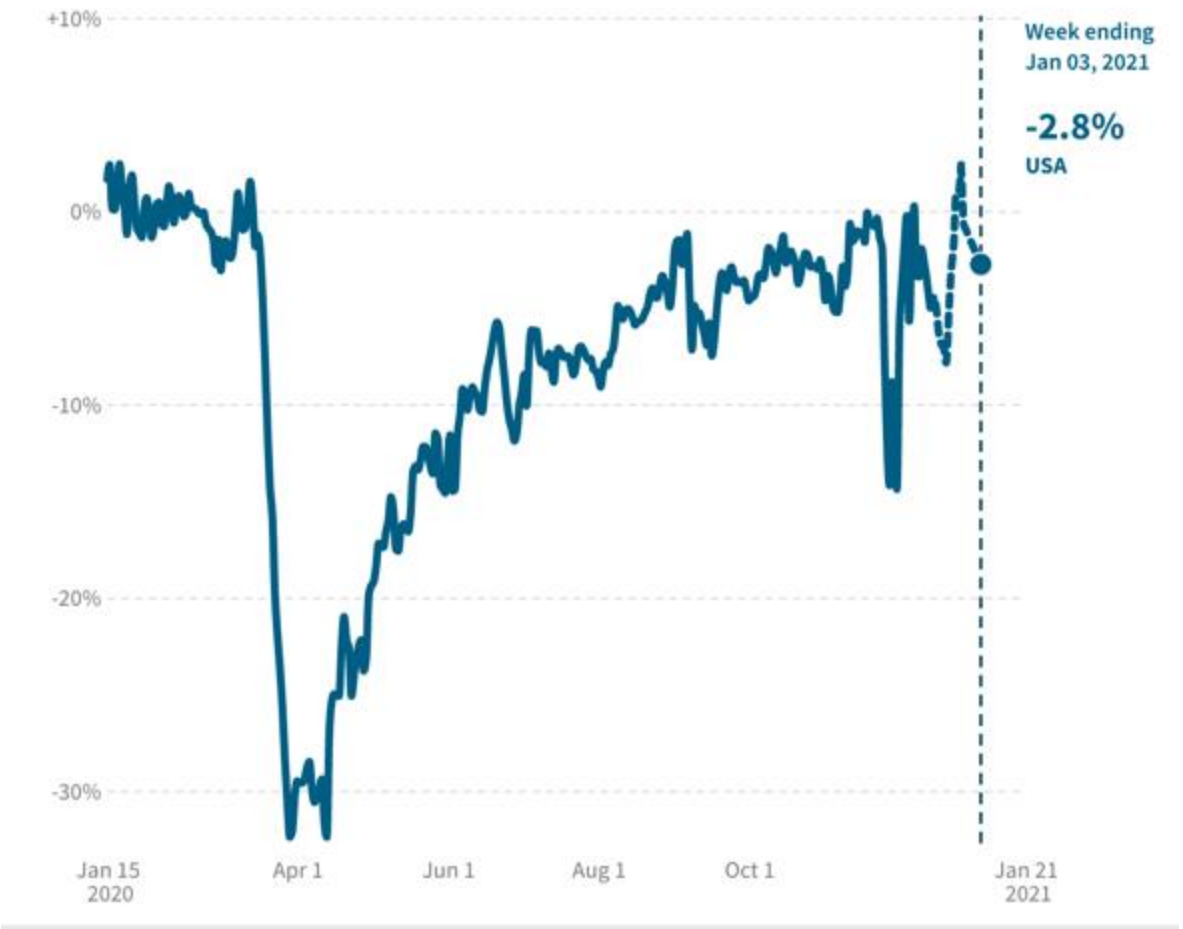
Source: American Community Survey

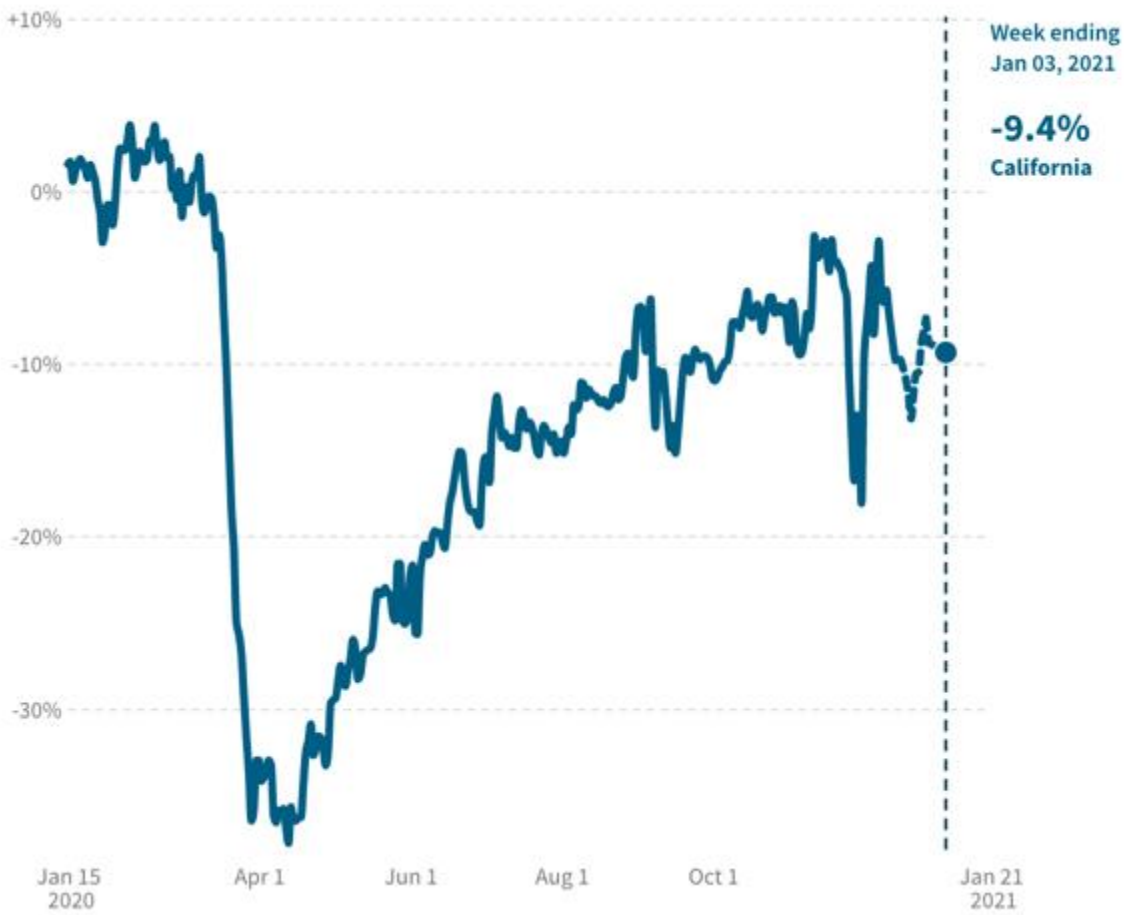
A third US surge



Consumer Mitigation

Opportunity Insight: Consumer Spending for US / California

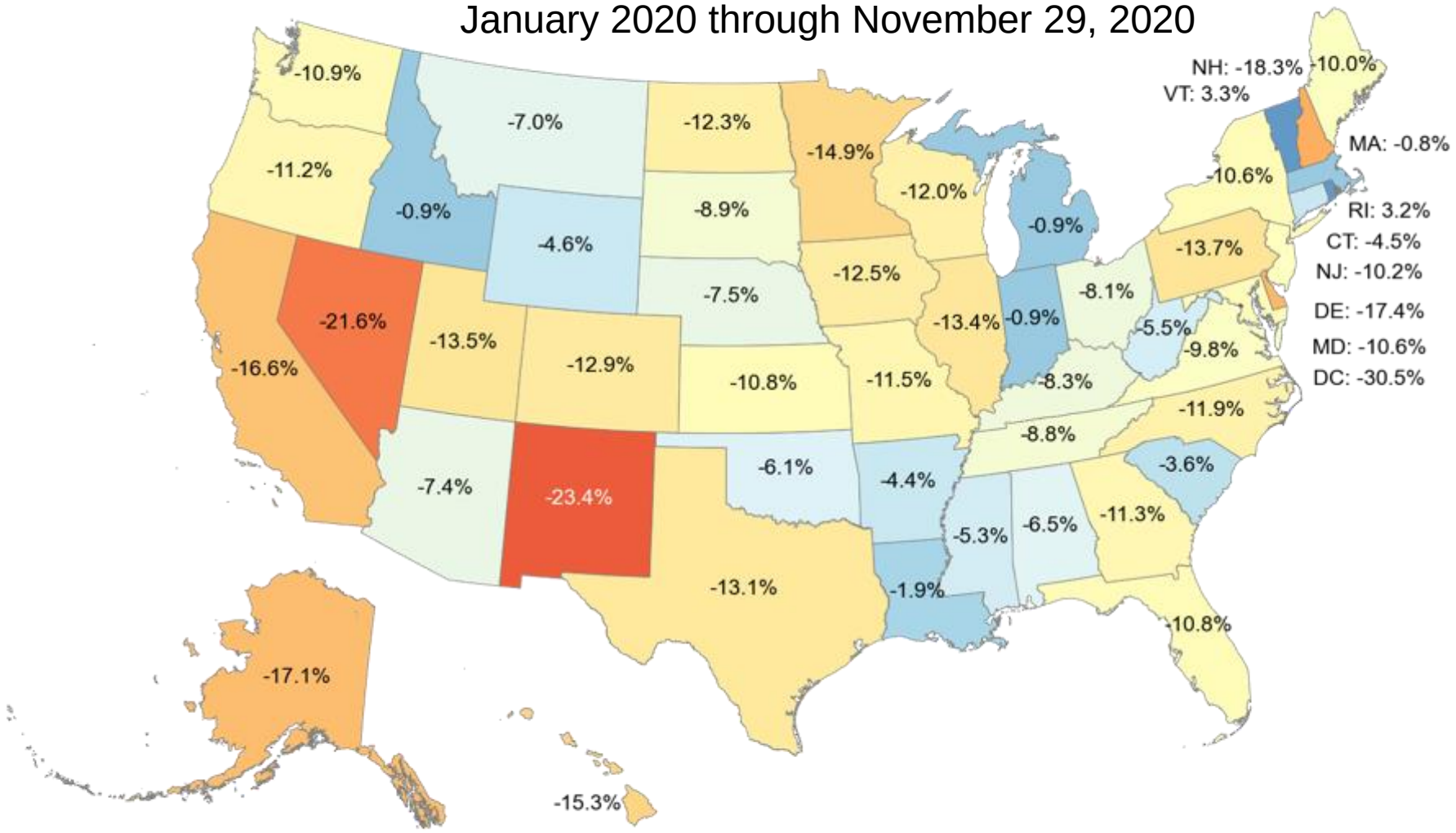




Source: Opportunity Insights/Affinity Solutions

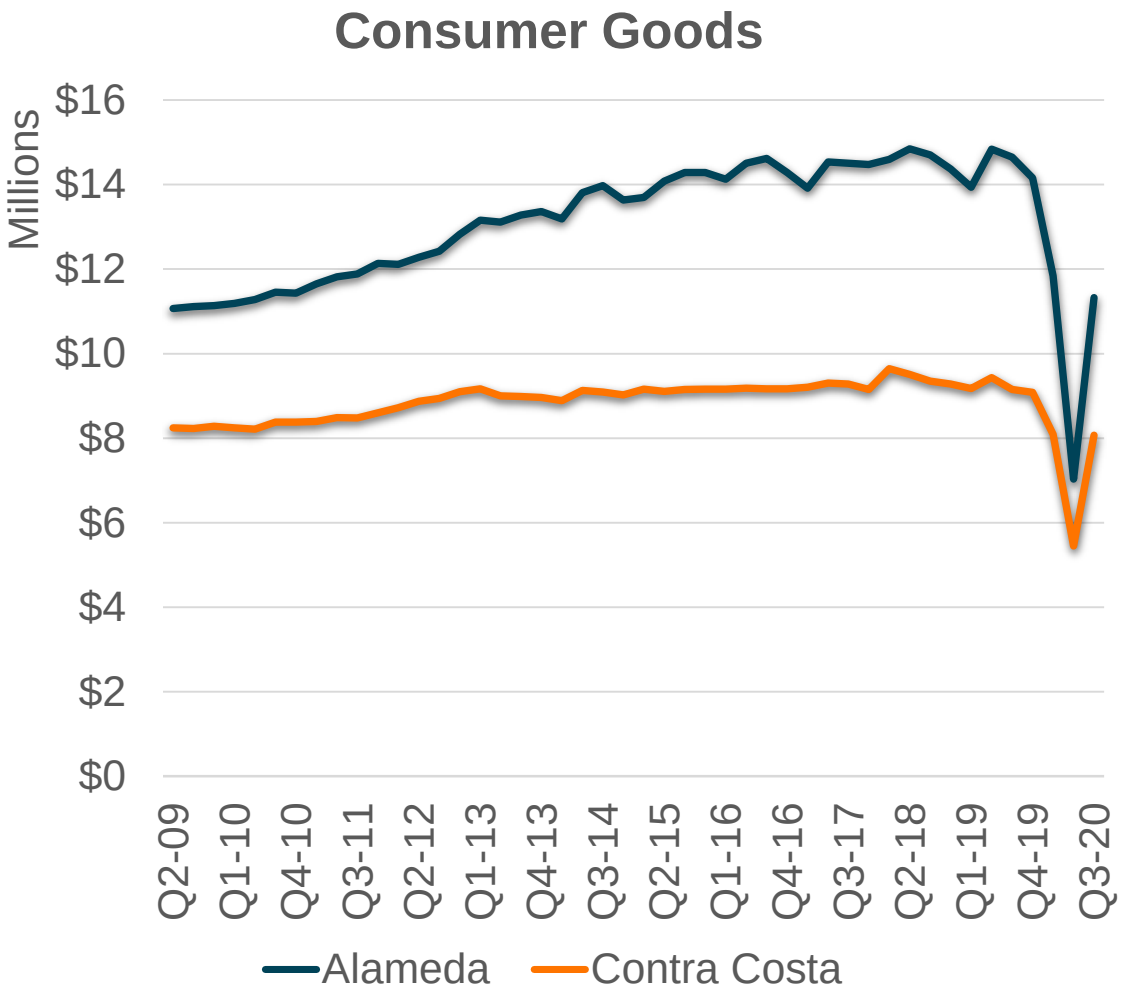
Consumer Spending

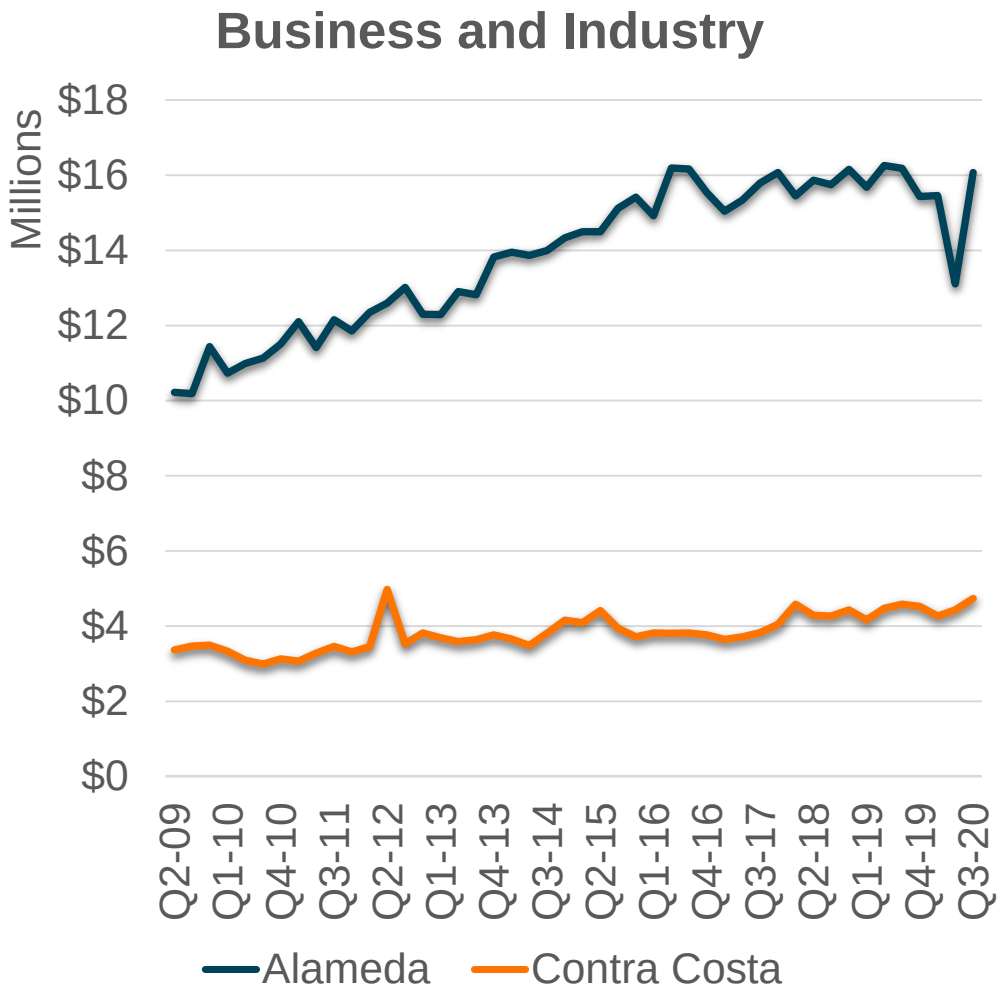
% Change in Consumer Spending:
January 2020 through November 29, 2020



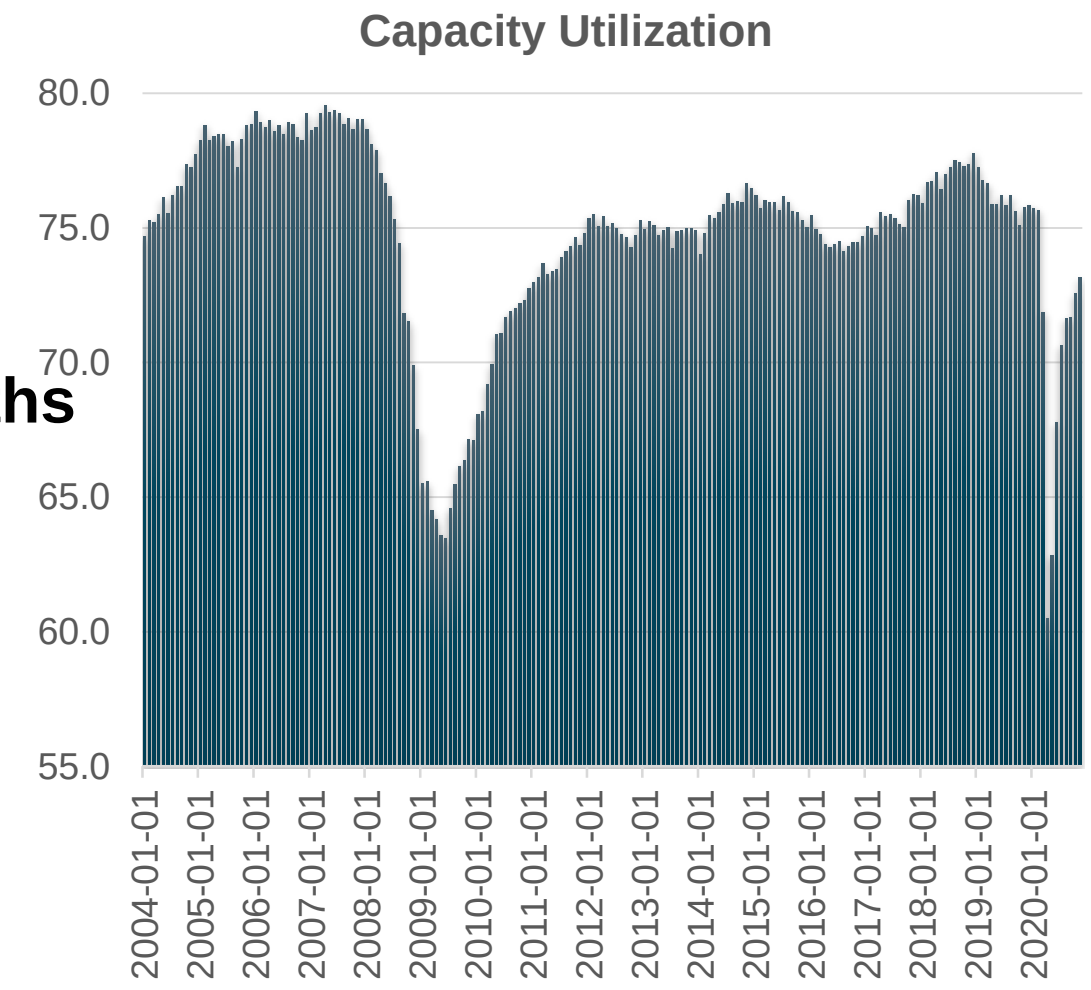
Source: Affinity Solutions / Opportunity Insights

Local Sales Taxes

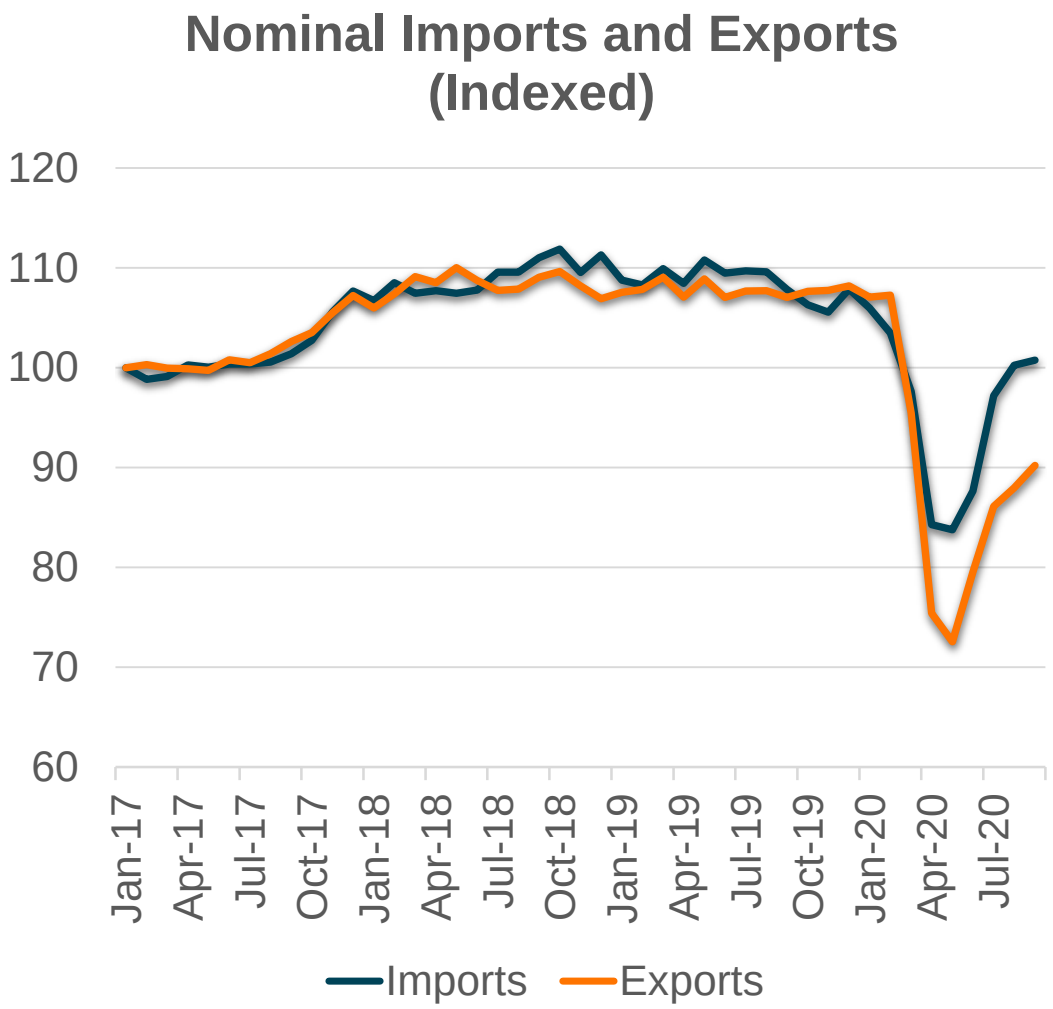




Production Trends



Trade Flows


Nominal Imports and Exports (Indexed)
120
110
100
90
80
70
60
Jan-17
Apr-17
Jul-17
Oct-17
Jan-18
Apr-18
Jul-18
Oct-18
Jan-19
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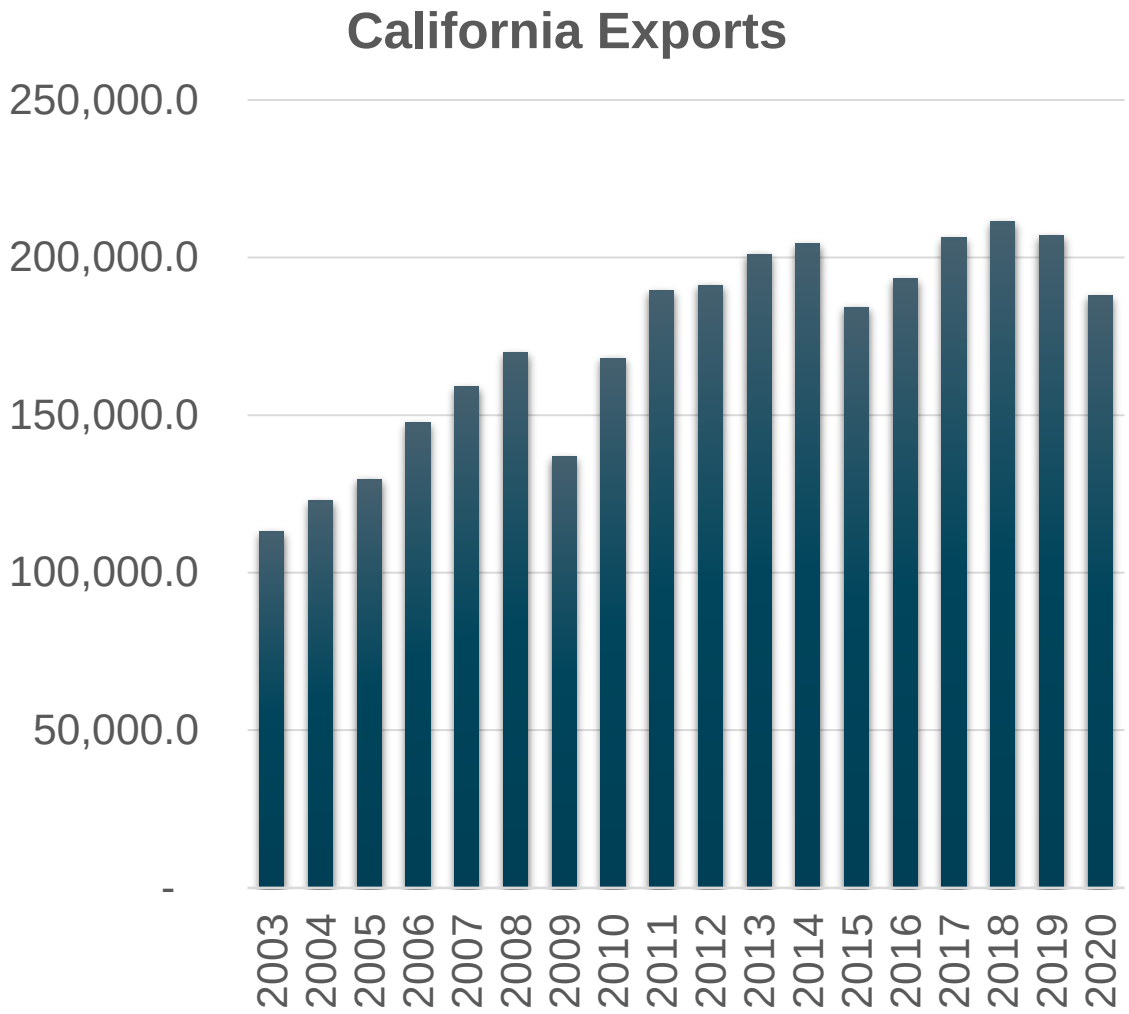
Jul-20
Imports
Exports


California Exports
250,000.0
200,000.0
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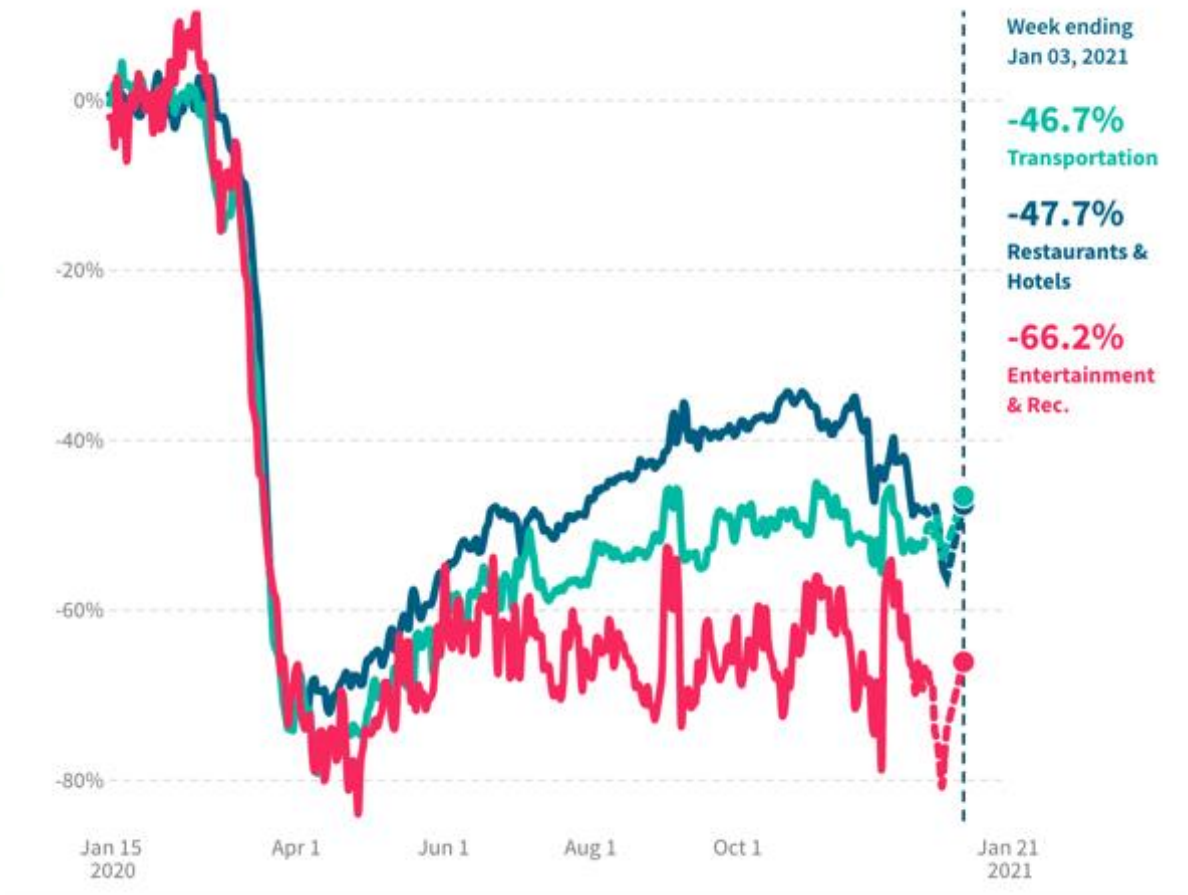
100,000.0
50,000.0
-
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020

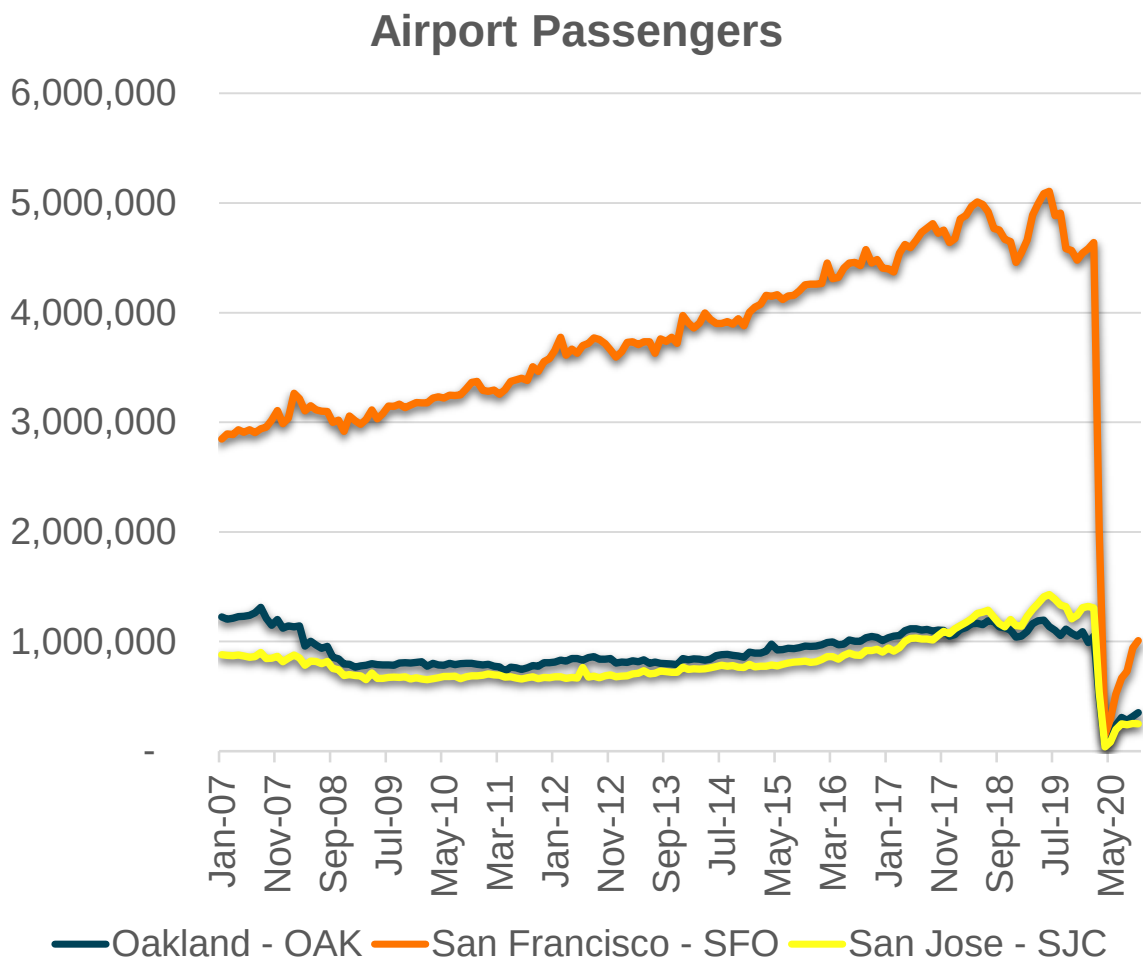
Lagging Sectors

US Total

California



Travel Activity



	% December 2019-2020		% 2019-2020	
	Occ	RevPAR	Occ	RevPAR
United States	-32.3	-51.0	-33.3	-47.5
California	-41.8	-60.4	-34.6	-50.1
Central Coast+	-41.2	-52.7	-30.7	-39.8
Central Valley+	-11.9	-16.8	-15.5	-20.9
Deserts+	-34.9	-47.0	-23.3	-33.9
Gold Country+	-28.7	-45.0	-27.6	-41.2
High Sierra+	-37.7	-62.0	-24.7	-32.5
Inland Empire+	-13.2	-22.1	-16.2	-23.9
Los Angeles County+	-46.4	-63.5	-38.6	-52.6
North Coast+	-17.3	-25.4	-14.1	-18.1
Orange County+	-54.9	-71.0	-43.4	-53.7
Shasta Cascade+	-10.2	-12.4	-19.4	-24.1
San Diego County+	-49.1	-62.2	-36.9	-50.8
San Francisco Bay Area+	-49.4	-70.9	-43.6	-60.9

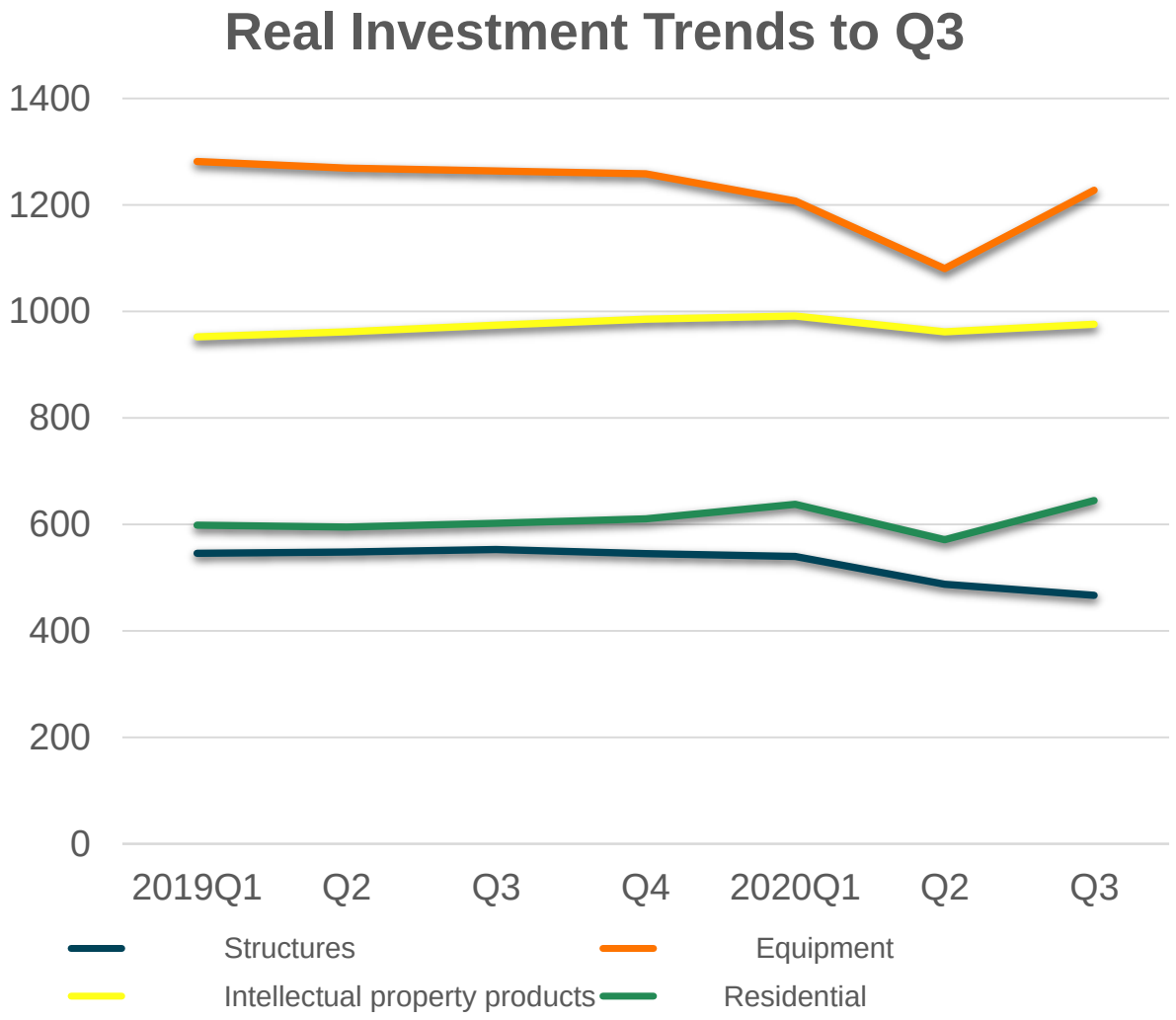
The Final Fix

U.S. Vaccine Campaign

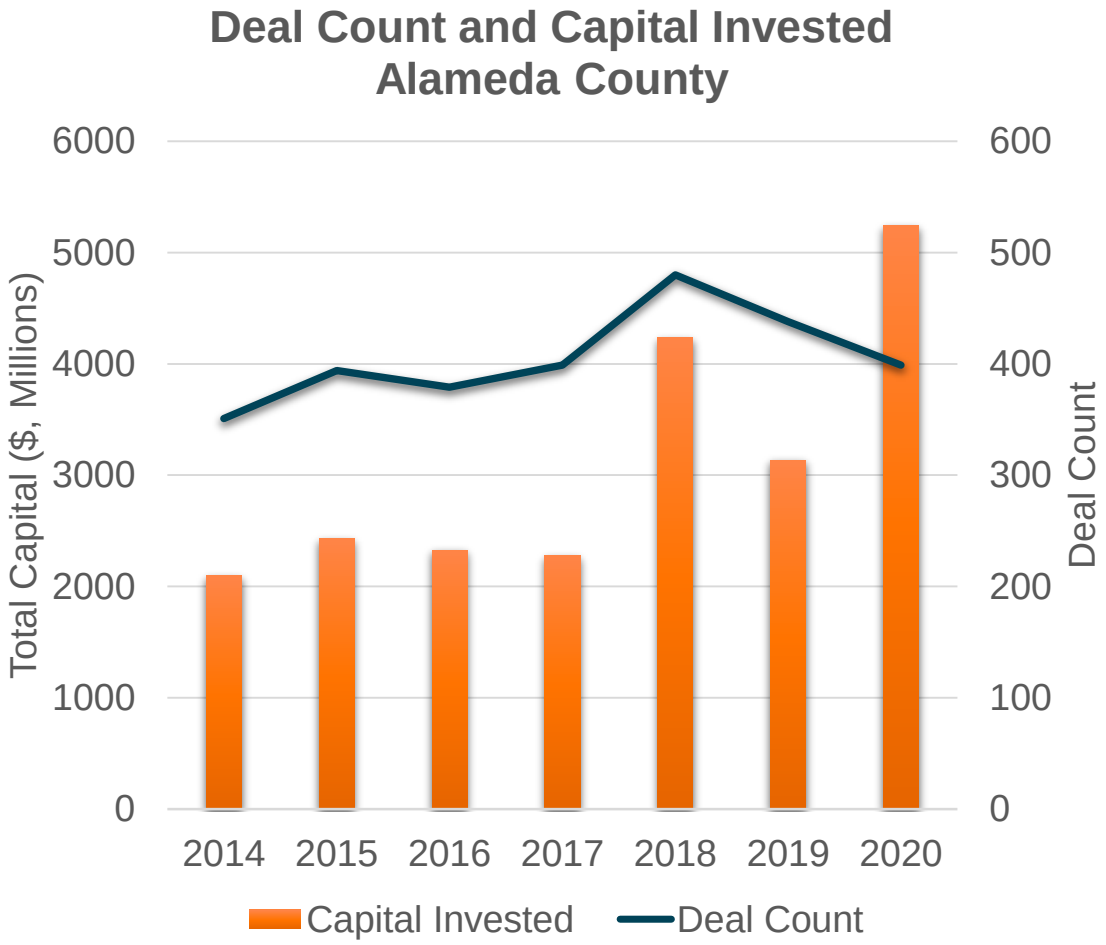
Jurisdiction	Doses distributed	Doses administered ▼	% shots used
U.S. totals	*37,960,000*	*18,449,288*	*48.6*
California	4,379,500	1,633,875	37.3
Texas	2,754,800	1,544,551	56.1
Florida	2,546,050	1,306,983	51.3
New York +	2,213,975	1,251,806	56.5
Federal Entities +	2,023,975	939,866	46.4
Pennsylvania	1,344,375	642,789	47.8
Michigan	1,059,275	598,127	56.5
North Carolina	1,157,100	573,130	49.5

Investment Trends

	2019	2020
Private fixed investment	1.5%	-2.7%
Nonresidential	1.4%	-4.9%
Structures	1.9%	-14.0%
Commercial and health care	2.3%	-4.1%
Manufacturing	**3.4%**	**-9.1%**
Power and communication	20.5%	-4.7%
Mining exploration, shafts, wells	**-11.0%**	**-49.8%**
Equipment	-1.3%	-1.9%
Information processing eq	1.9%	14.5%
Industrial equipment	-2.6%	-3.7%
Transportation equipment	**-5.1%**	**-21.9%**
Intellectual property products	4.6%	-2.6%
Software	**6.8%**	**1.4%**
Research and development	3.6%	-4.2%
Entertainment, literary, artistic	**1.1%**	**-12.2%**
Residential	**1.6%**	**5.1%**



Venture Capital: Capital and Deal Counts in the East Bay



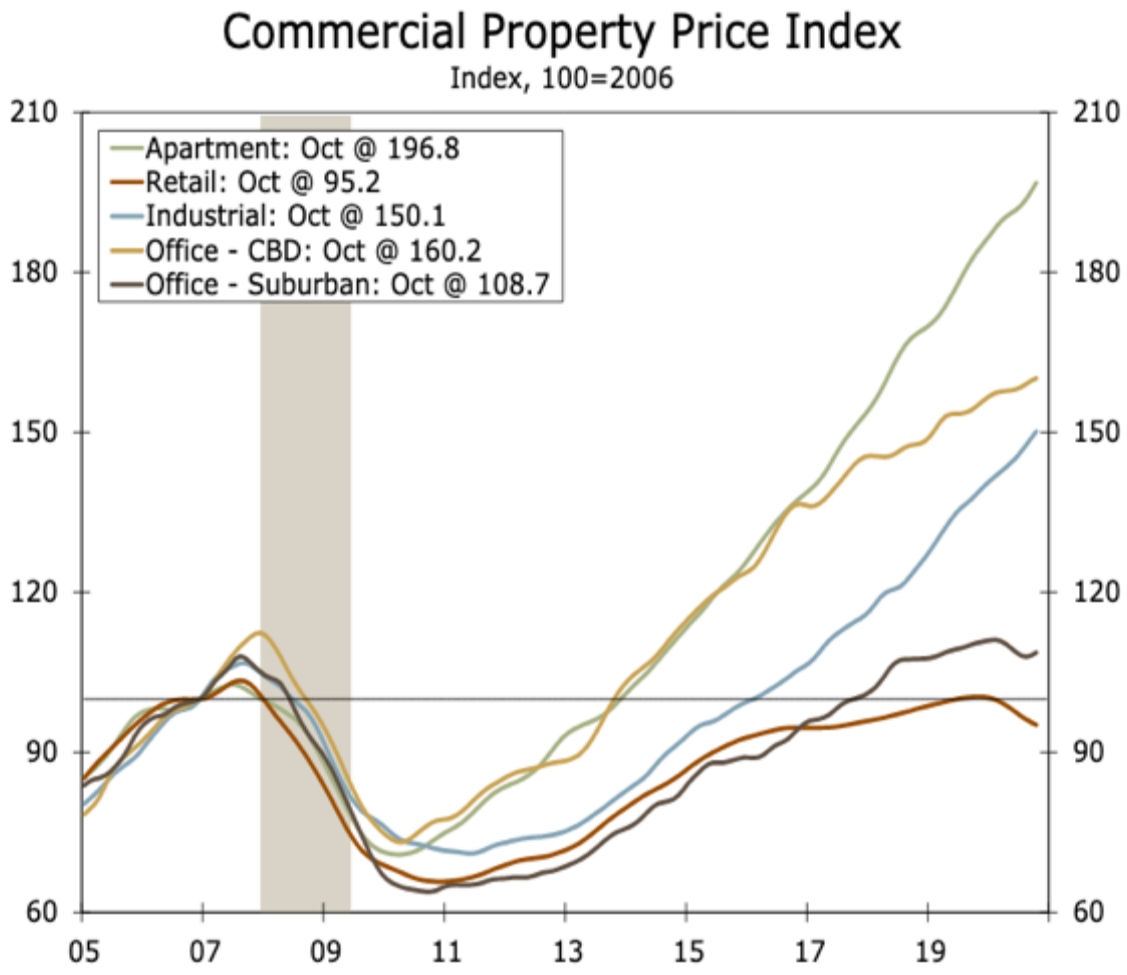
Source: PitchBook

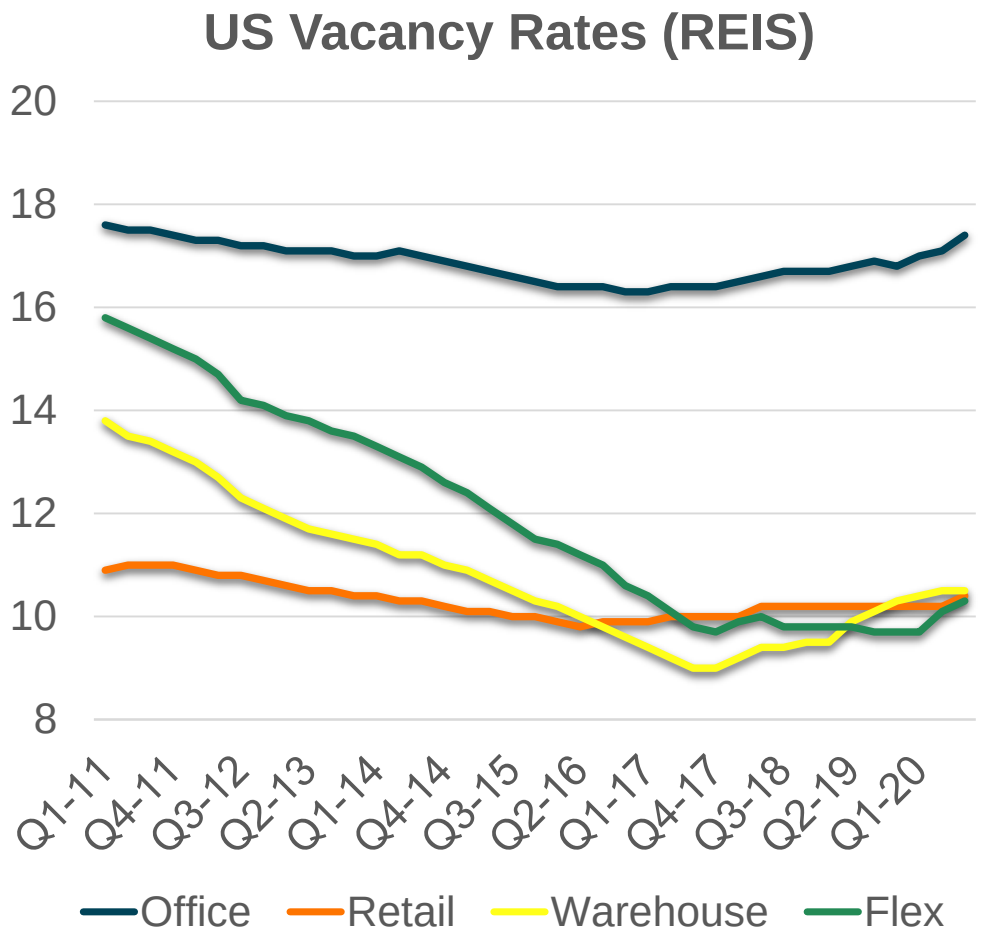
Venture Capital: 2020's Top Deals in the East Bay

Company	Deal Size ($, Mil.)	Date of Deal	Primary Industry
Pony.ai	462	2/25/20	Automotive
Zymergen	350	10/13/20	Biotechnology
Perfect Day	300	7/8/20	Food Products
Pony.ai	267	10/27/20	Automotive
Memphis Meats	186	4/10/20	Food Products
Tanium	151	10/5/20	Network Management Software
Marqeta	150	5/28/20	Financial Software
Tekion	150	10/21/20	Business/Productivity Software
Astra (Aerospace and Defense)	100	2/27/20	Aerospace and Defense
Fivetran	100	6/30/20	Business/Productivity Software

Source: PitchBook

Commercial RE Markets





Source: REIS

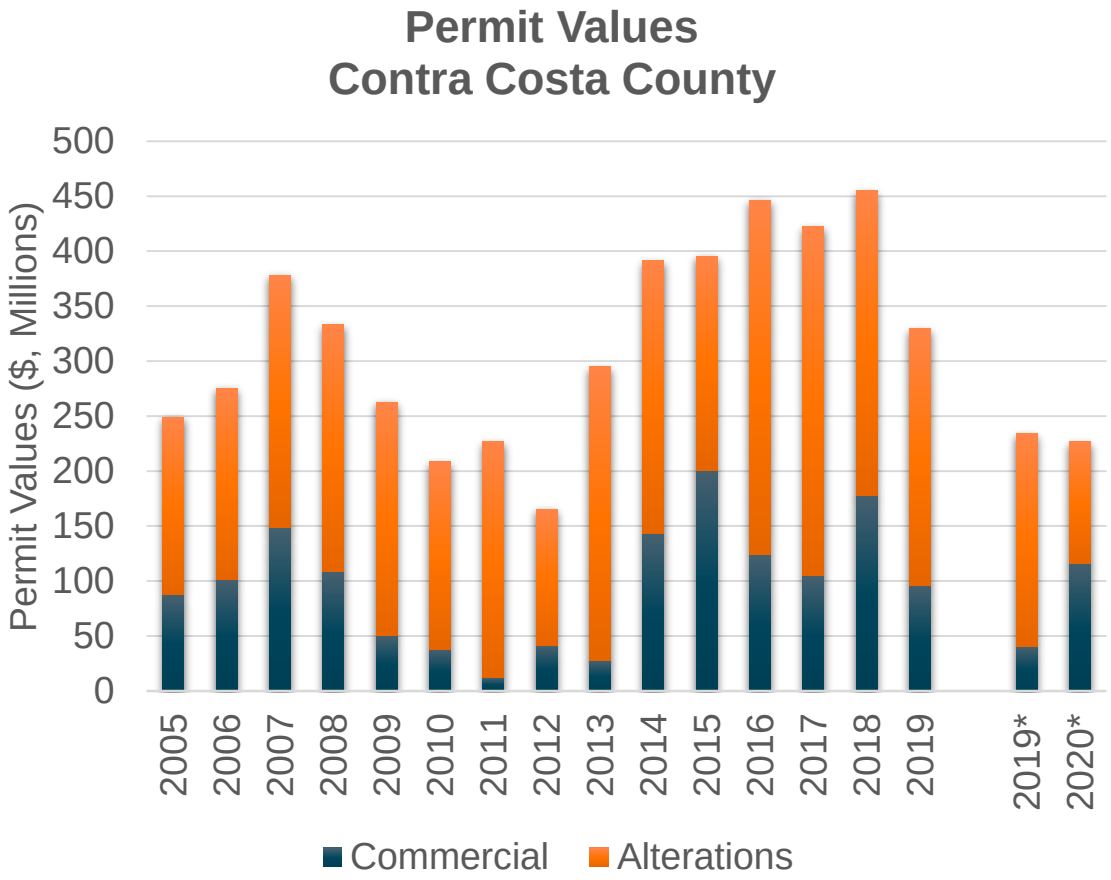
Nonresidential Rents and Vacancies

Cost of Rent	East Bay		South Bay		San Francisco	
	Q3-20	1-Yr % Gr	Q3-20	1-Yr % Gr	Q3-20	1-Yr % Gr
Office	35.5	2.2	47.0	0.9	65.8	2.5
Flex/R&D	11.9	2.0	17.8	1.2	16.9	0.5
Warehouse/Distribution	6.8	0.9	8.5	0.5	10.3	0.1
Retail	31.9	-0.7	37.6	-0.6	41.3	0.3

Vacancy Rate	East Bay		South Bay		San Francisco	
	Q3-20	1-Yr % Gr	Q3-20	1-Yr % Gr	Q3-20	1-Yr % Gr
Office	16.4	1.1	18.3	0.1	9.9	1.1
Flex/R&D	13.2	0.8	13.6	2.0	6.8	-1.8
Warehouse/Distribution	8.3	0.3	5.7	0.3	4.8	0.6
Retail	8.9	-0.1	9.1	1.3	5.1	-0.5

Source: REIS

Nonresidential Real Estate – Contra Costa



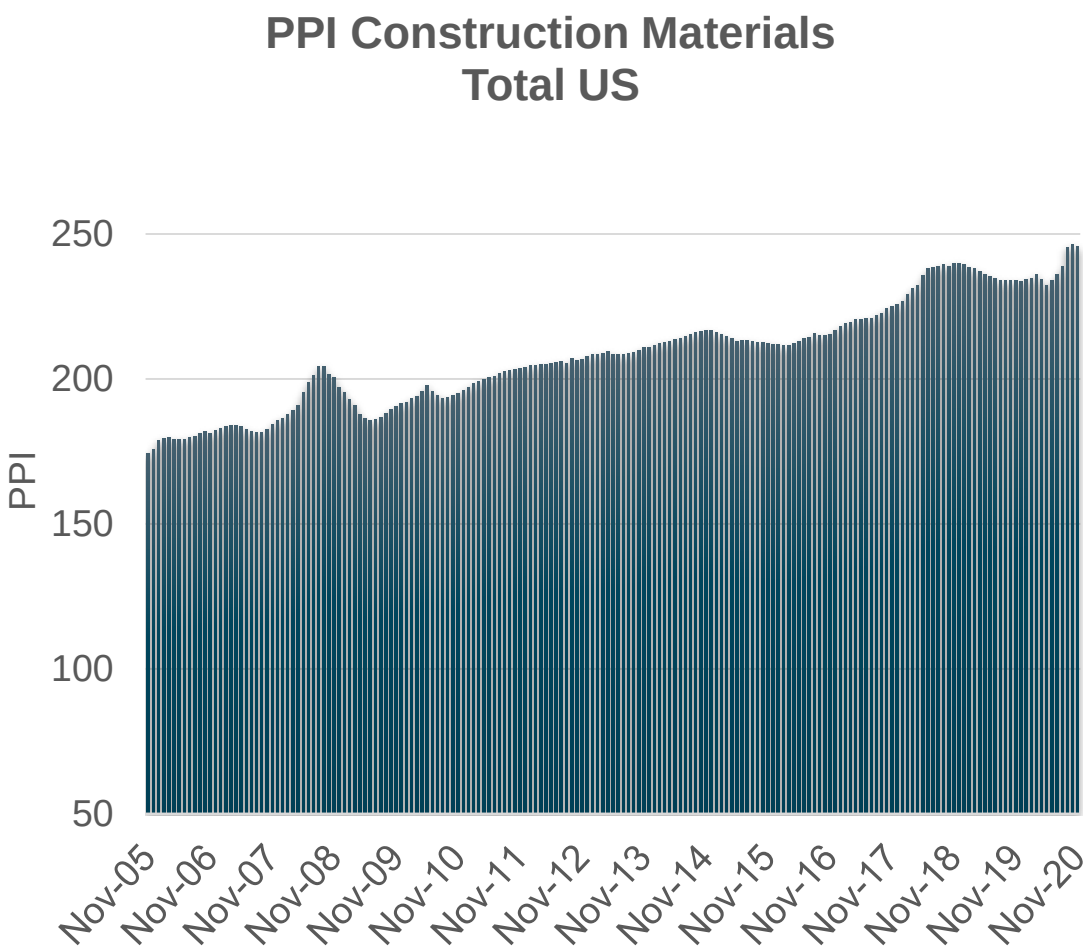
Contra Costa	Value of Permits ($, Millions)		
	2020*	2019*	1-Yr Change
Commercial	116	40	76
Retail	113	17	96
Alterations	110	194	-83
Office	1	21	-19

East Bay Totals	Value of Permits ($, Millions)		
	2020*	2019*	1-Yr Change
Alterations	607	911	-304
Commercial	250	601	-350
Retail	138	319	-181
Office	59	141	-83
Hotel	20	83	-64

*YTD as of Q3-2020

Source: CIRB

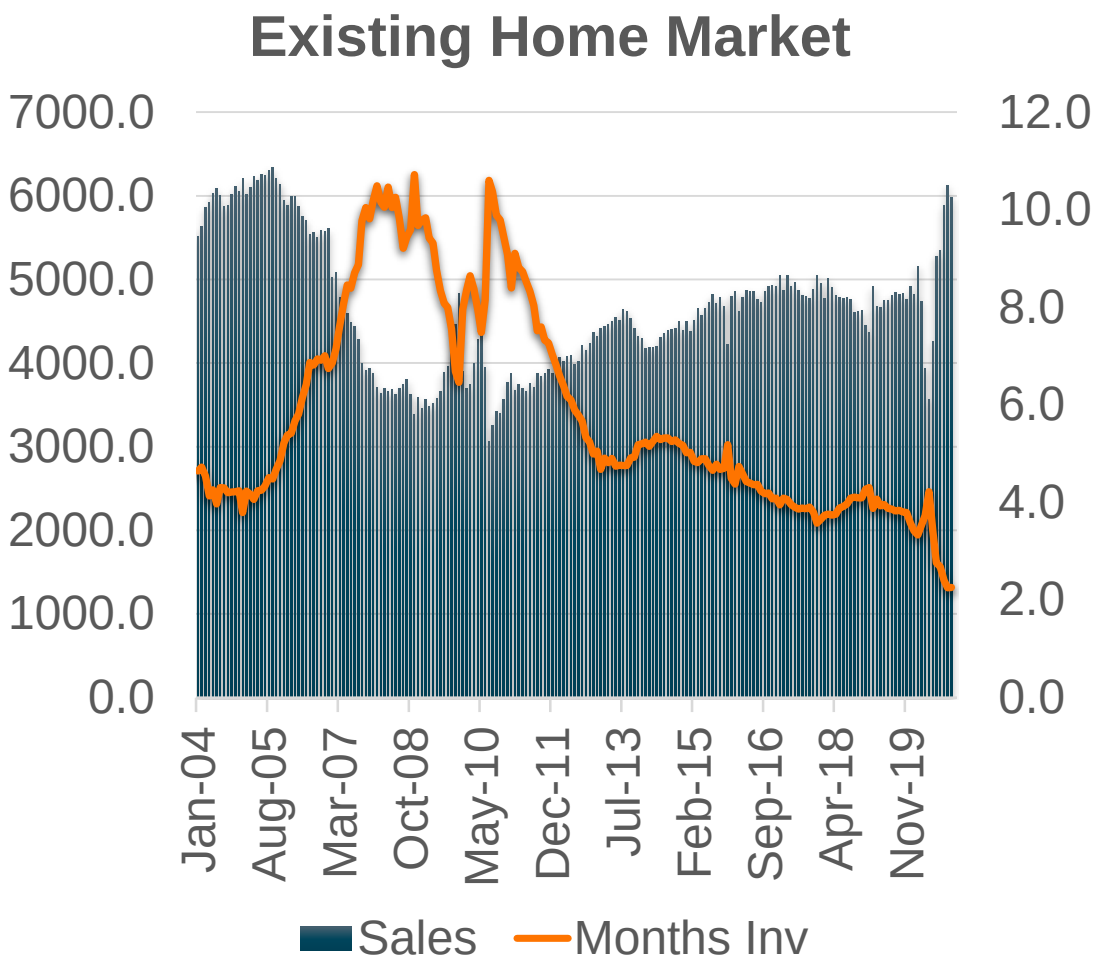
Construction Costs – National

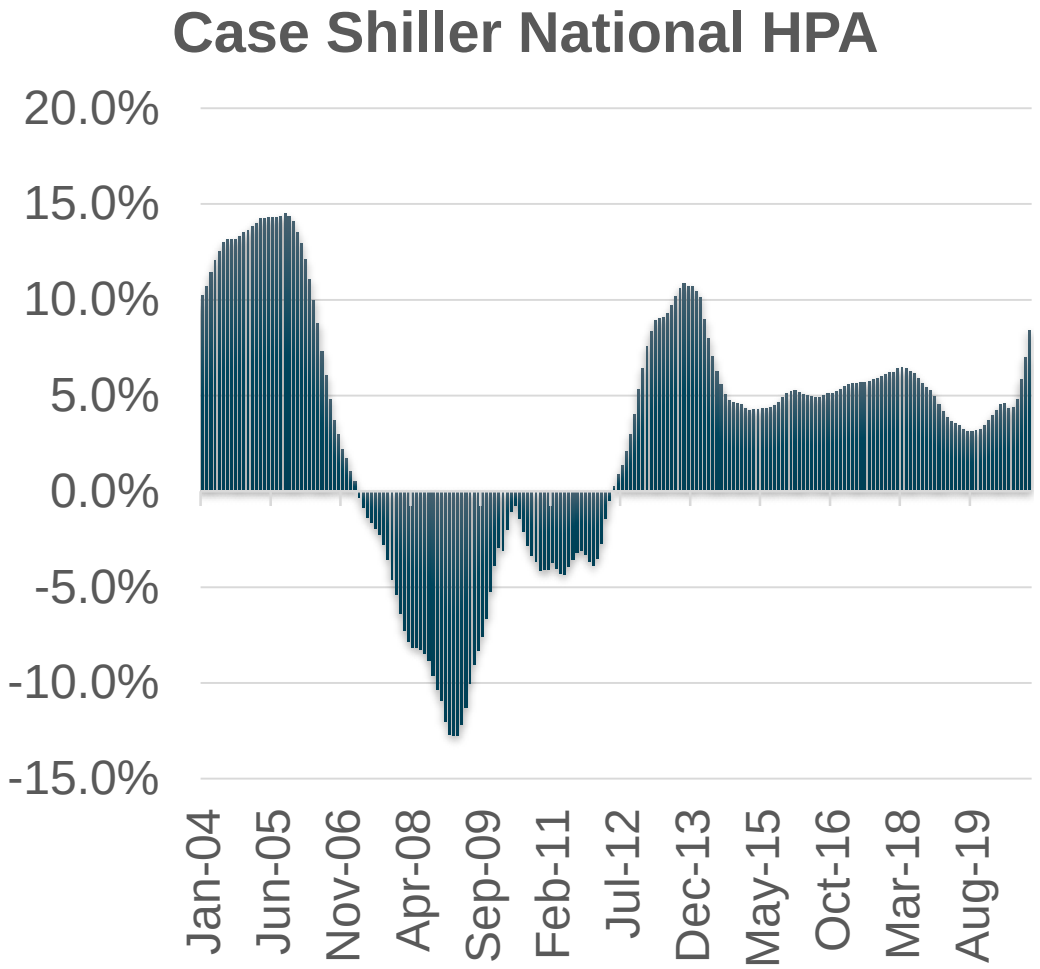


Commodity	PPI Nov-20	% Growth		
		Apr-Nov	1-Yr	5-Yr
Lumber	264.2	29.2	26.8	35.2
Natural gas	129.7	110.9	19.9	21.0
Iron & steel	210.4	2.8	2.6	20.1
Construction machinery	236.7	0.0	1.2	8.9
Coal	192.7	1.0	-1.3	1.0
Petroleum	147.6	63.5	-23.2	-5.5
Asphalt	148.7	0.5	-25.7	-6.8

Source: BLS

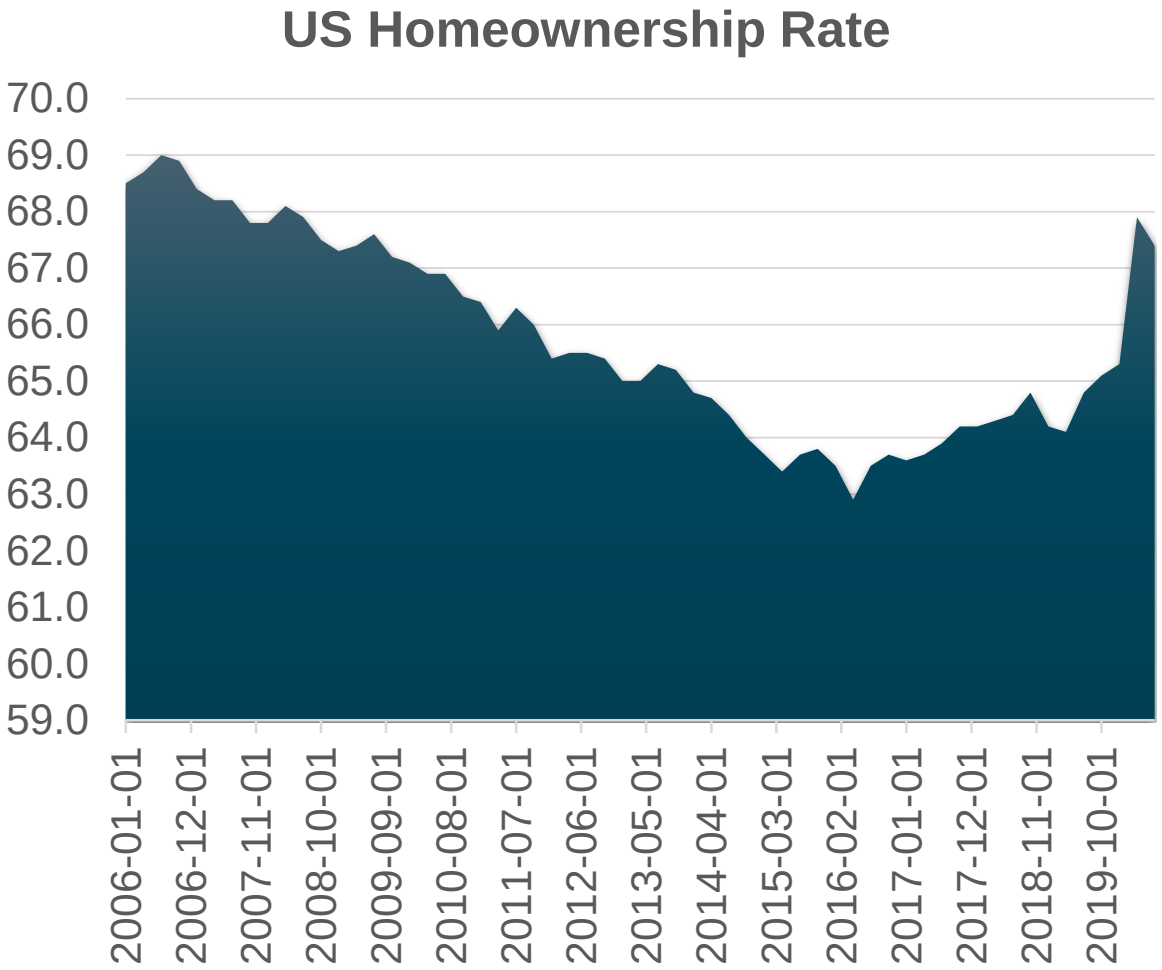
Housing – U.S.





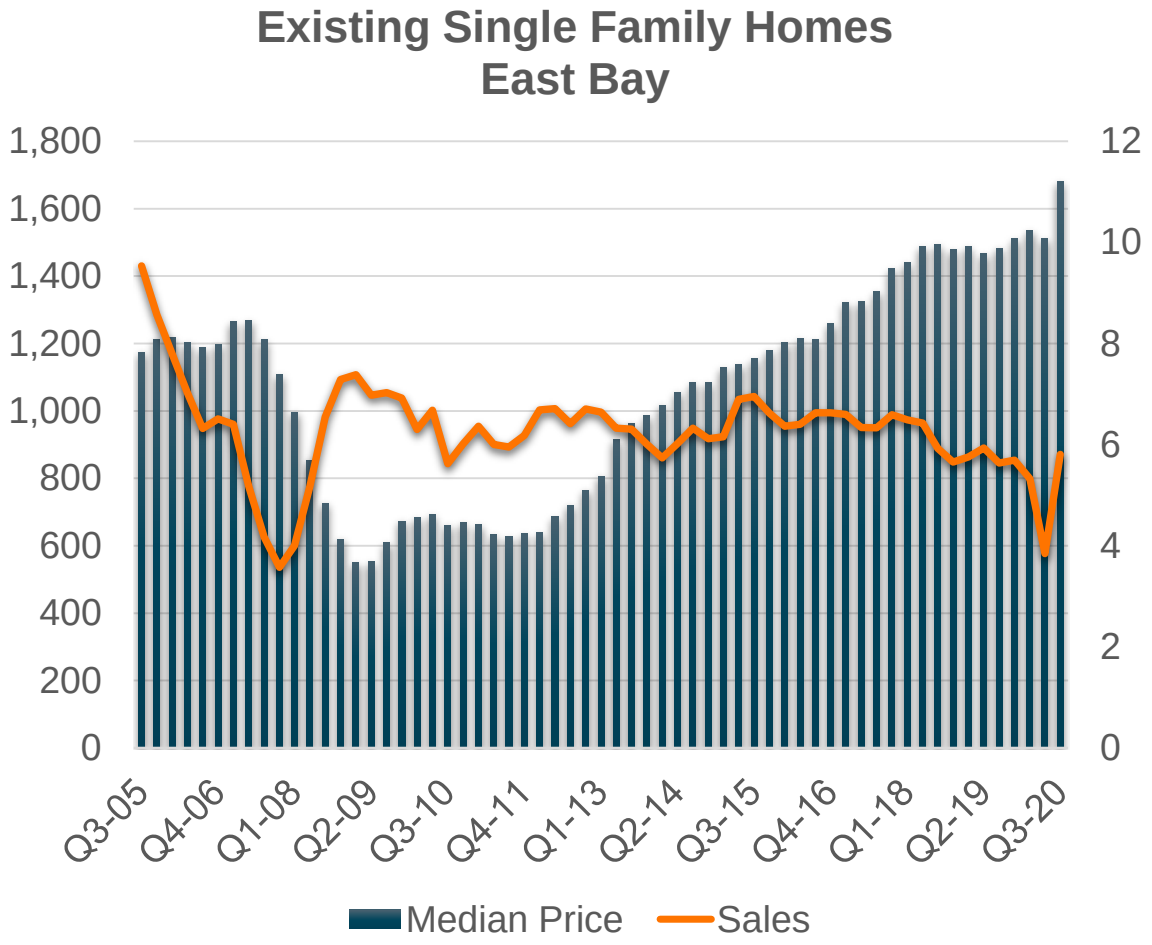
Source: National Association of Realtors, S&P Global

The Big Shift



	Third Quarter 2019 (r)	Third Quarter 2020
Occupied	122,731	126,703
Owner	79,489	85,440
Renter	43,241	41,262
Vacant	17,051	14,246

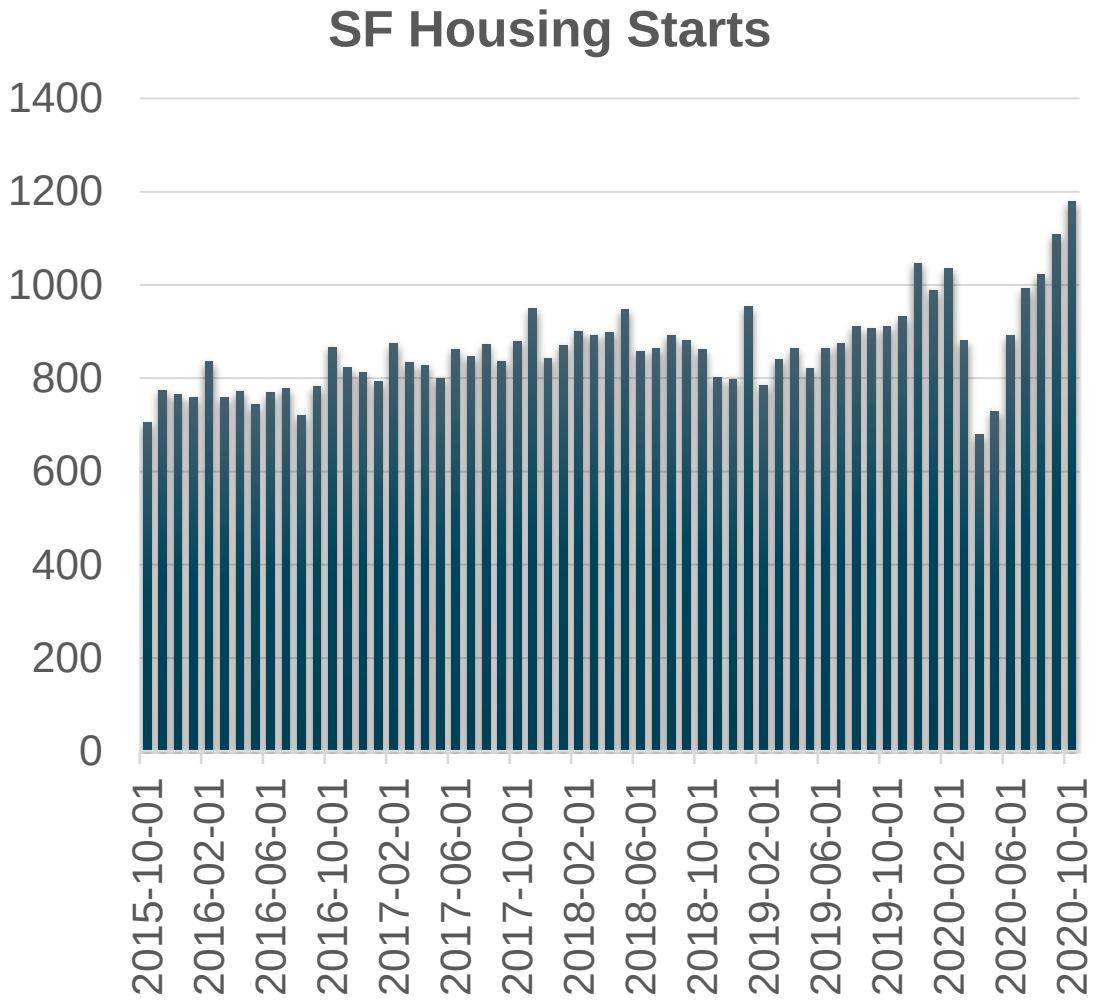
Residential Real Estate – East Bay

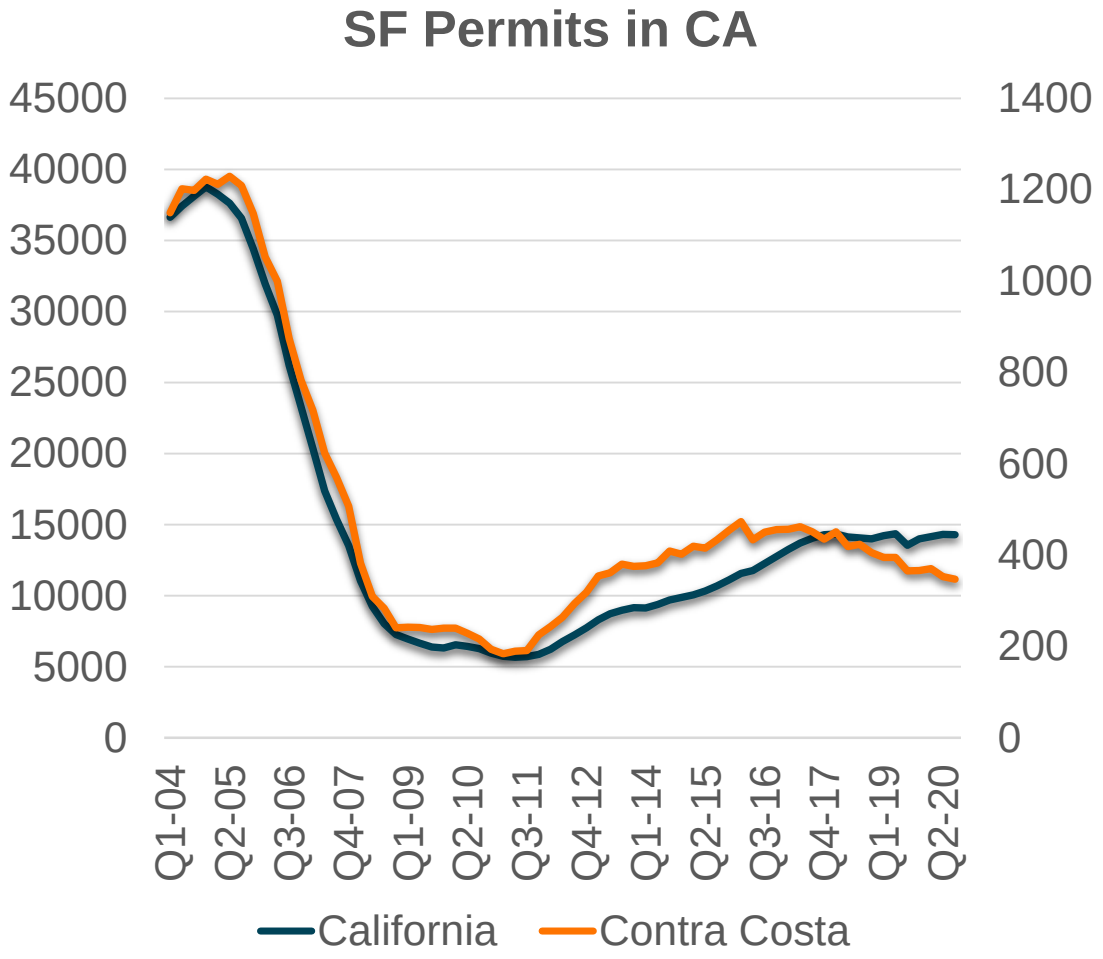


County	Median Prices ($000s)		Sales	
	Q3-20	1-Yr Growth	Q3-20	1-Yr Growth
Contra Costa	750	17.7	3,804	17.1
Alameda	965	10.3	2,647	-12.3
Santa Clara	1,320	11.2	3,446	17.5
San Francisco	1,601	6.7	725	18.5

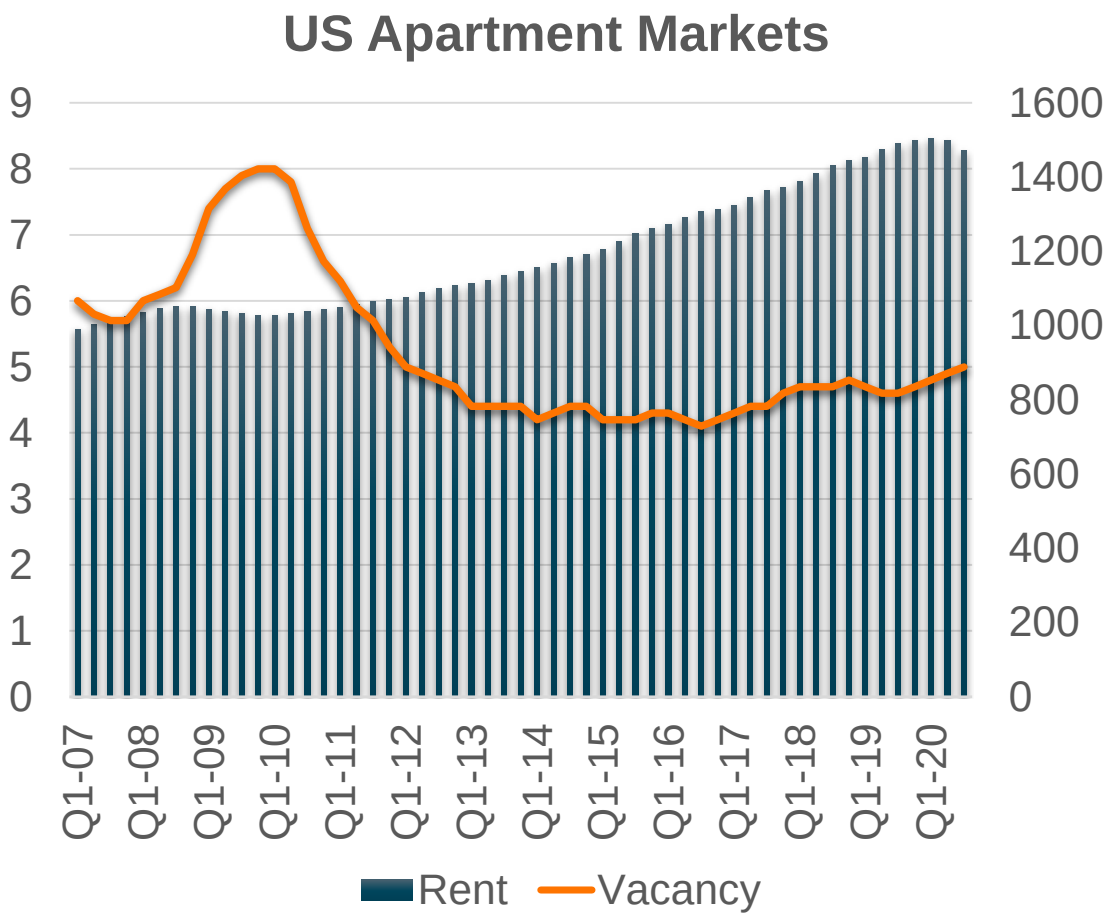
Source: CoreLogic

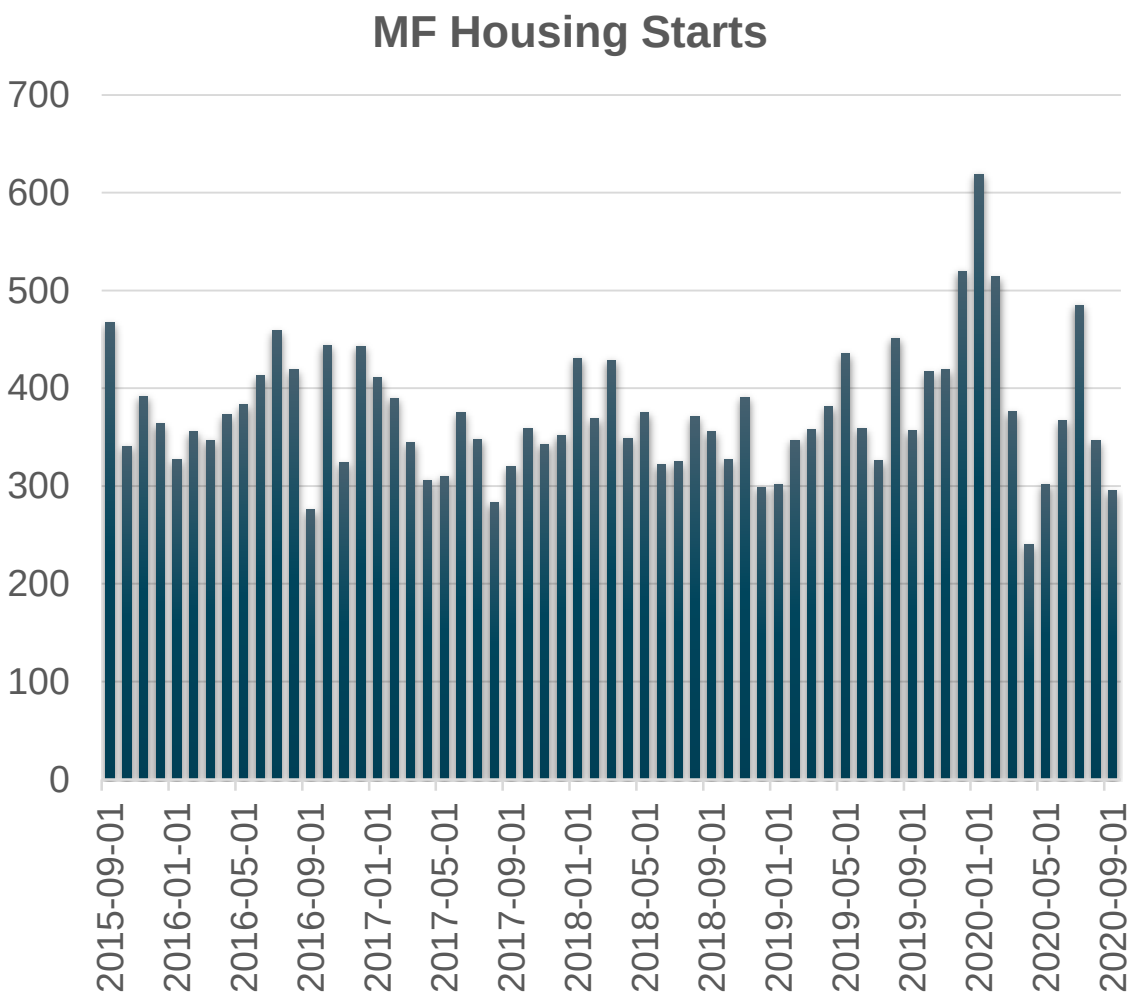
Housing Starts





Apartments?


US Apartment Markets
9
8
7
6
5
4
3
2
1
0
1600
1400
1200
1000
800
600
400
200
0
Q1-07
Q1-08
Q1-09
Q1-10
Q1-11
Q1-12
Q1-13
Q1-14
Q1-15
Q1-16
Q1-17
Q1-18
Q1-19
Q1-20
Rent
Vacancy


MF Housing Starts
700
600
500
400
300
200
100
0
2015-09-01
2016-01-01
2016-05-01
2016-09-01
2017-01-01
2017-05-01
2017-09-01
2018-01-01
2018-05-01
2018-09-01
2019-01-01
2019-05-01
2019-09-01
2020-01-01
2020-05-01
2020-09-01

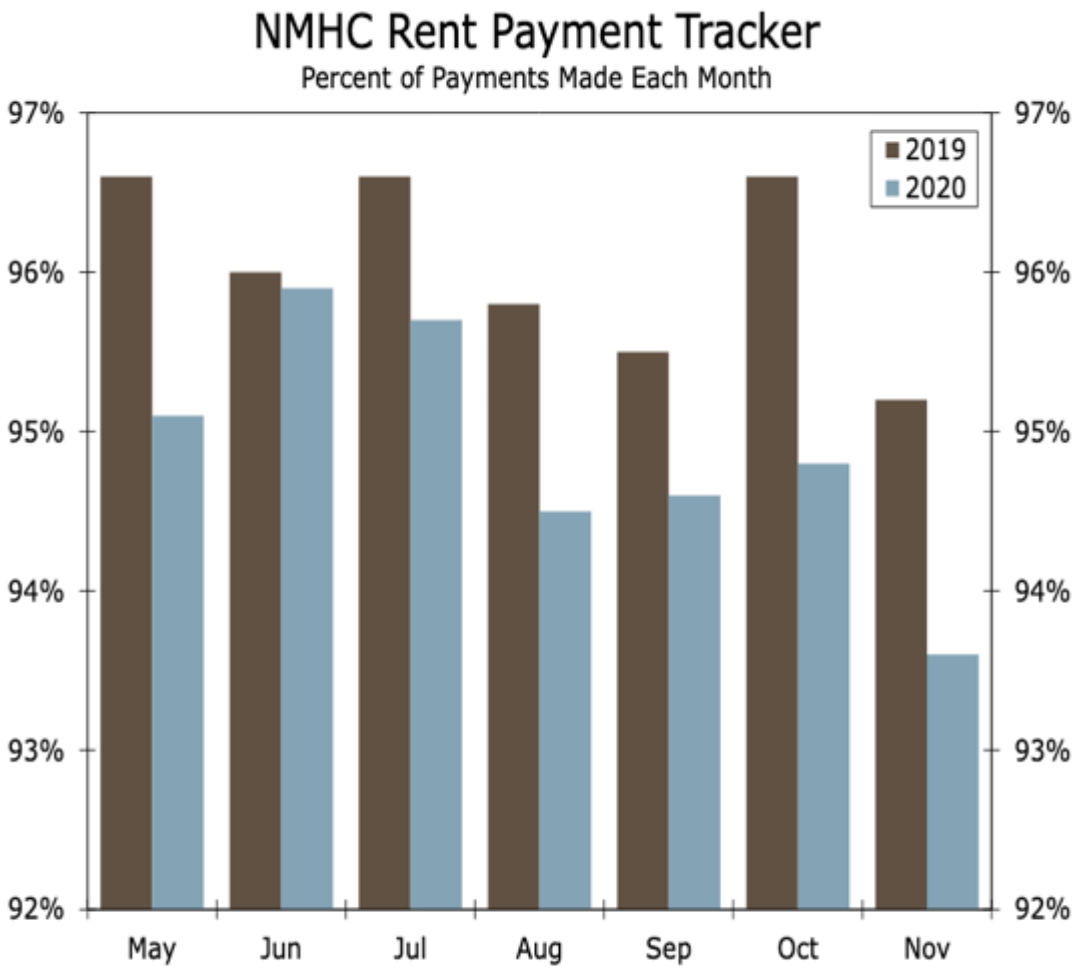
Apartments?

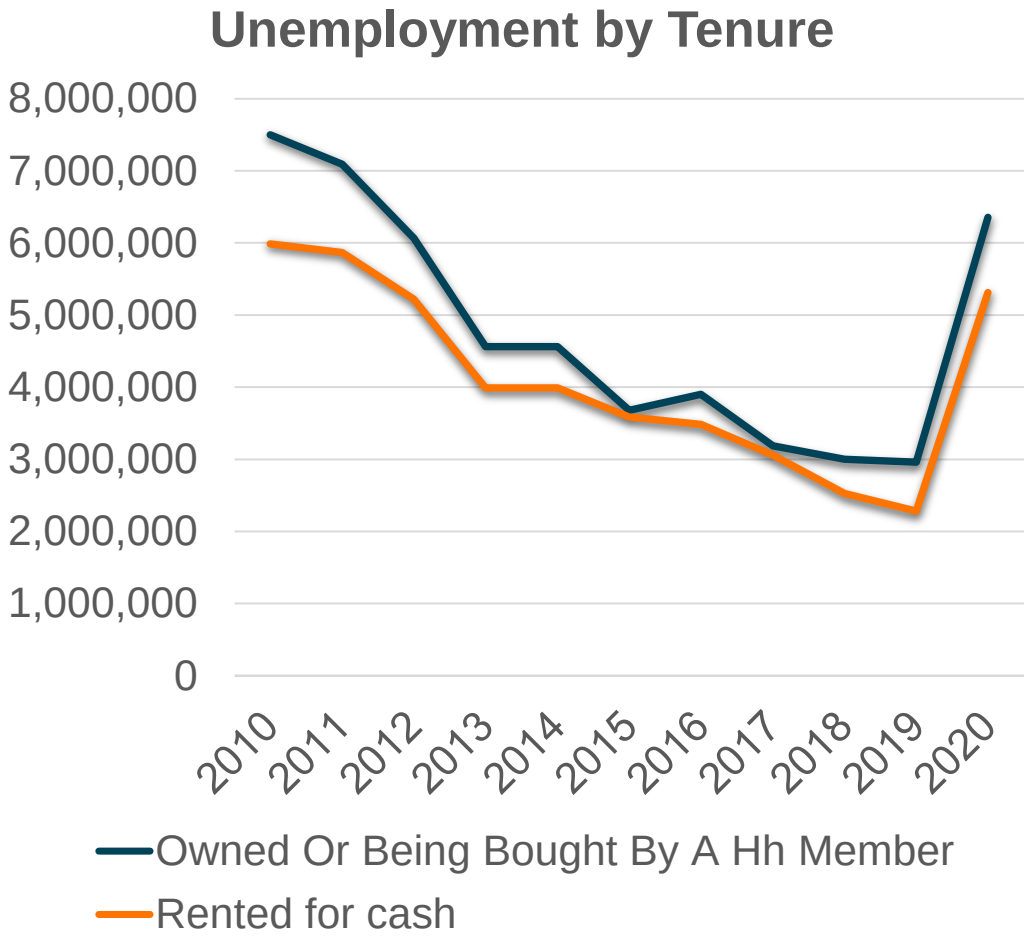
STATELINE

Eviction looms for millions despite new federal aid package

An estimated 30 million to 40 million renters are in danger of eviction. Millions have been unable to pay their rent for months because of the pandemic. Job losses, illnesses, kids in virtual school who need to be supervised at the expense of work—the combination of these stressors has produced about $70 billion owed in back rent, according to the National Apartment Association, which represents landlords.

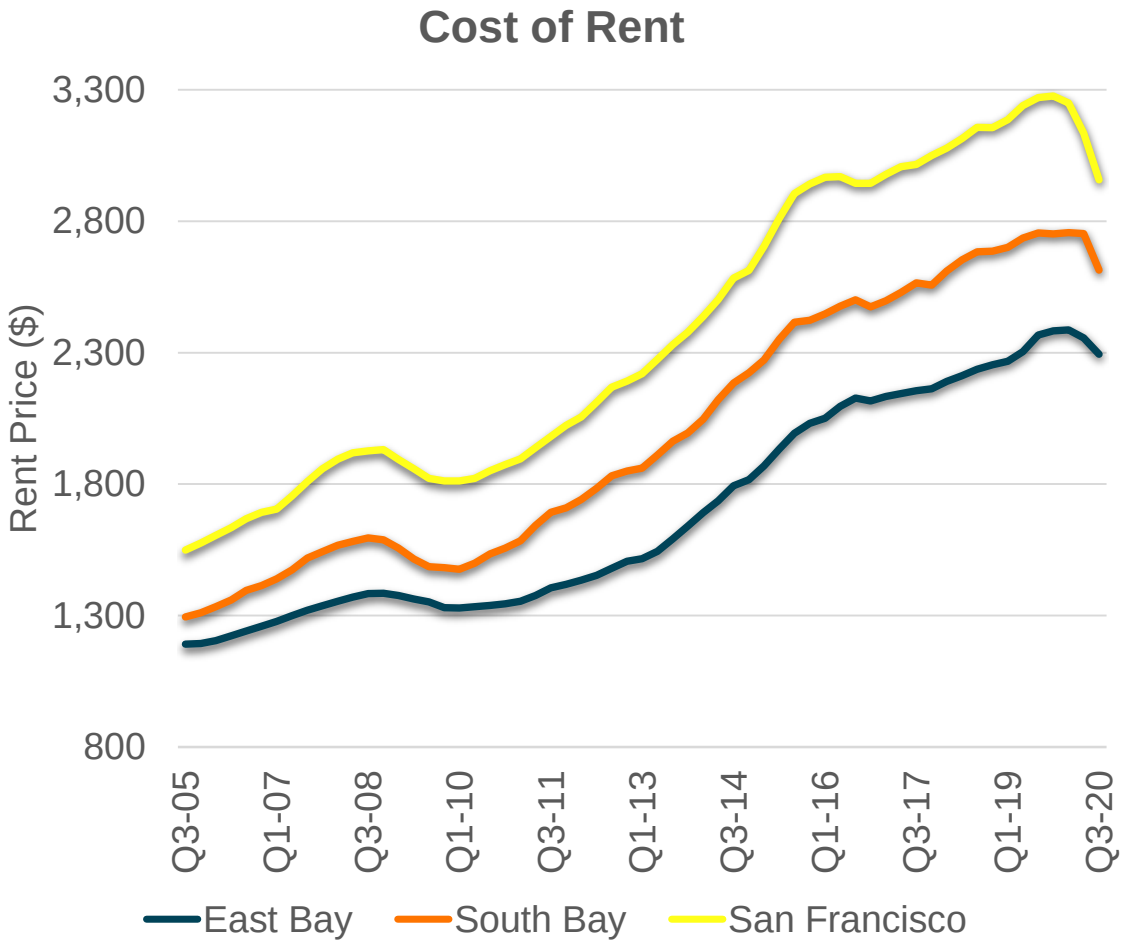
Apartment Market

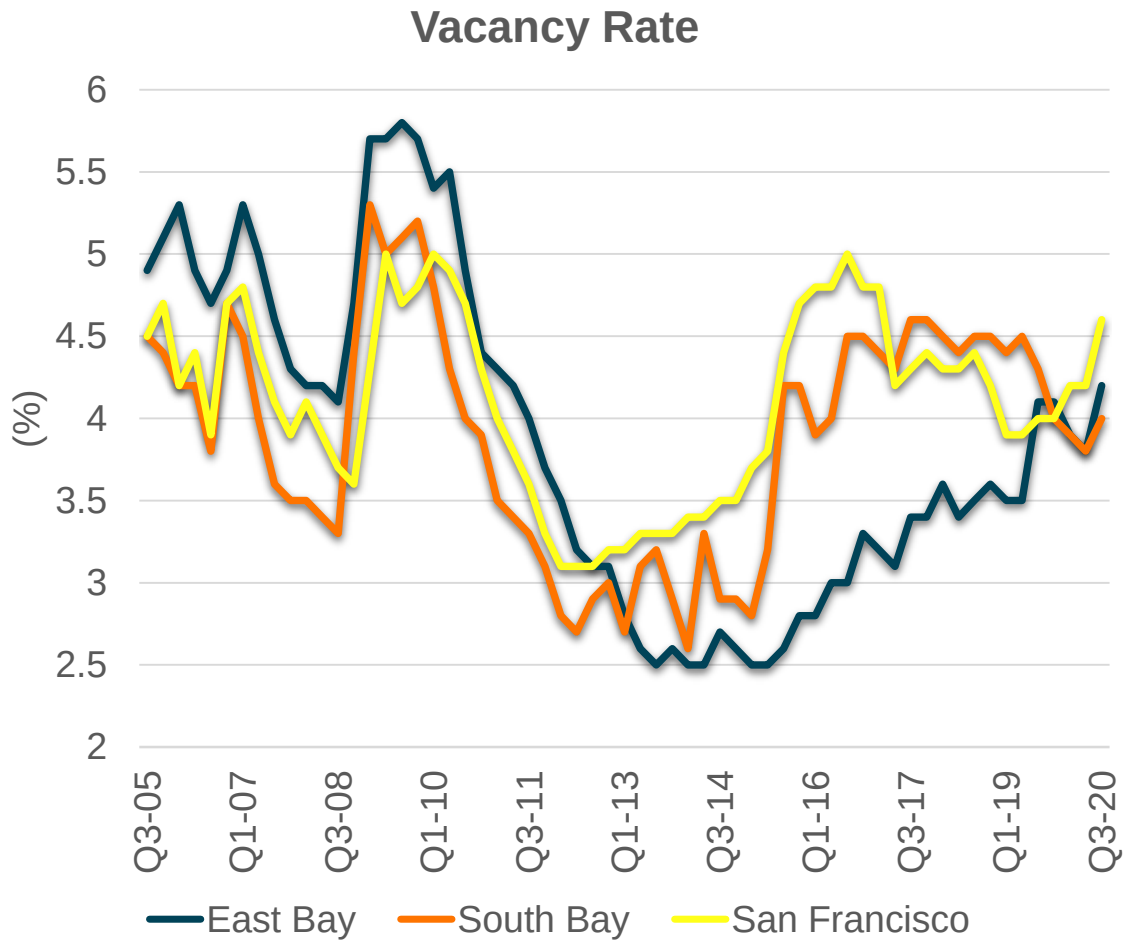




Source: REIS

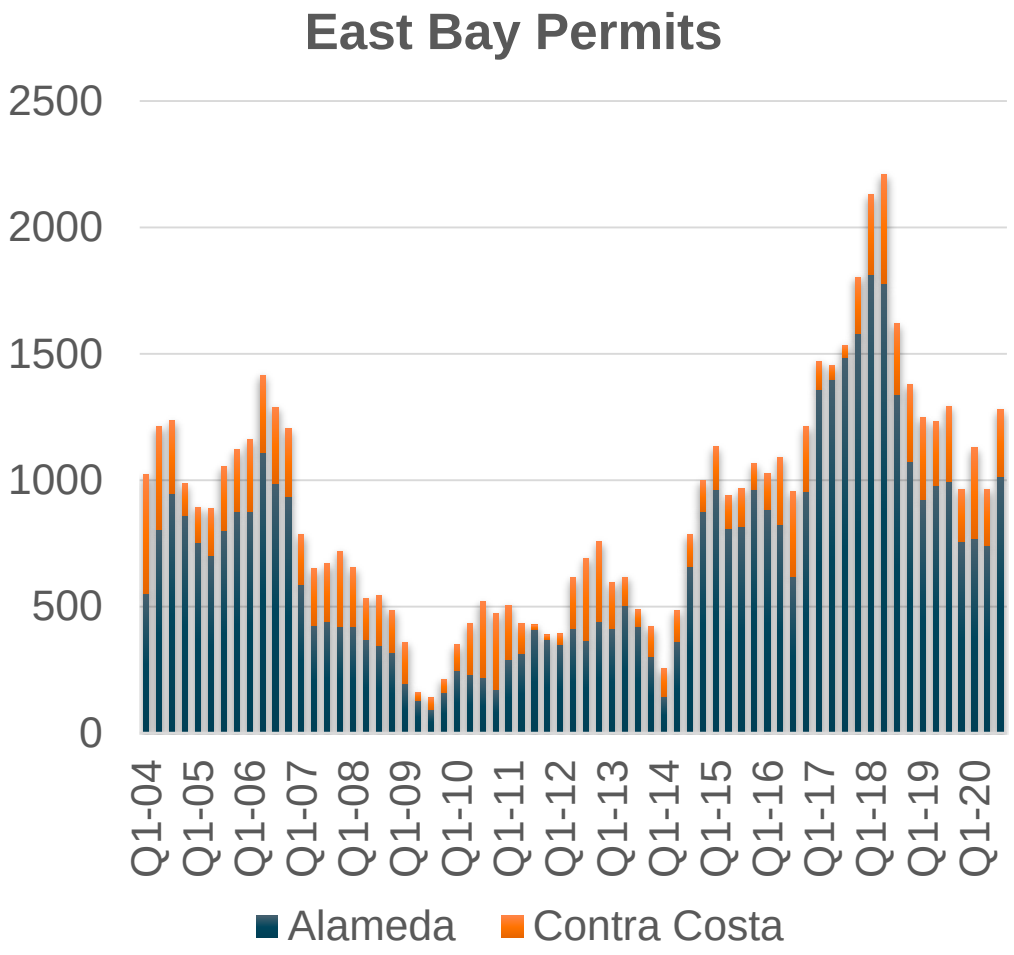
Rent and Vacancies

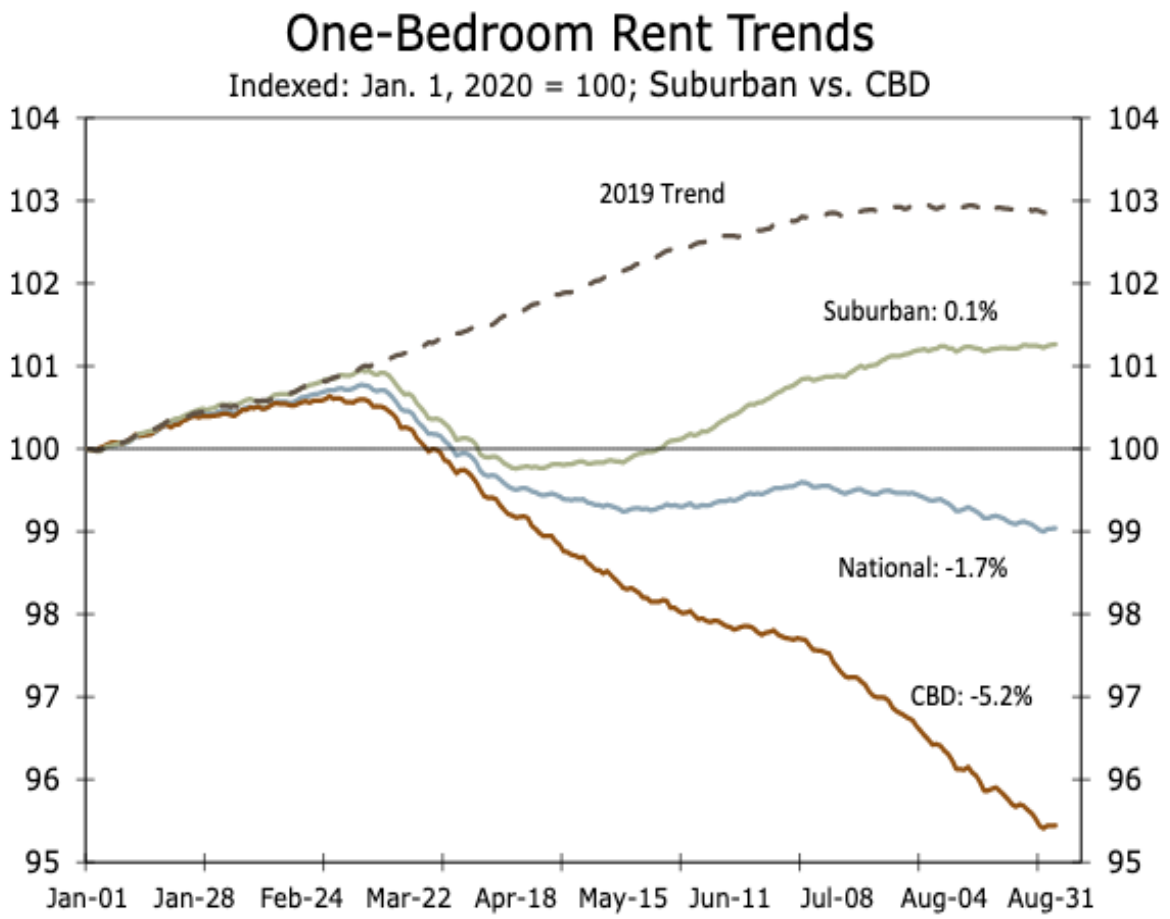




Source: REIS

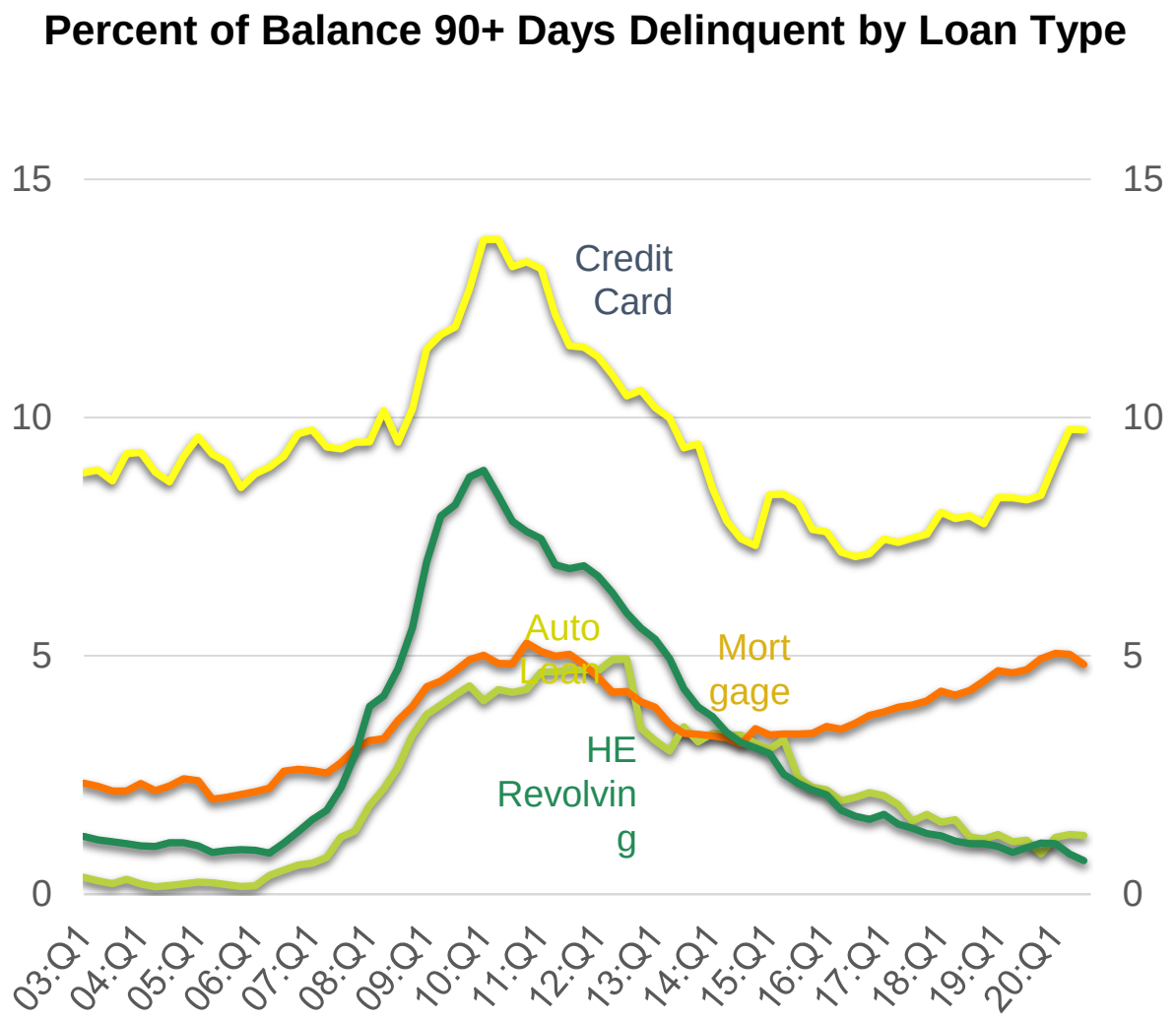
MF Residential Permits

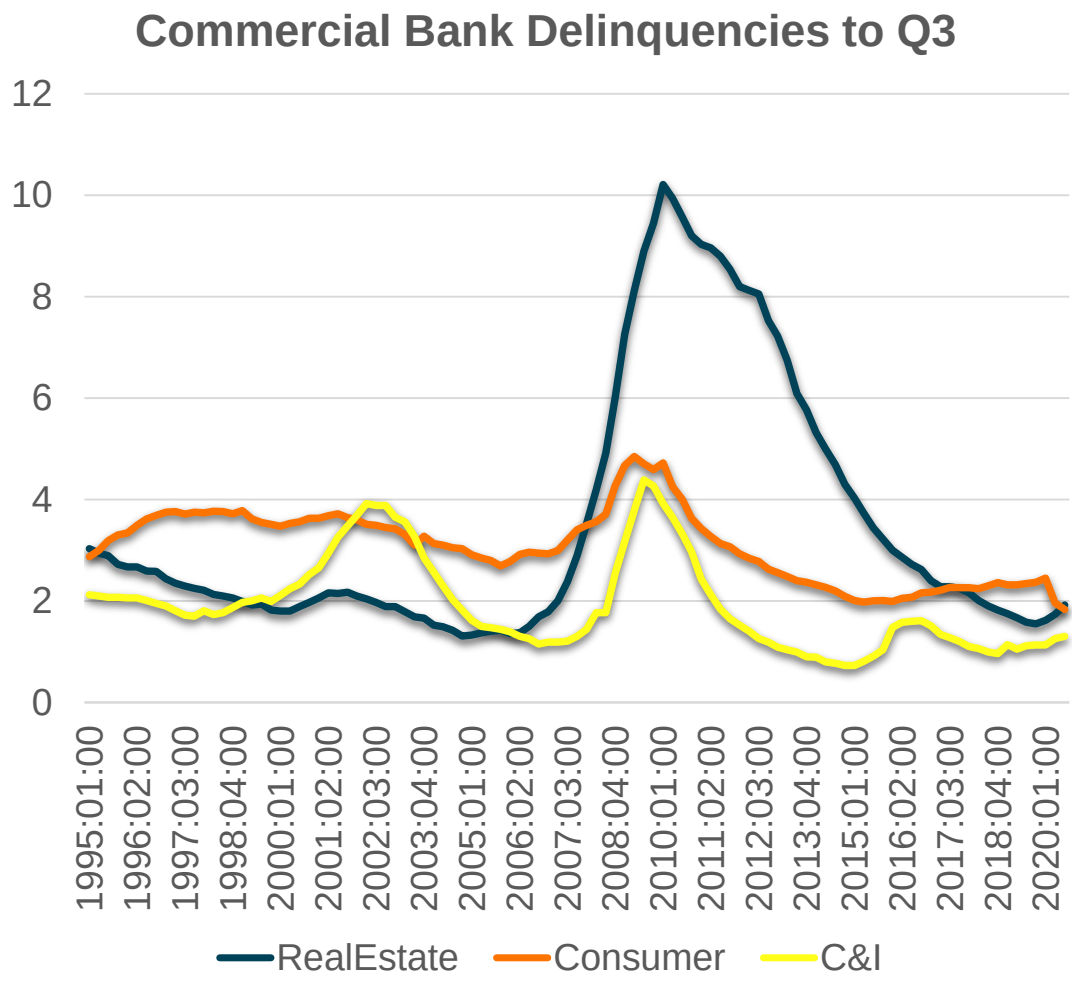




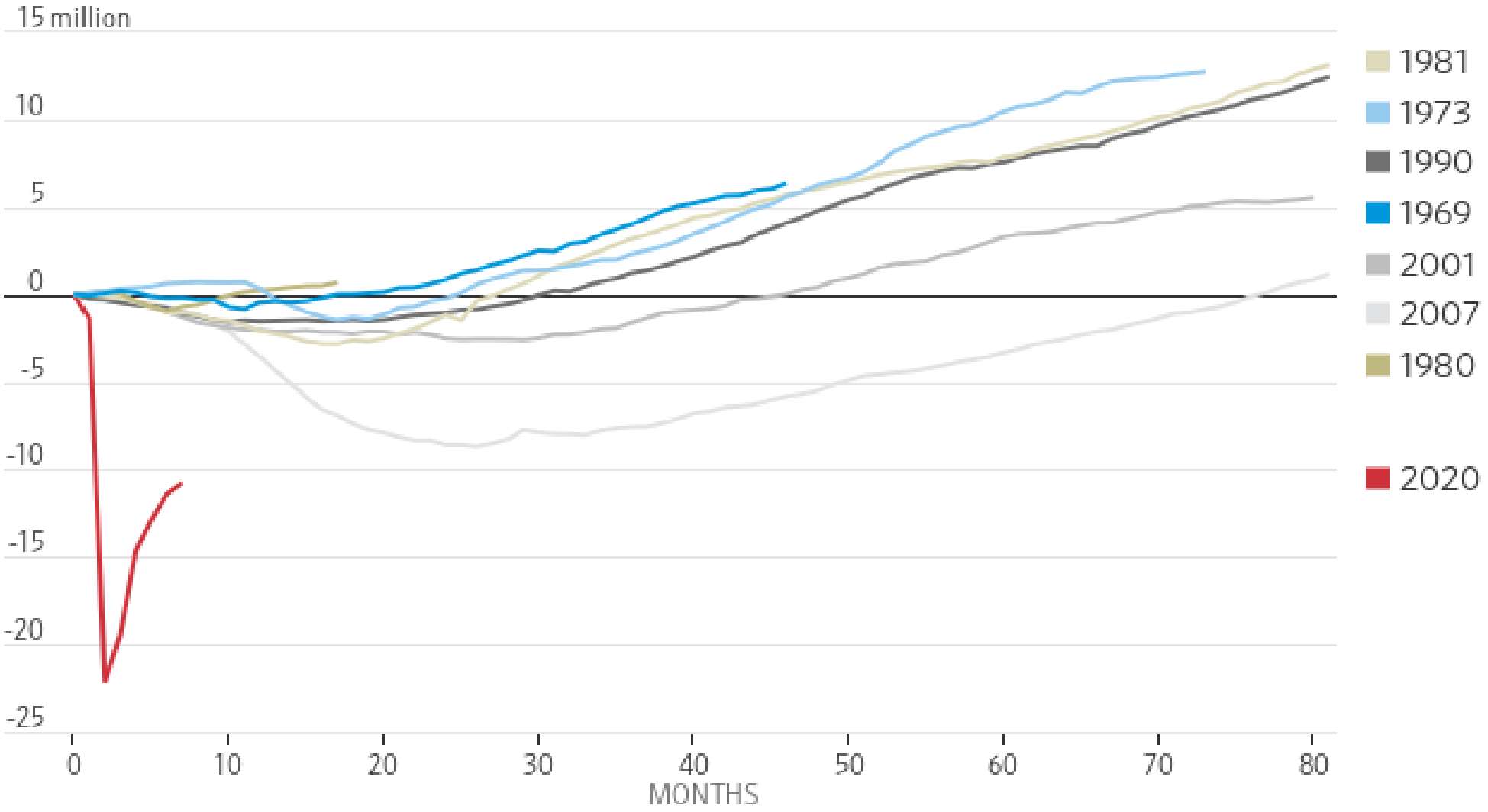
Source: CIRB

Credit issues?

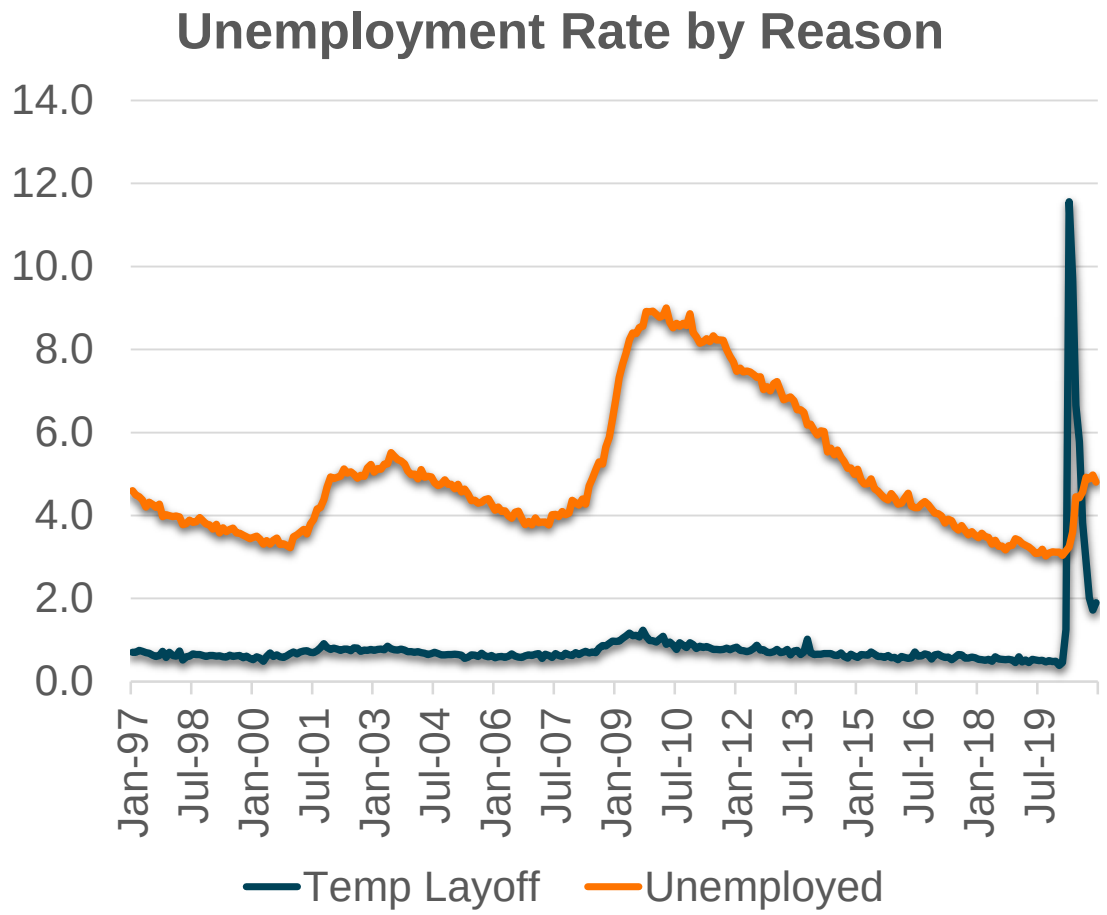


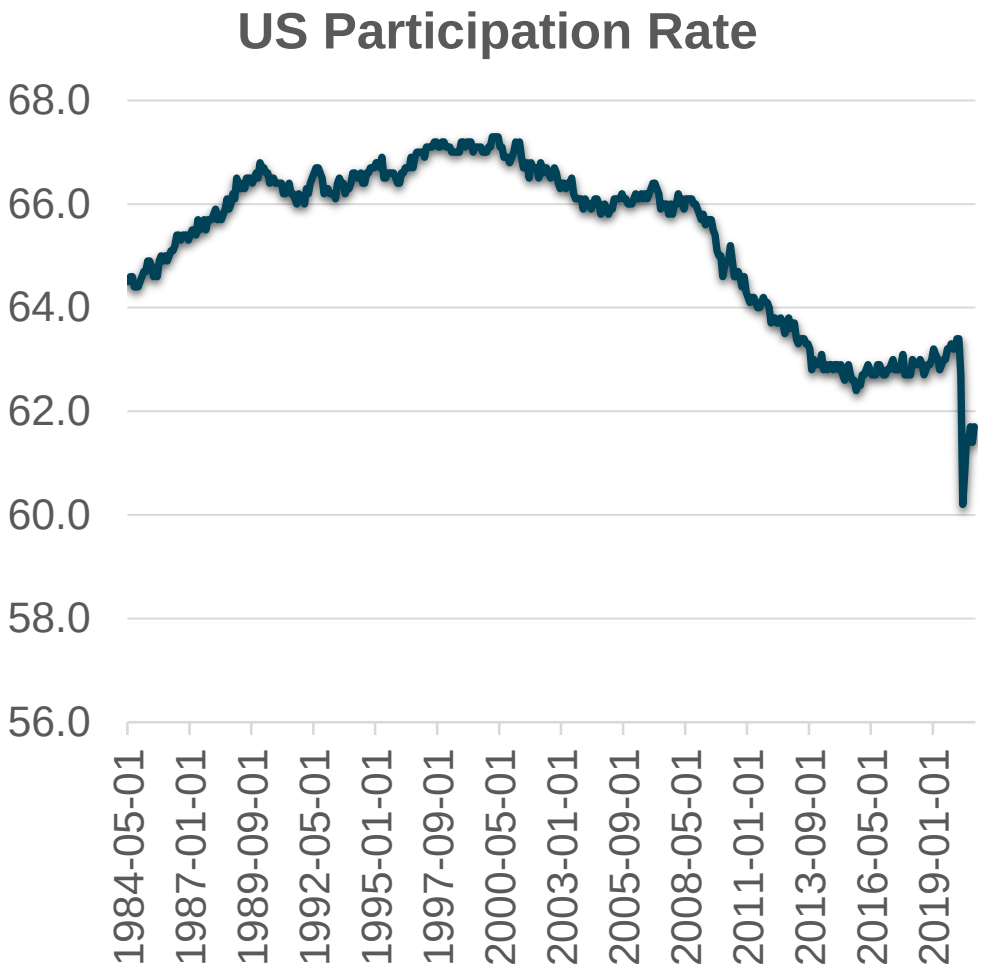


The biggest lagging indicator: Jobs

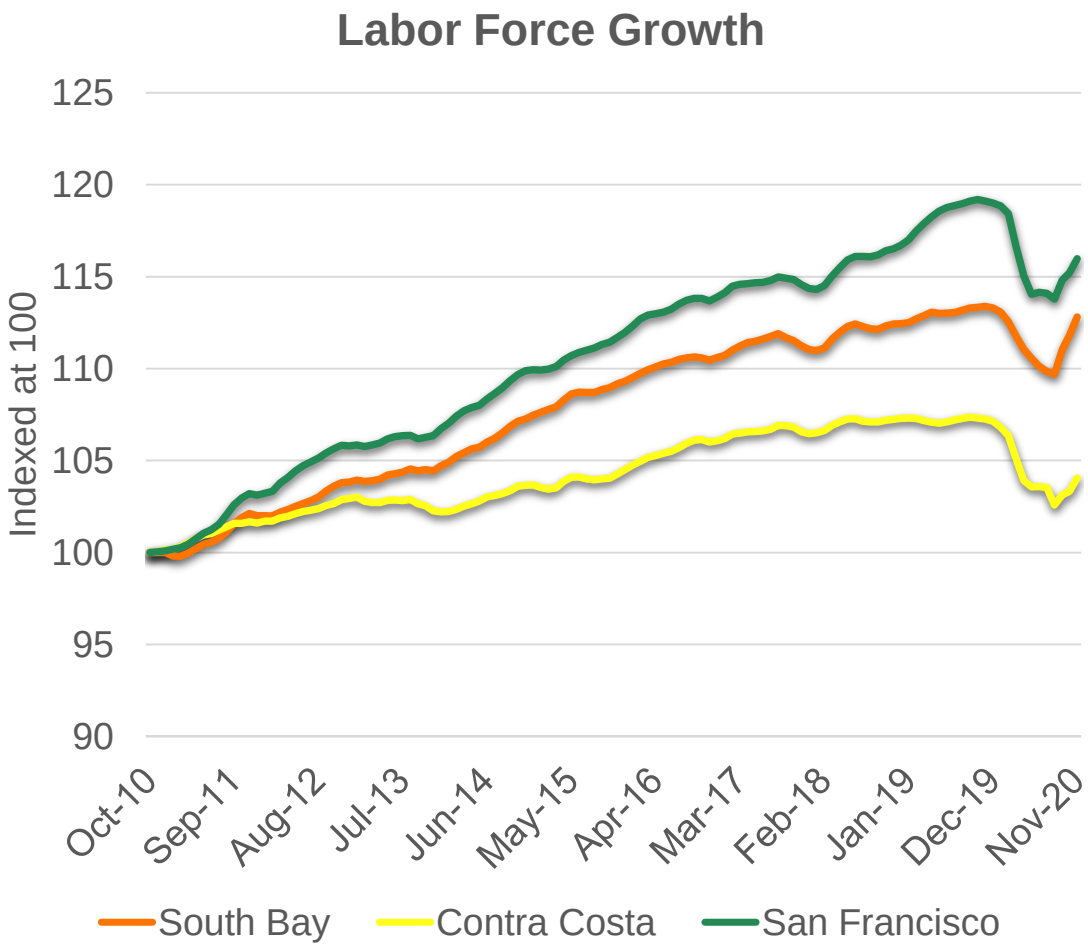


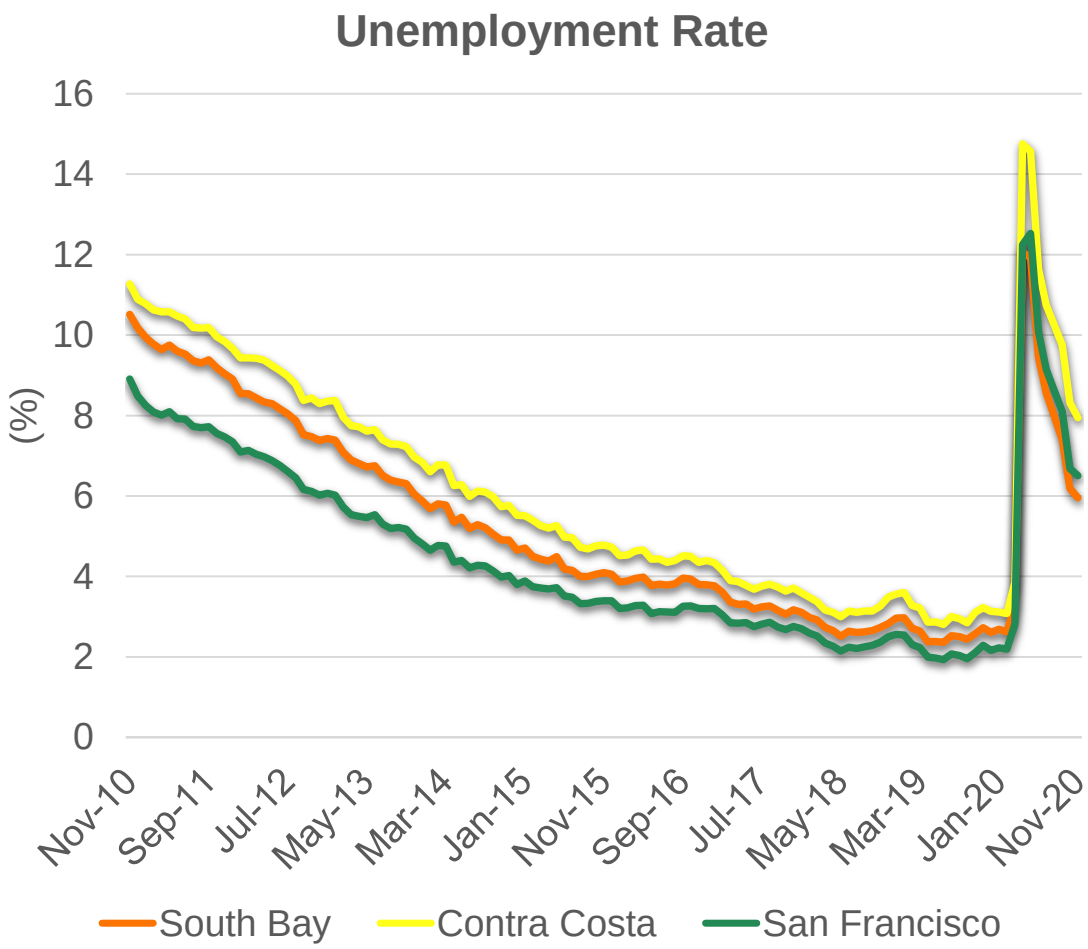
Misreading Unemployment





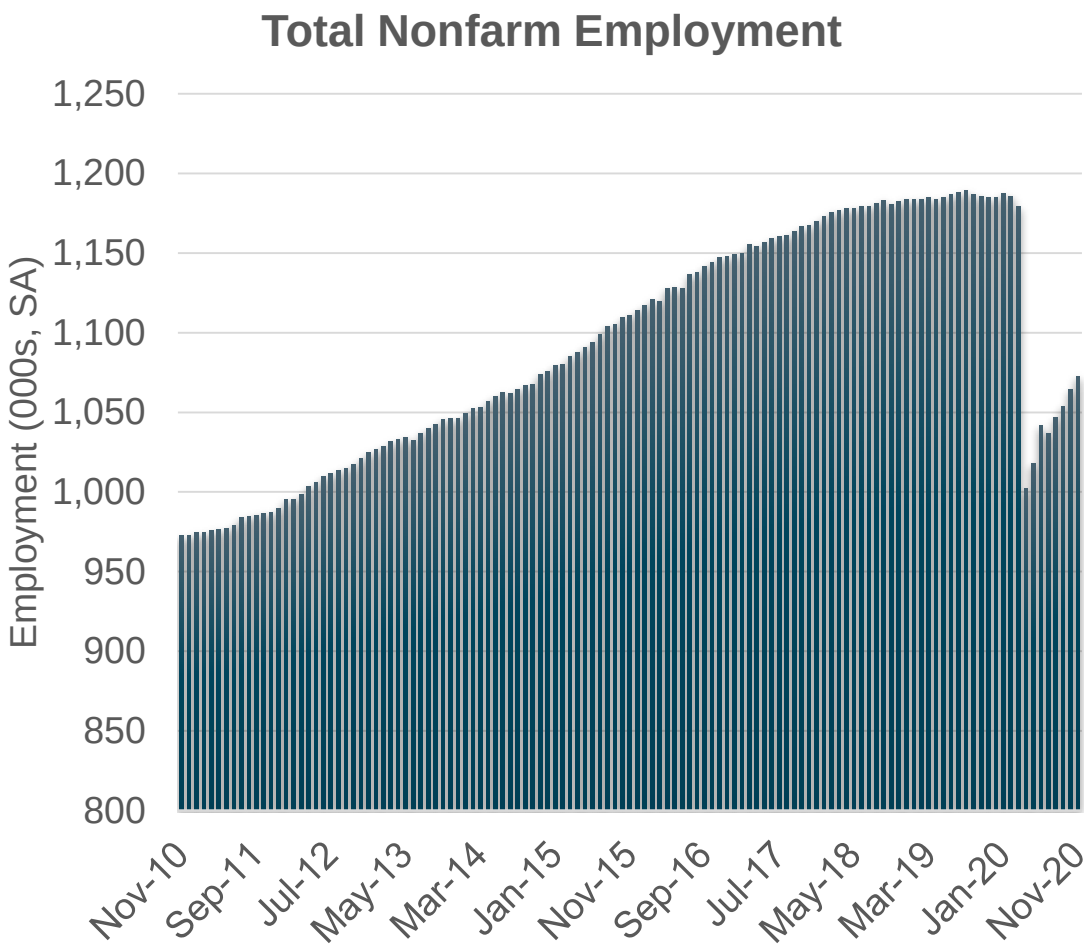
Labor Market





Source: California EDD

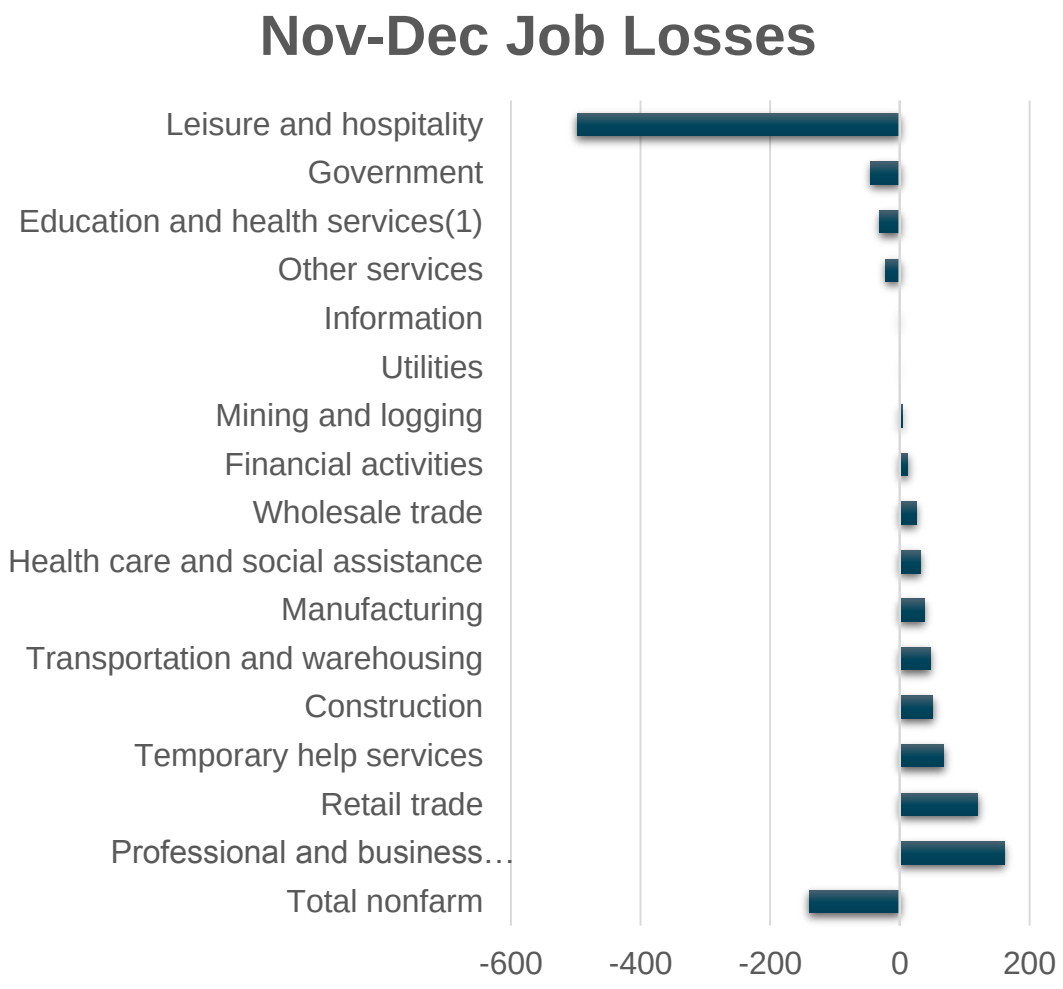
Employment – East Bay



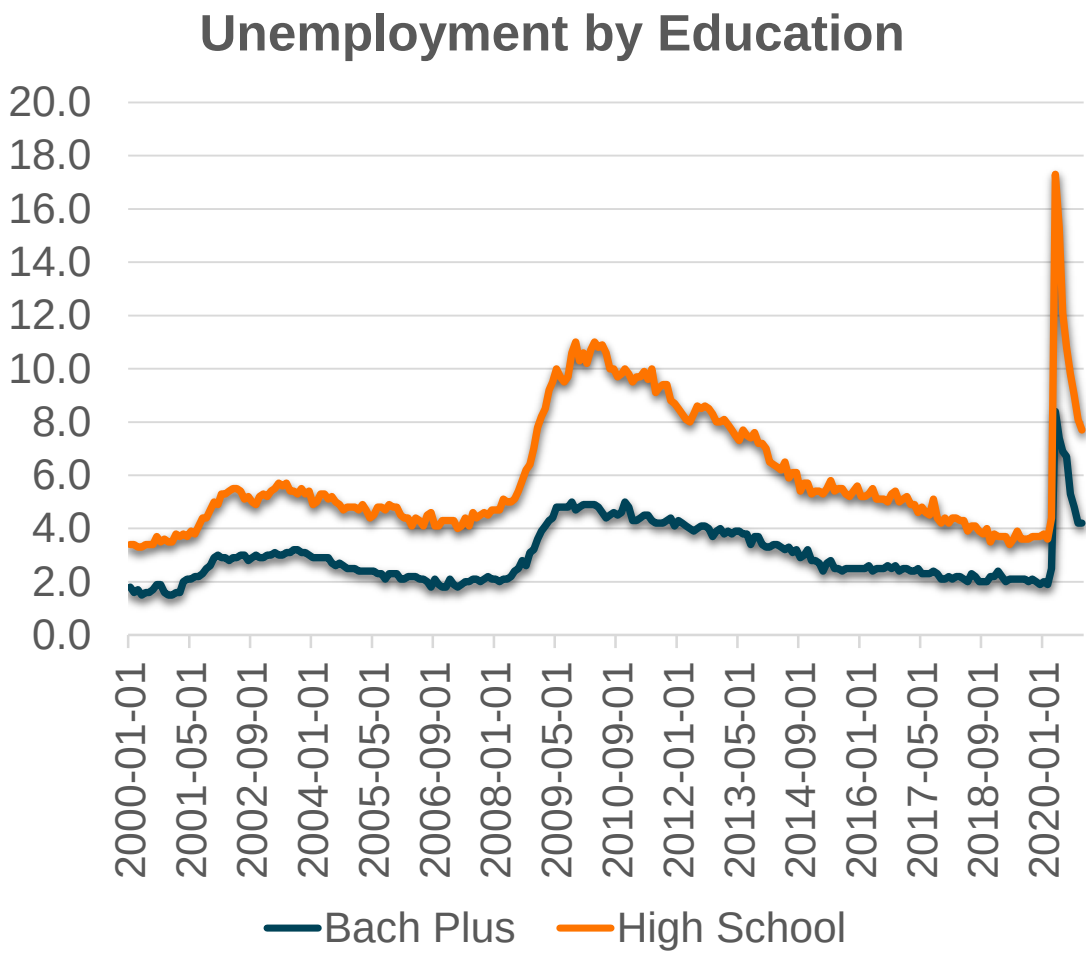
Industry	East Bay		
	Nov-20	Feb-Nov % Chg	Feb-Nov Abs. Chg
Total Nonfarm	1,073	-9.5	-133.2
Finance	55	-0.2	-0.1
Prof/Tech/Sci	100	-1.2	-1.2
Information	27	-4.2	-1.2
Logistics	190	-5.0	-10.0
Wholesale Trade	43	-6.1	-2.8
Retail Trade	105	-6.7	-7.6
Education/Health	185	-6.9	-13.7
Admin Support	60	-7.9	-5.2
Government	158	-9.7	-17.0
Manufacturing	86	-13.2	-13.0
Leisure and Hospitality	86	-28.2	-33.6

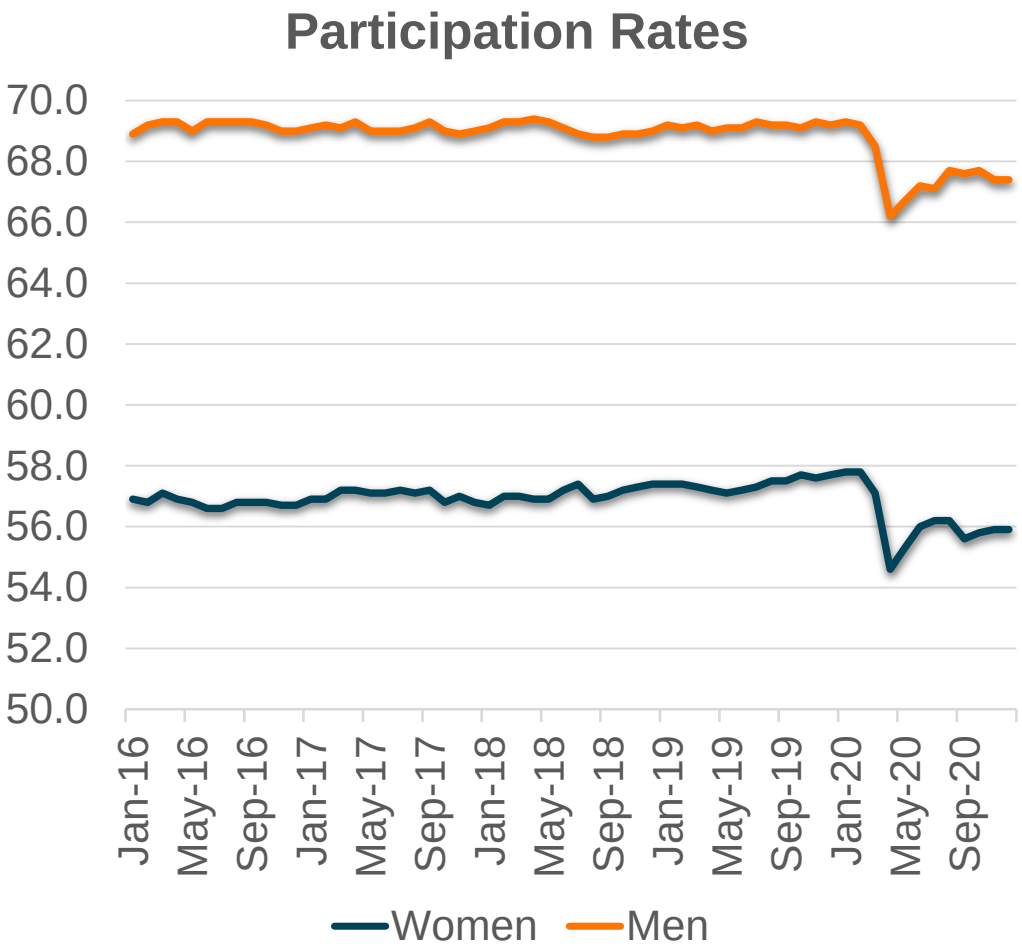
Source: California EDD

Silver Linings to a Cloudy December

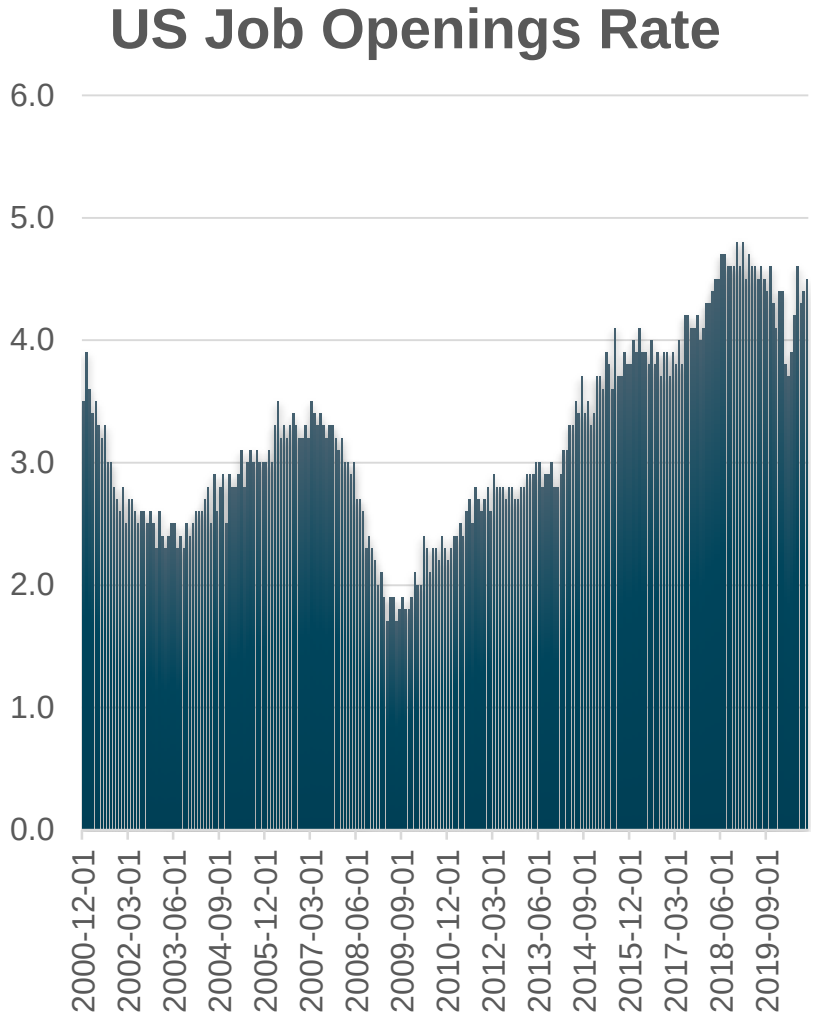


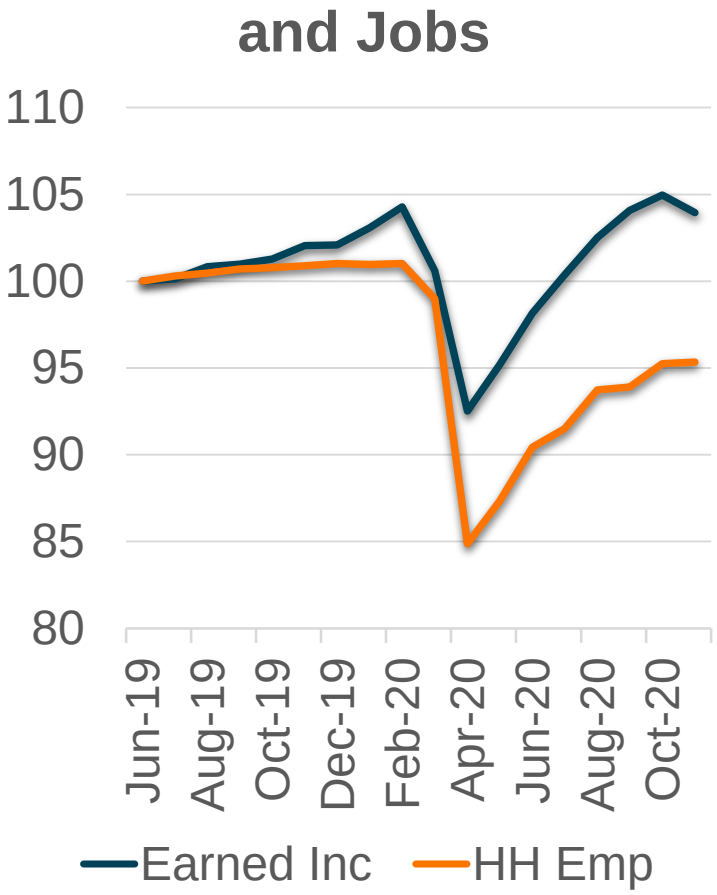
K Shaped Recovery?





More Context



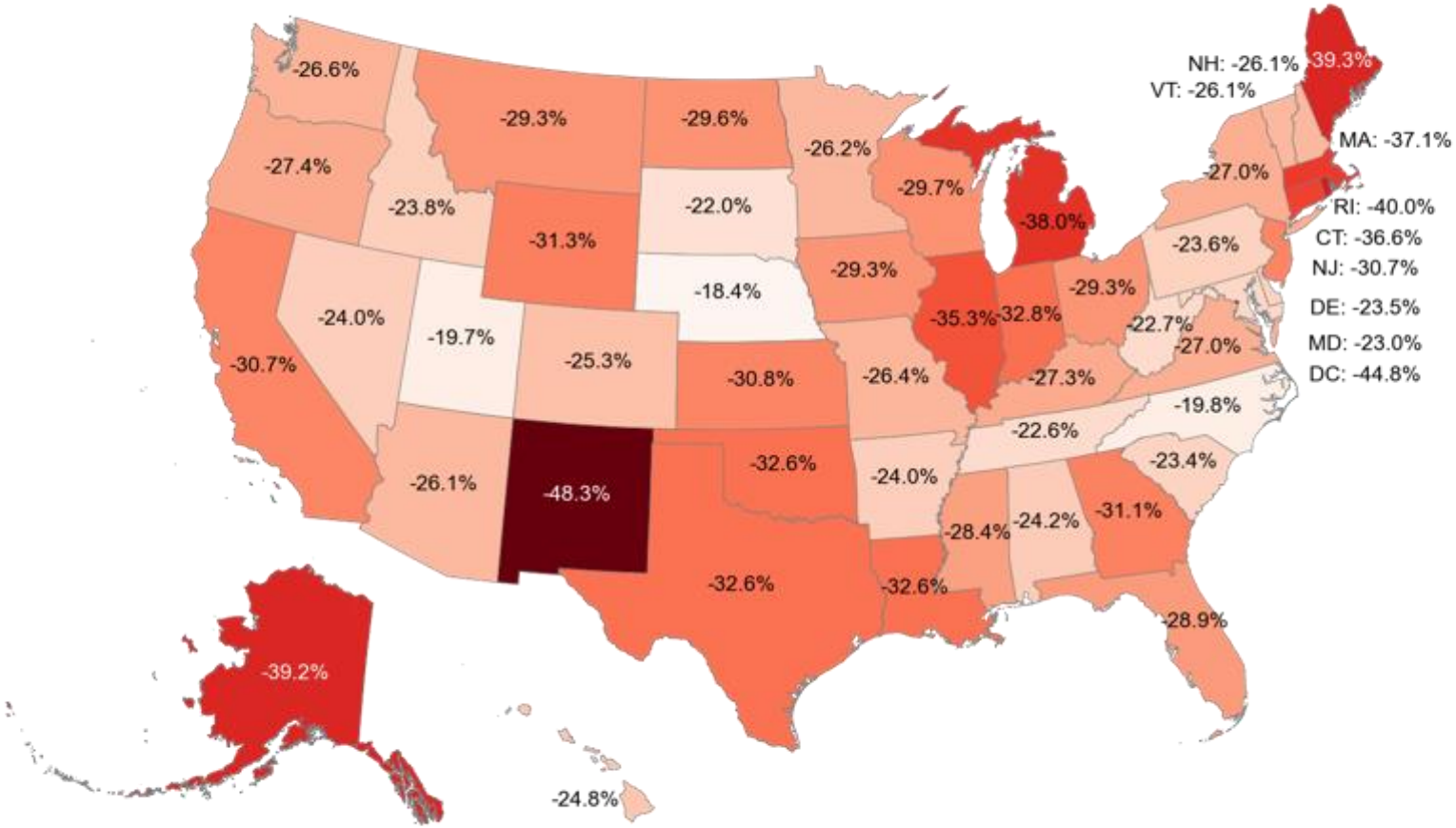


QCEW Q2 to Q2

	Agg Wages	Jobs
Alameda		
2018	4.9%	2.0%
2019	6.4%	0.6%
2020	-4.3%	-13.0%
Contra Costa		
2018	3.4%	0.7%
2019	4.5%	0.1%
2020	-4.0%	-13.9%
San Francisco		
2018	10.7%	3.1%
2019	20.1%	2.8%
2020	-5.8%	-13.3%
San Jose		
2018	10.1%	2.6%
2019	3.2%	1.7%
2020	4.7%	-10.2%

Open Businesses

% Change in Open Small Businesses:
January 2020 through November 29, 2020

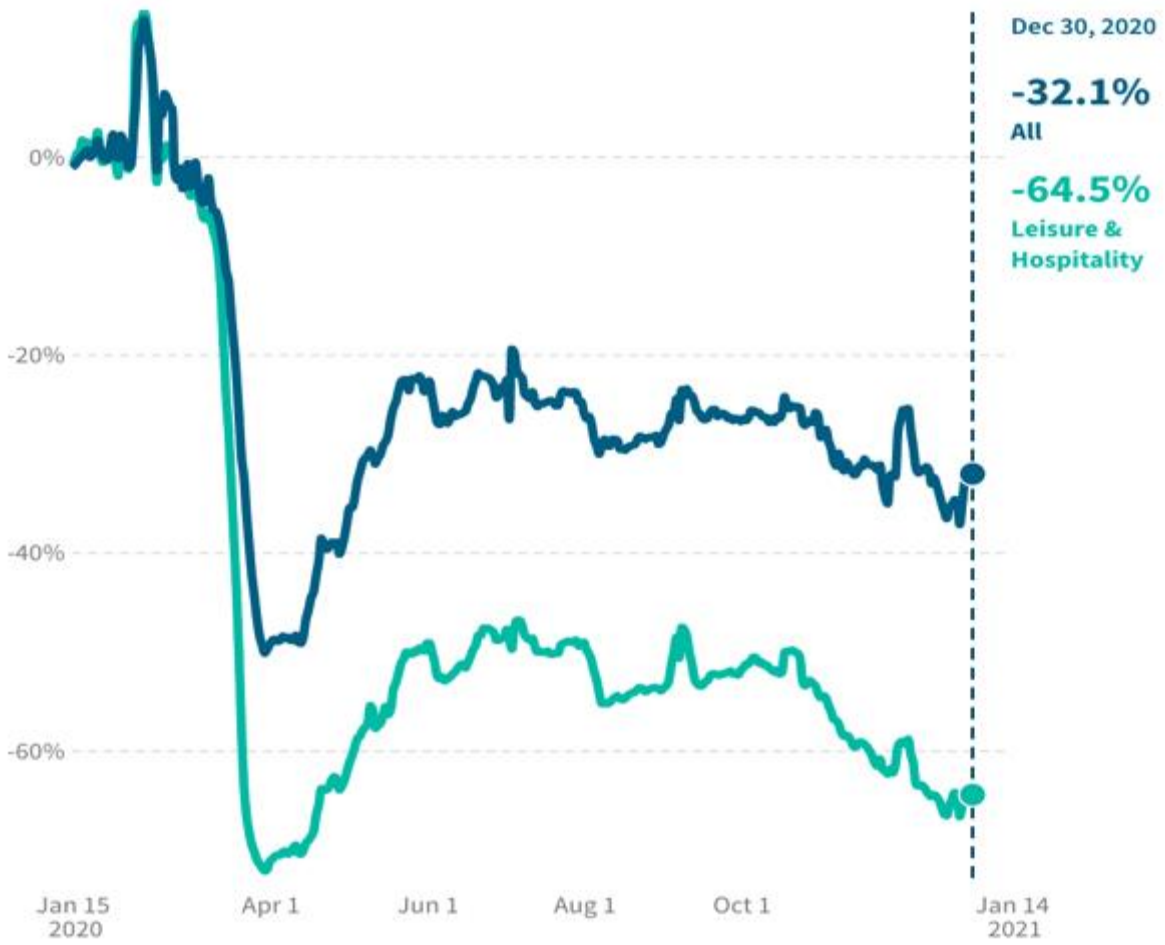


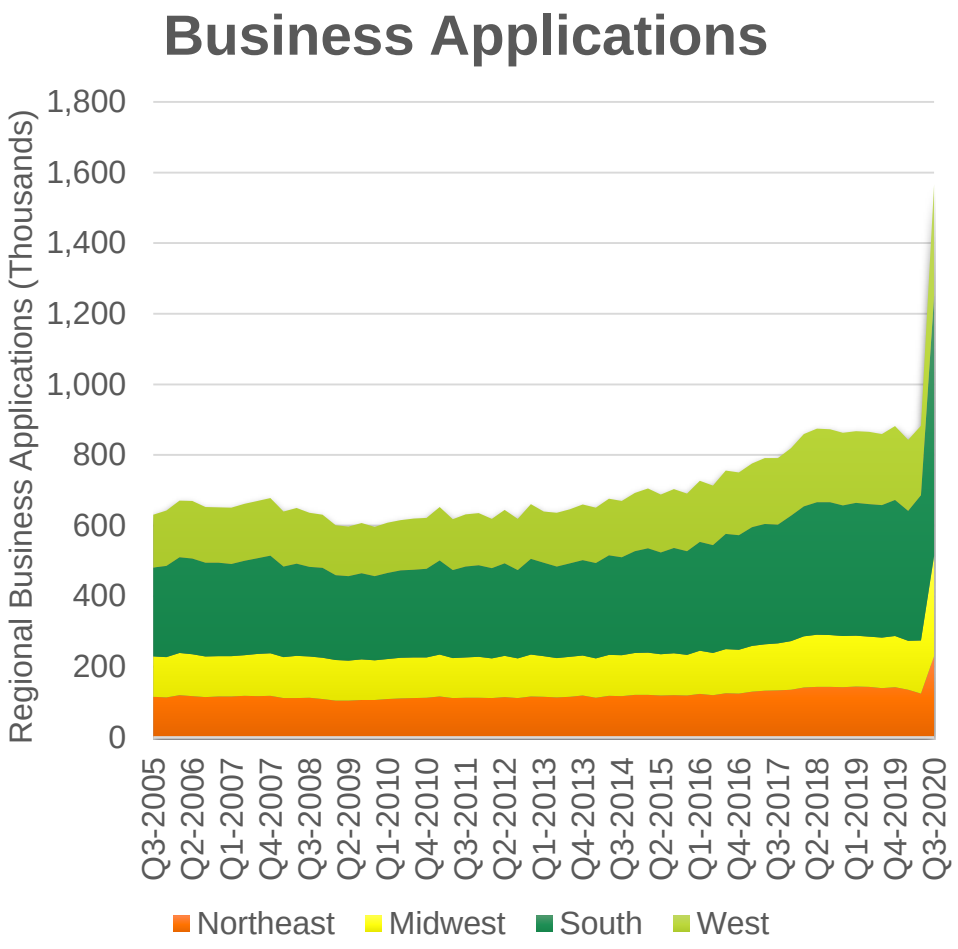
Nominal GDP Decline H1 2020

United States *	-7.2%
Wyoming	-13.8%
Oklahoma	-11.5%
West Virginia	-11.3%
Alaska	-11.2%
Louisiana	-10.3%
North Dakota	-10.1%
Texas	-9.8%
New Mexico	-9.5%
Nevada	-9.5%
Hawaii	-8.8%
Tennessee	-8.2%
Michigan	-8.2%
New York	-8.1%

Source: Womply / Opportunity Insights

Small Business?





Source: United States Census Bureau

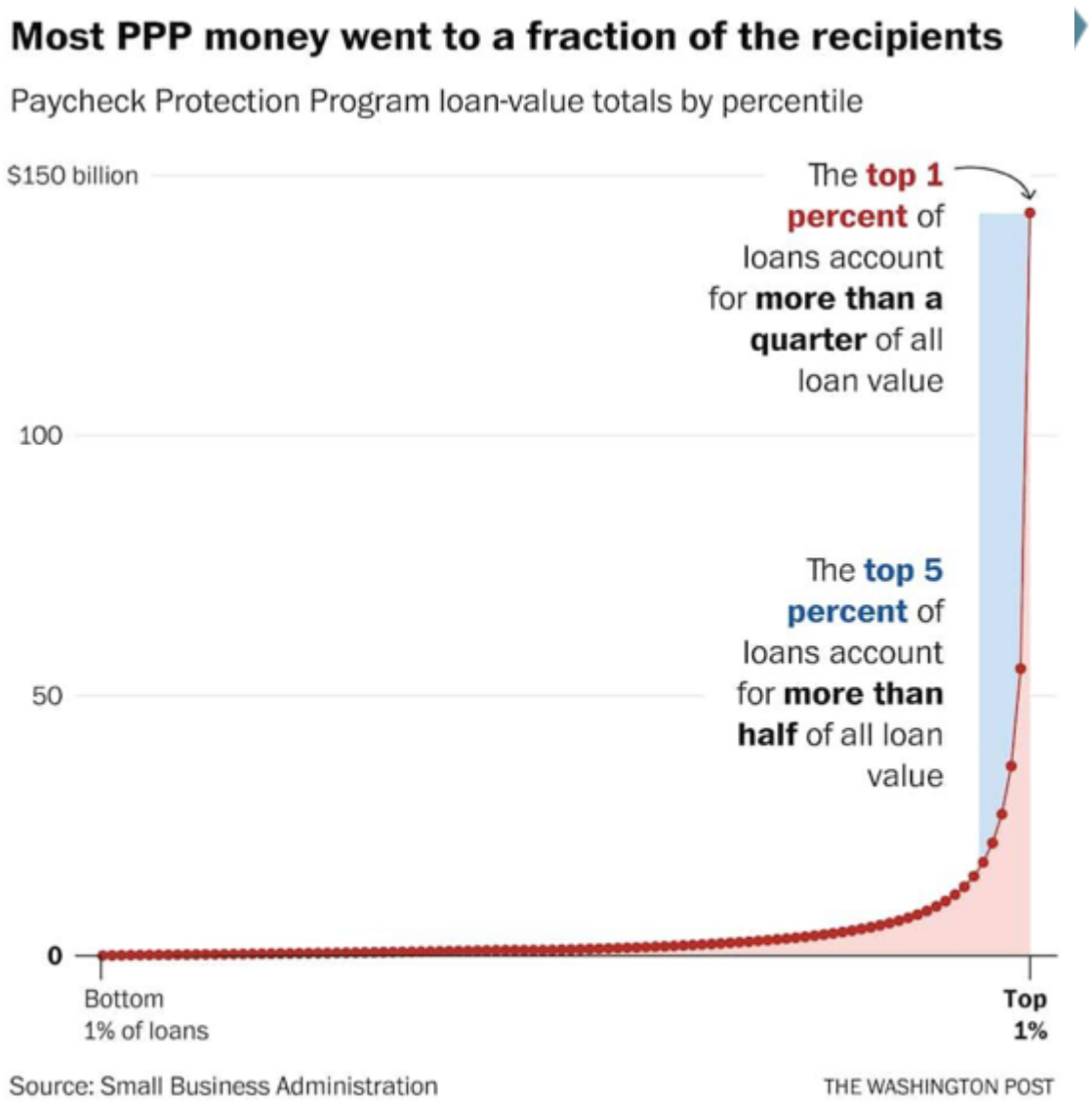
Policy (Over)reaction

Fiscal Stimulus Plans

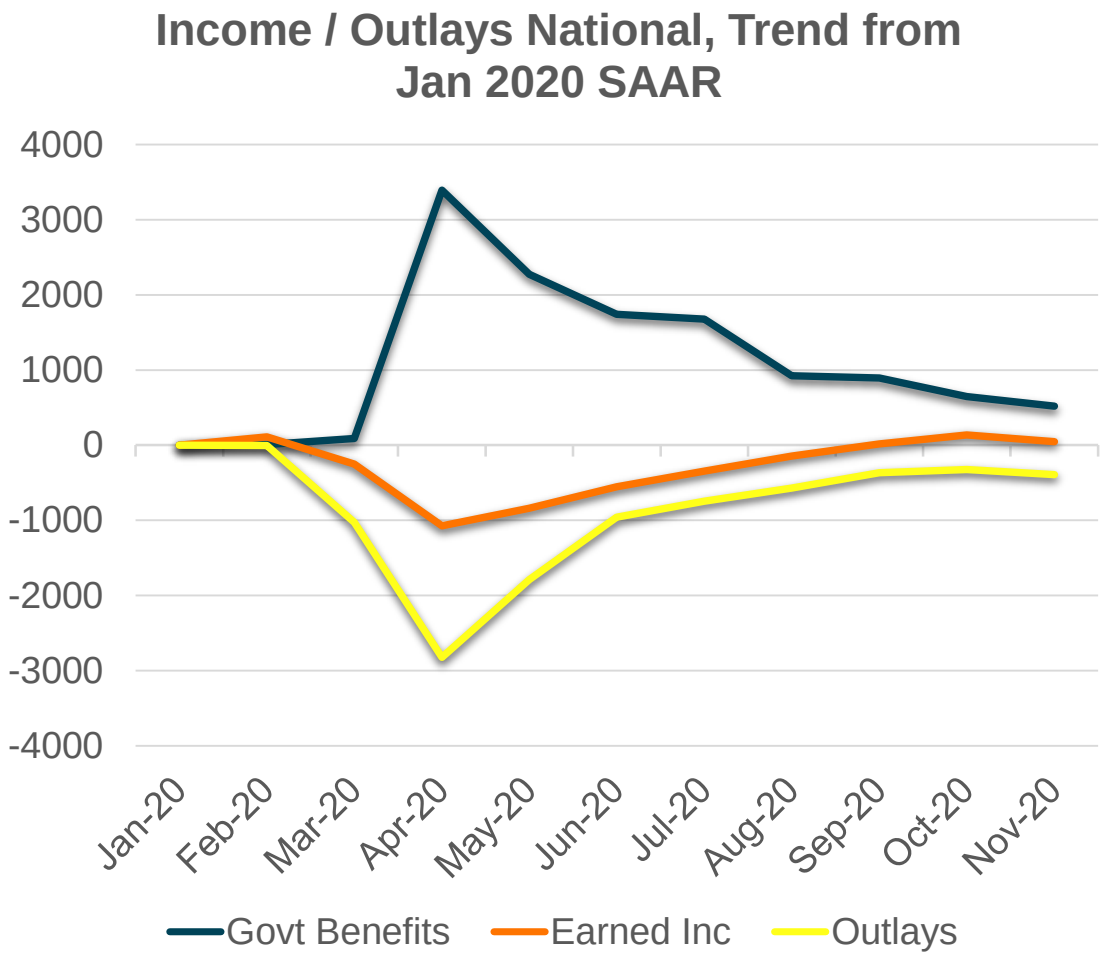
- Unemployment Insurance
- Local Government Support
- PPP Loans
- Direct Transfers to People

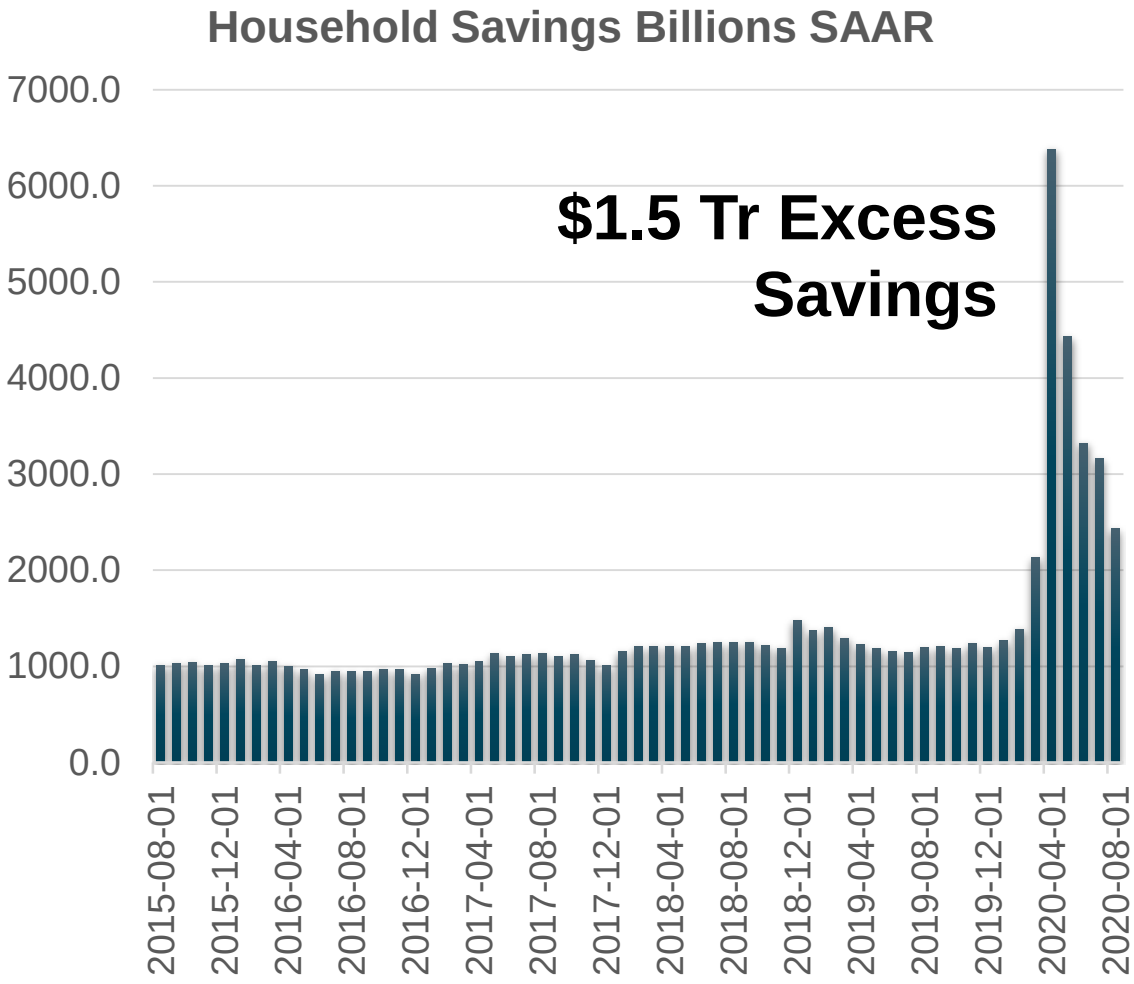
Monetary Stimulus

- Rate Cuts
- Quantitative Easing

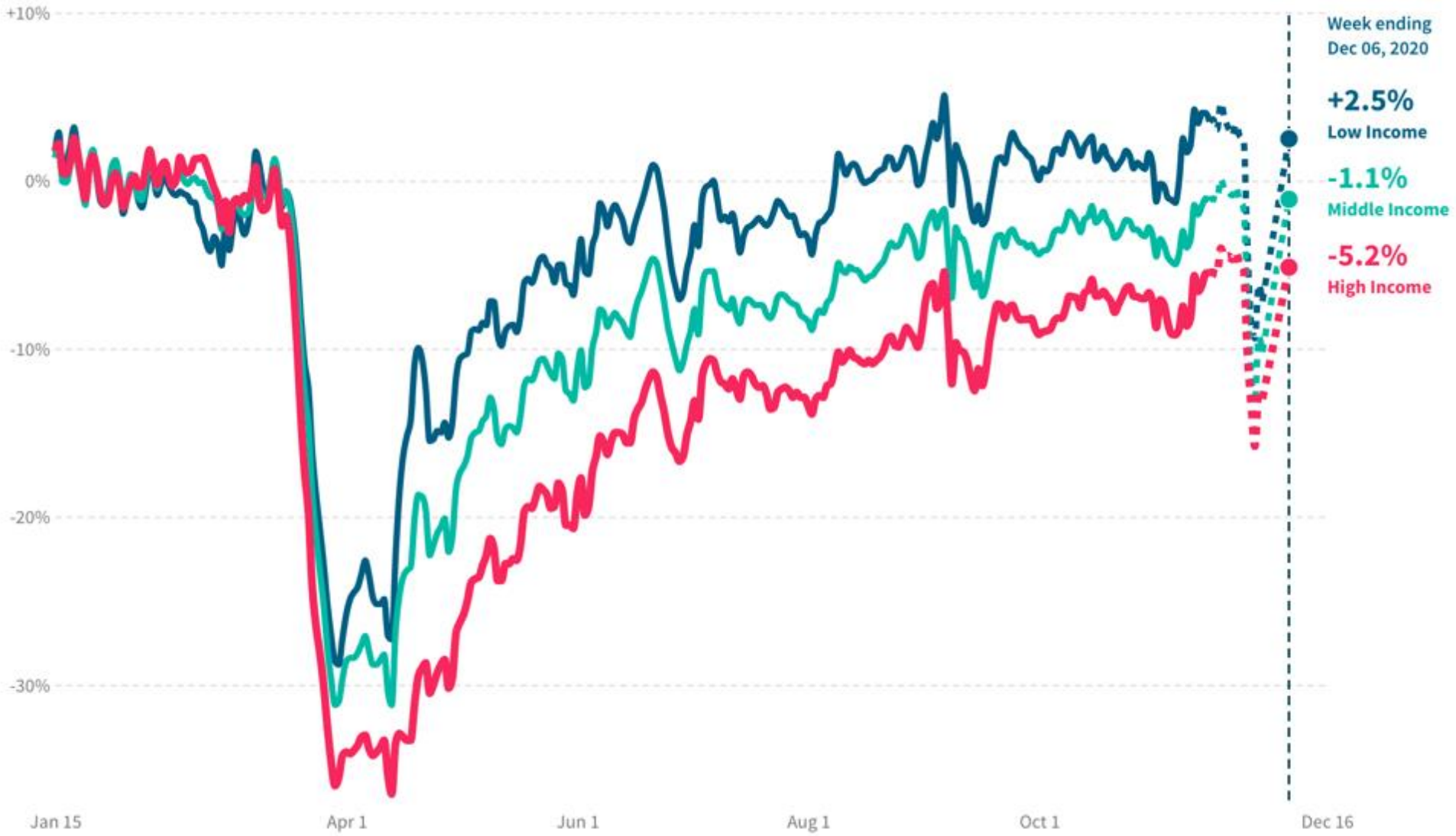


Policy (Over)reaction

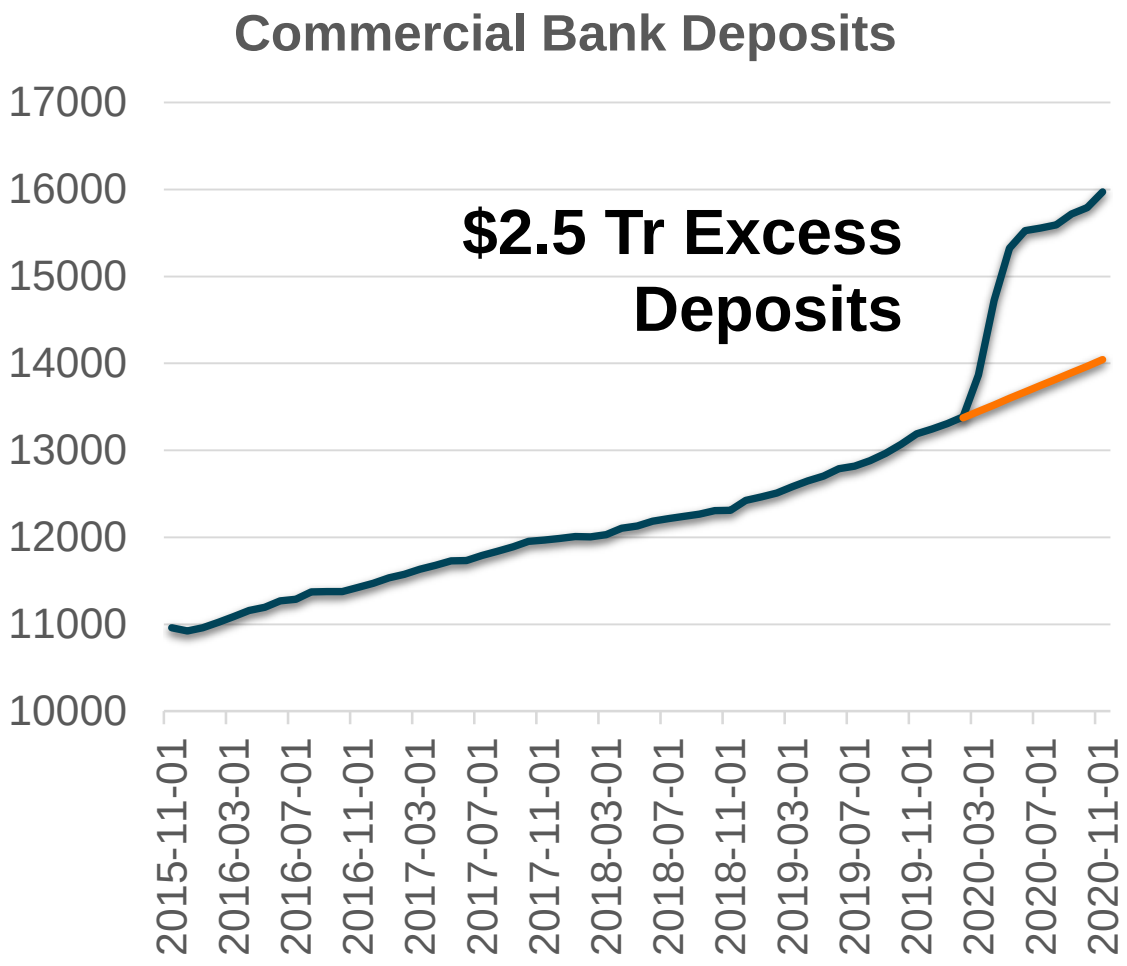




Who is Ahead / Behind?



Dry Powder


Commercial Bank Deposits
$2.5 Tr Excess Deposits
17000
16000
15000
14000
13000
12000
11000
10000
2015-11-01
2016-03-01
2016-07-01
2016-11-01
2017-03-01
2017-07-01
2017-11-01
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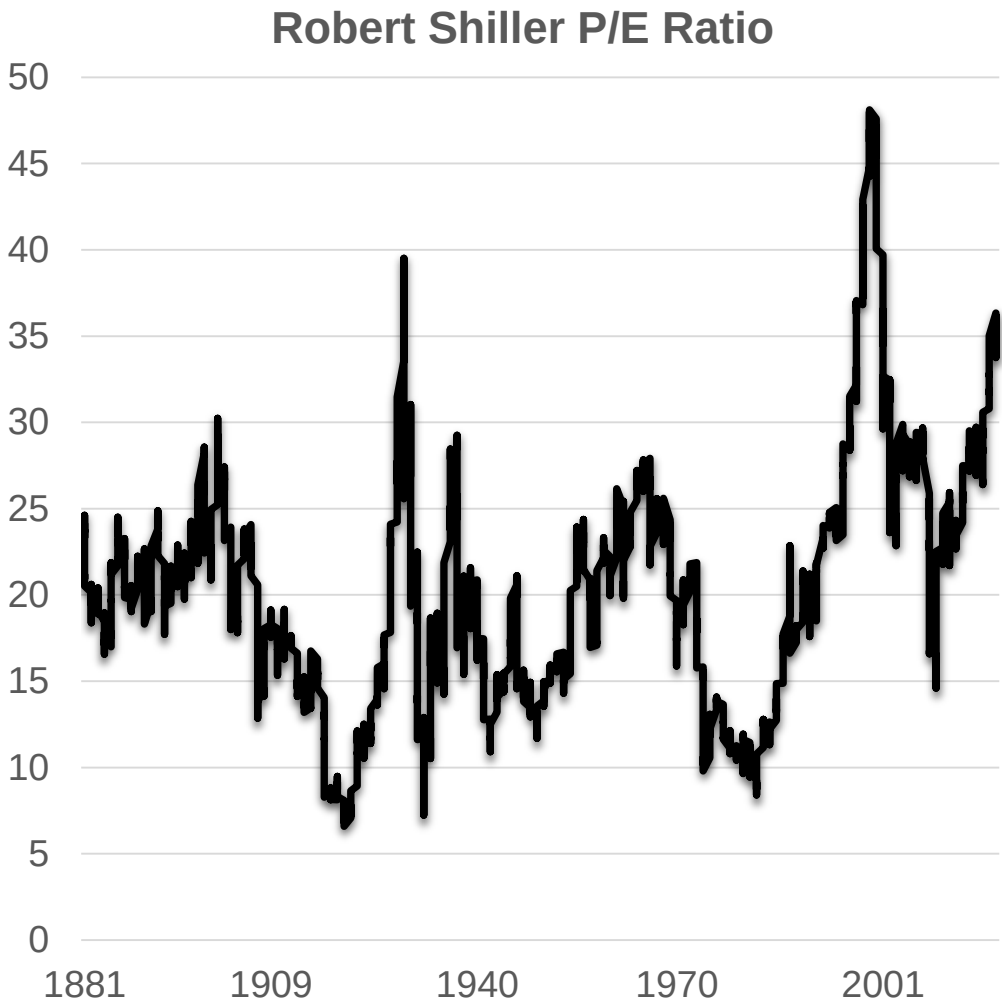
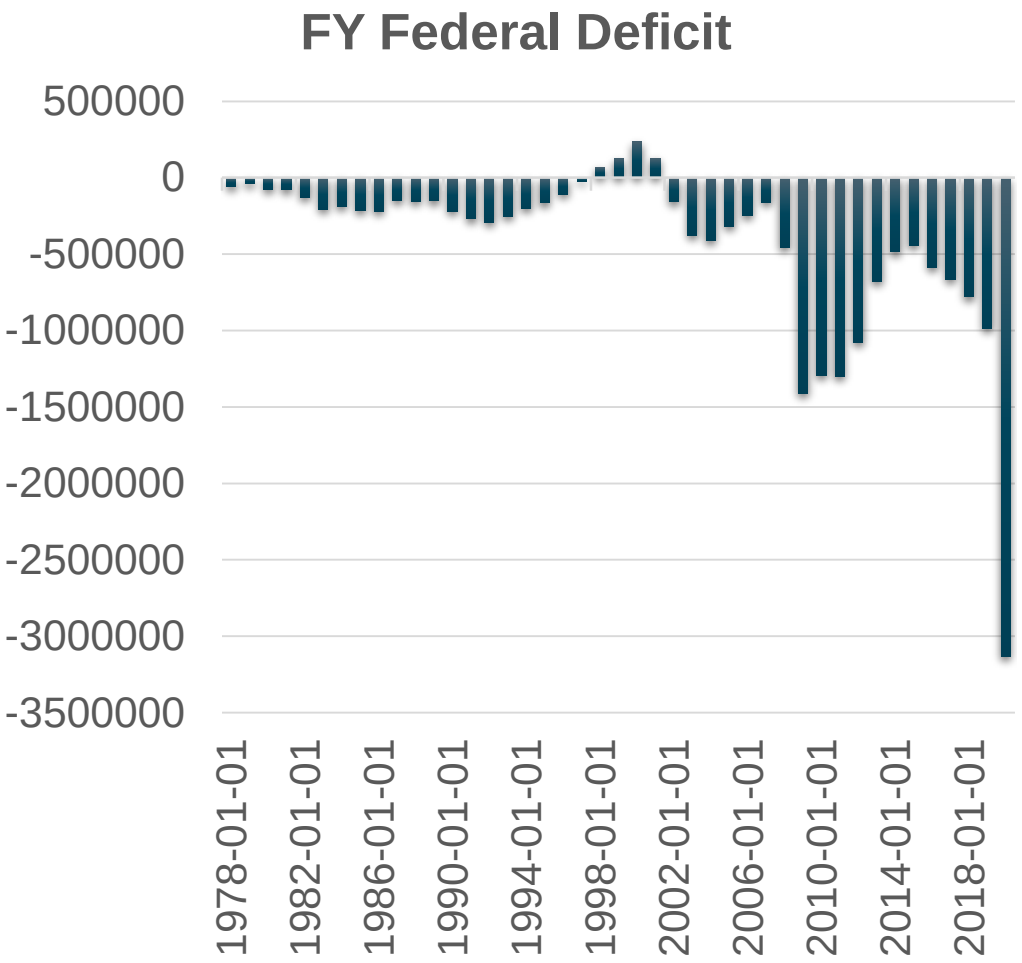
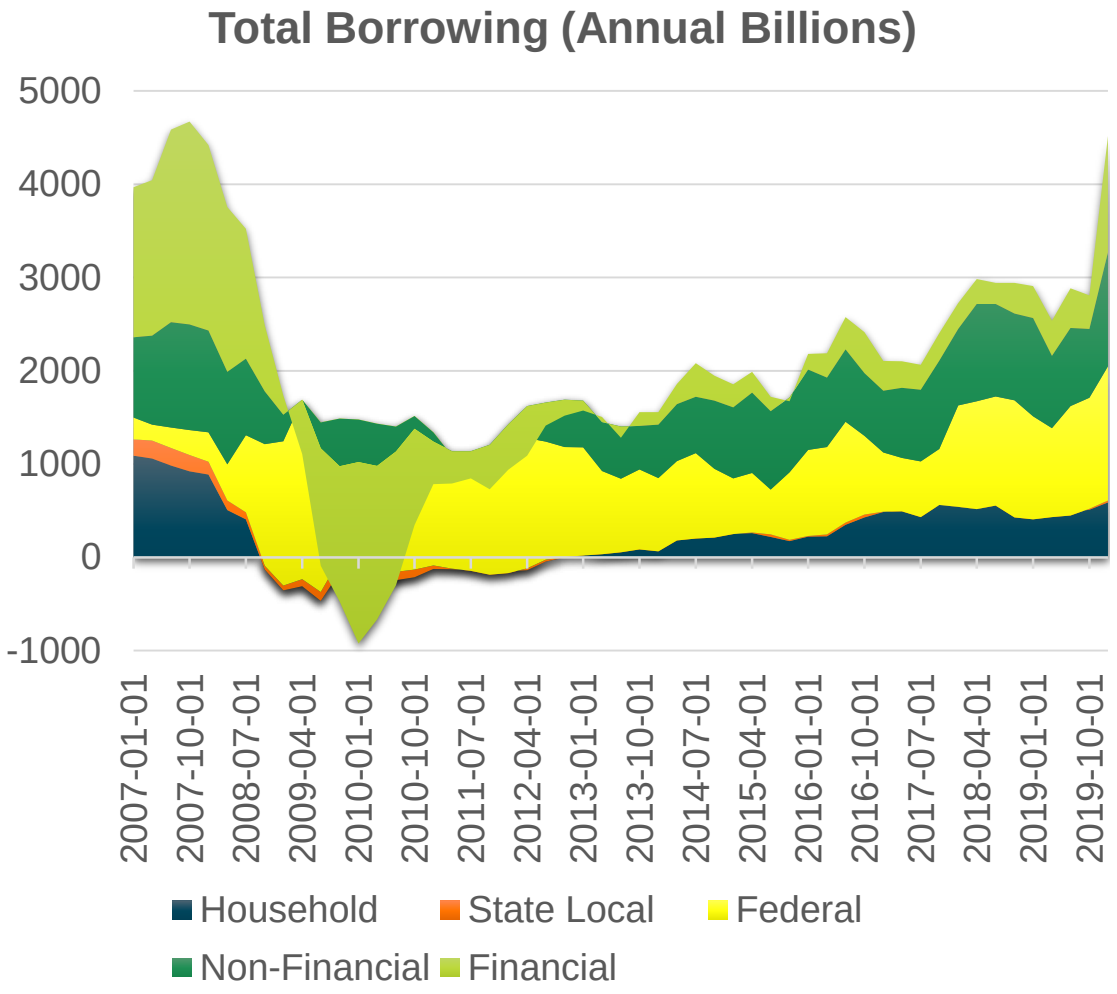
2020-11-01


Robert Shiller P/E Ratio
50
45
40
35
30
25
20
15
10
5
0
1881
1909
1940
1970
2001

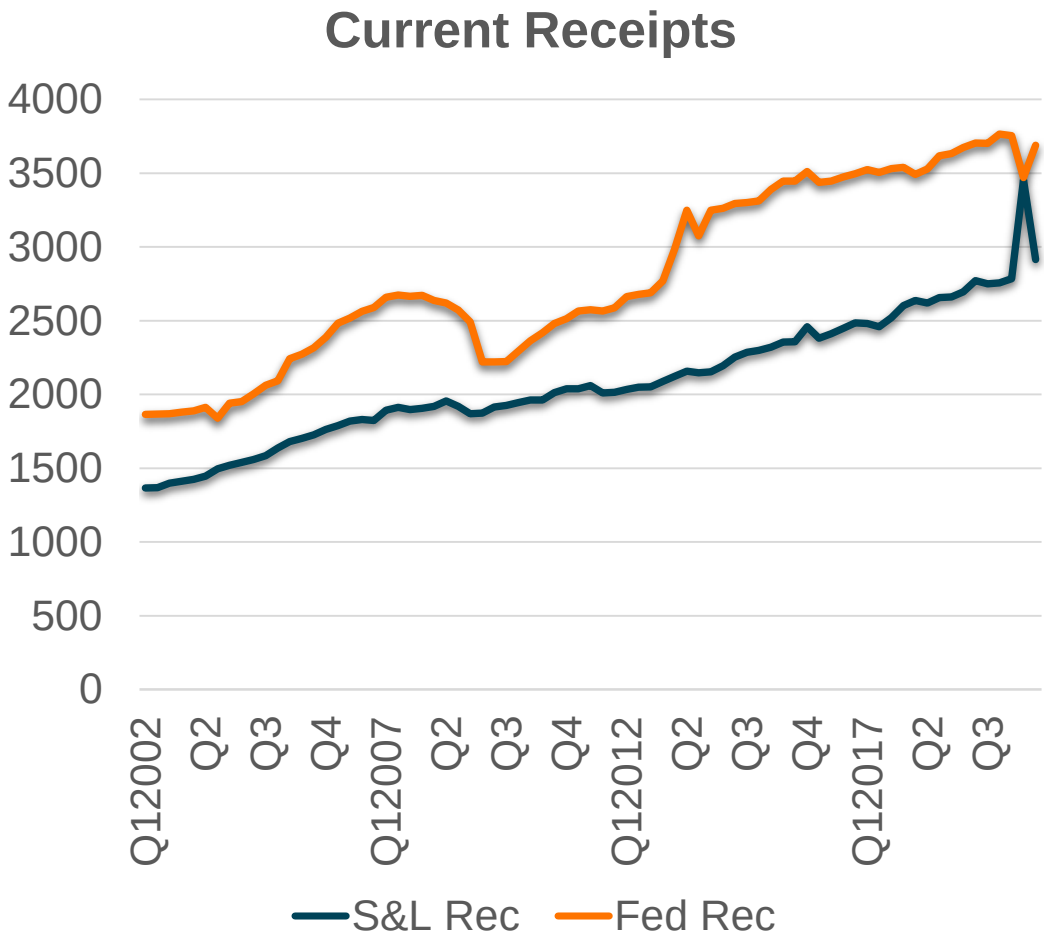
Government Debt

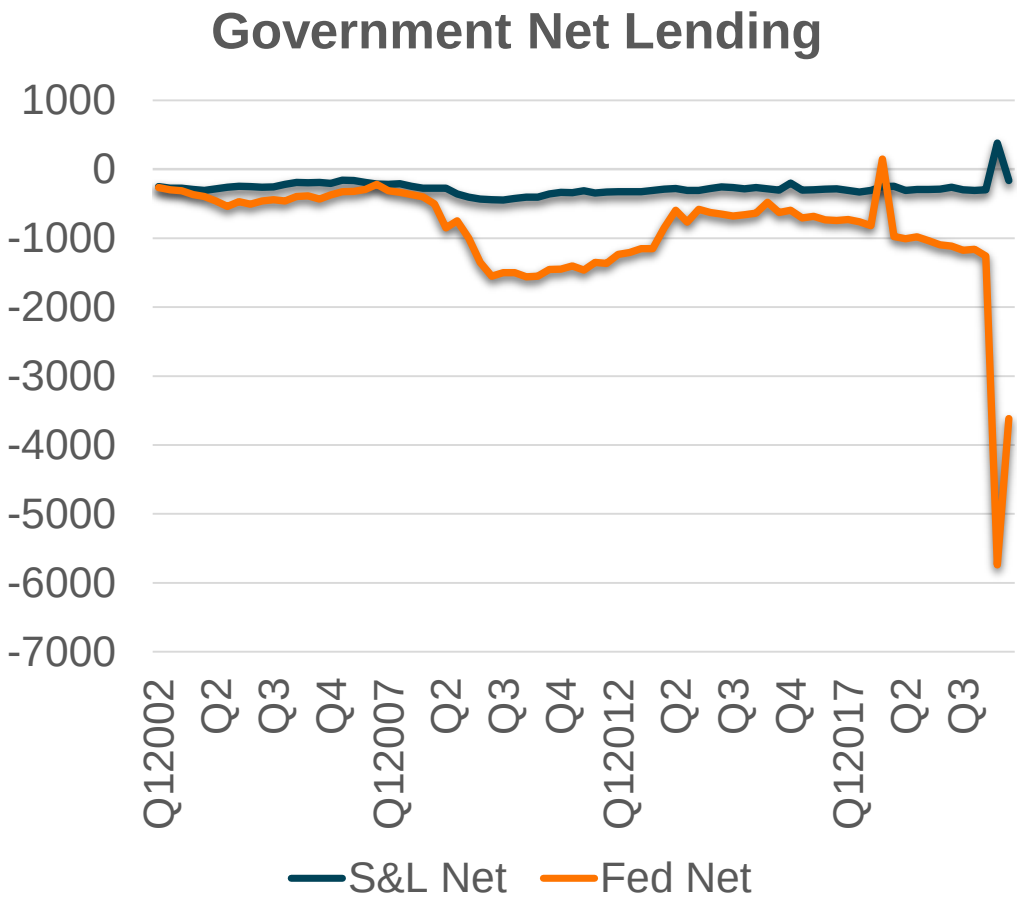




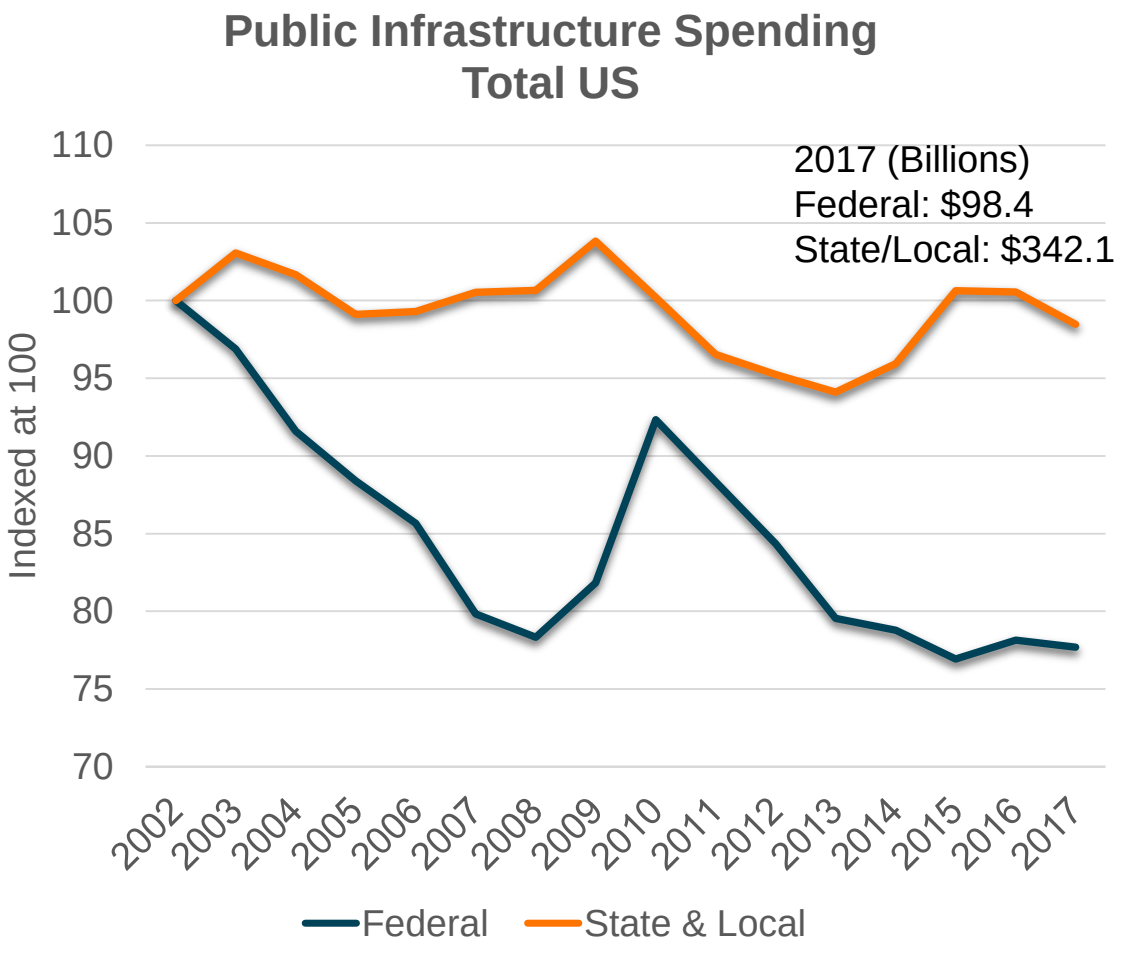
Source: FRED

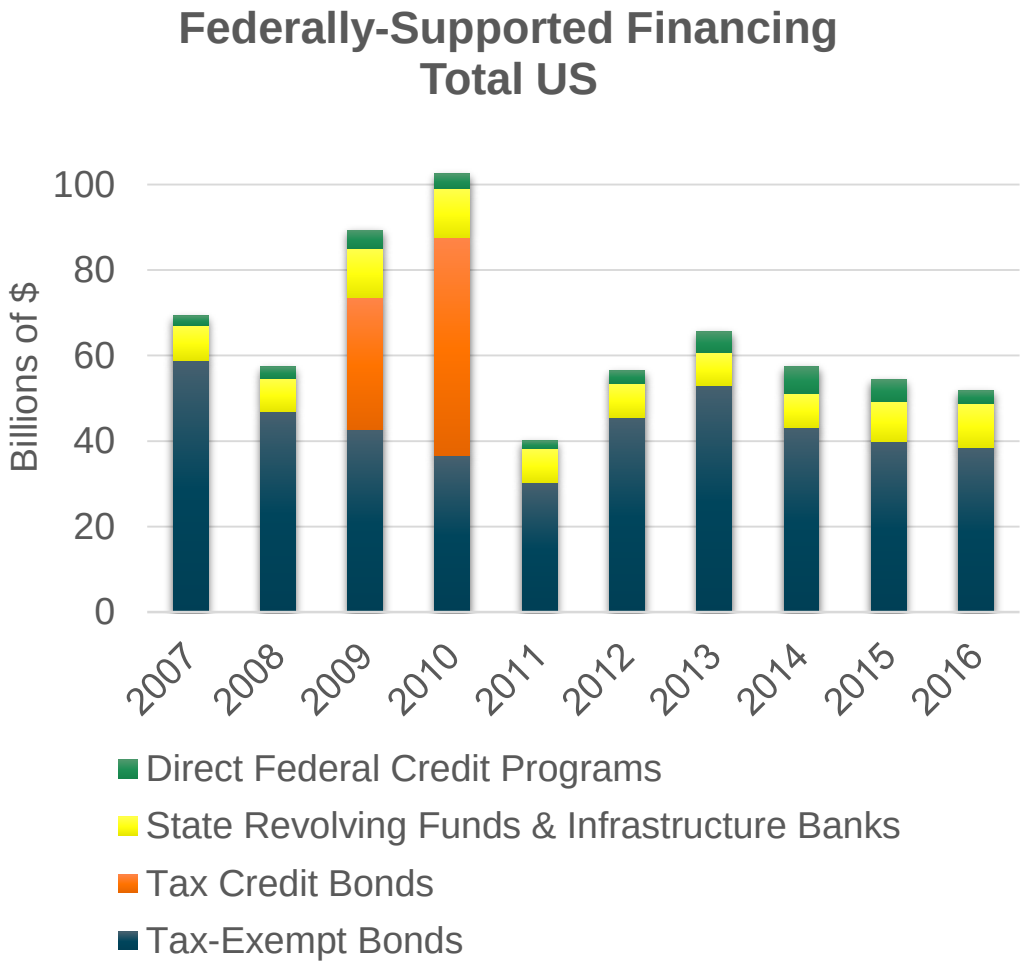
The Fiscal Outlook





Public Infrastructure Spending & Financing - National





Source: Congressional Budget Office

State Budget Issues?

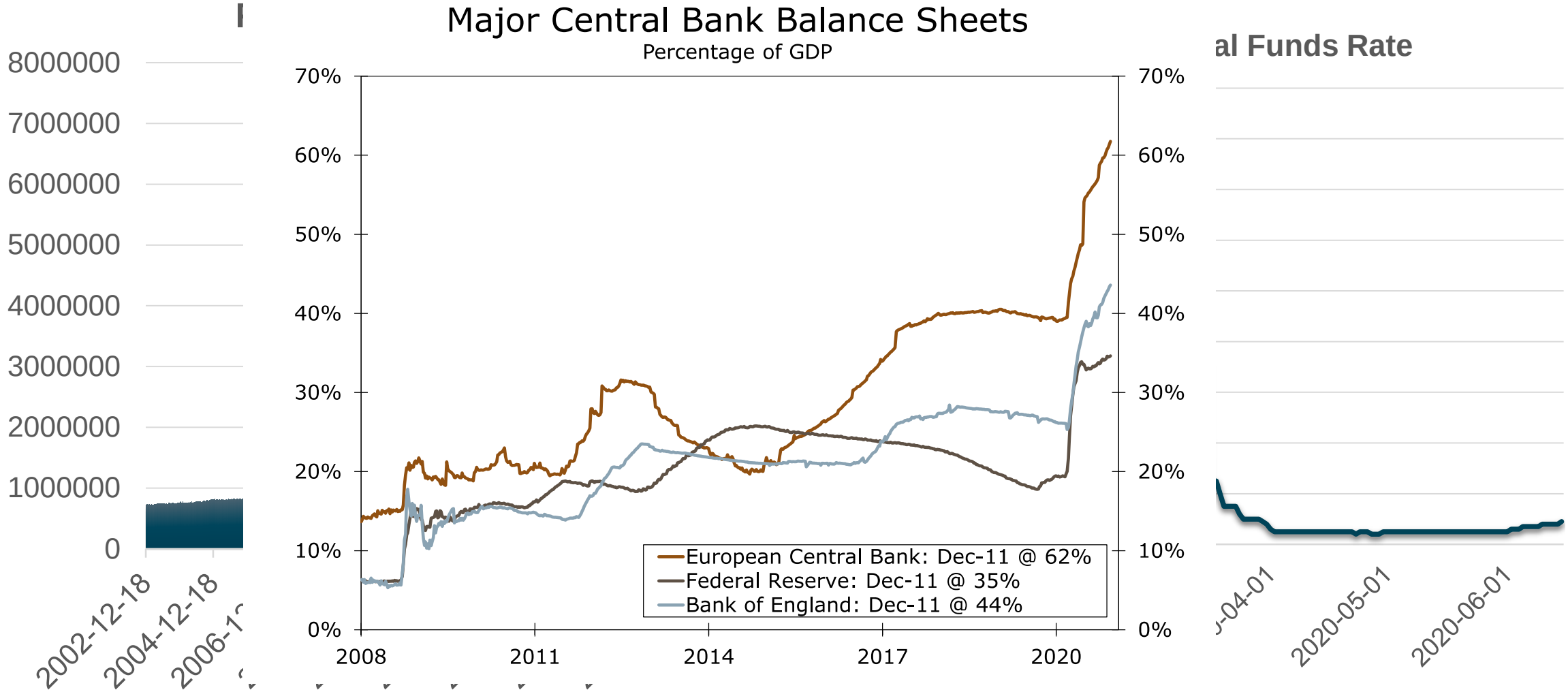
2019-20 Comparison of Actual and Forecast Agency General Fund Revenues

(Dollars in Millions)

	NOVEMBER 2020				2020-21 YEAR-TO-DATE			
Revenue Source	Forecast	Actual	Change	Percent Change				
Personal Income	$4,729							
Sales & Use								
Cor								
Insu								
Estat								
Poole							-56	-38.4%
Alcoh					168	181	13	7.6%
Tobac					25	26	1	3.9%
Other			-109	-57.3%	986	747	-239	-24.2%
Total	$8,081	$10,510	$2,429	30.1%	$60,633	$74,406	$13,772	22.7%

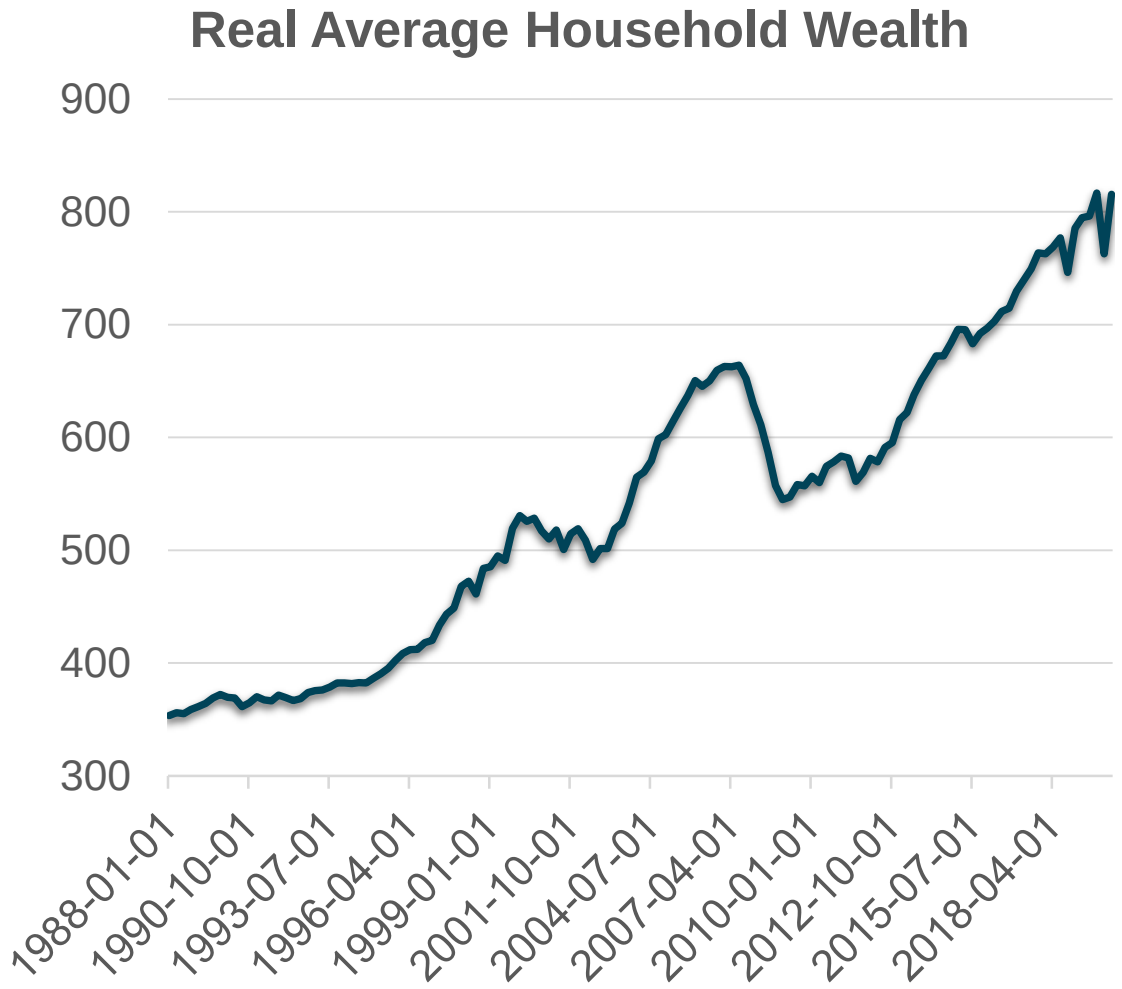
SACRAMENTO—California Business Roundtable President Rob Lapsley issued the following statement today in response to the nonpartisan Legislative Analyst's report that the state budget is currently projected to have a $26 billion surplus, with the potential to grow as large as $40 billion by the end of the fiscal year:

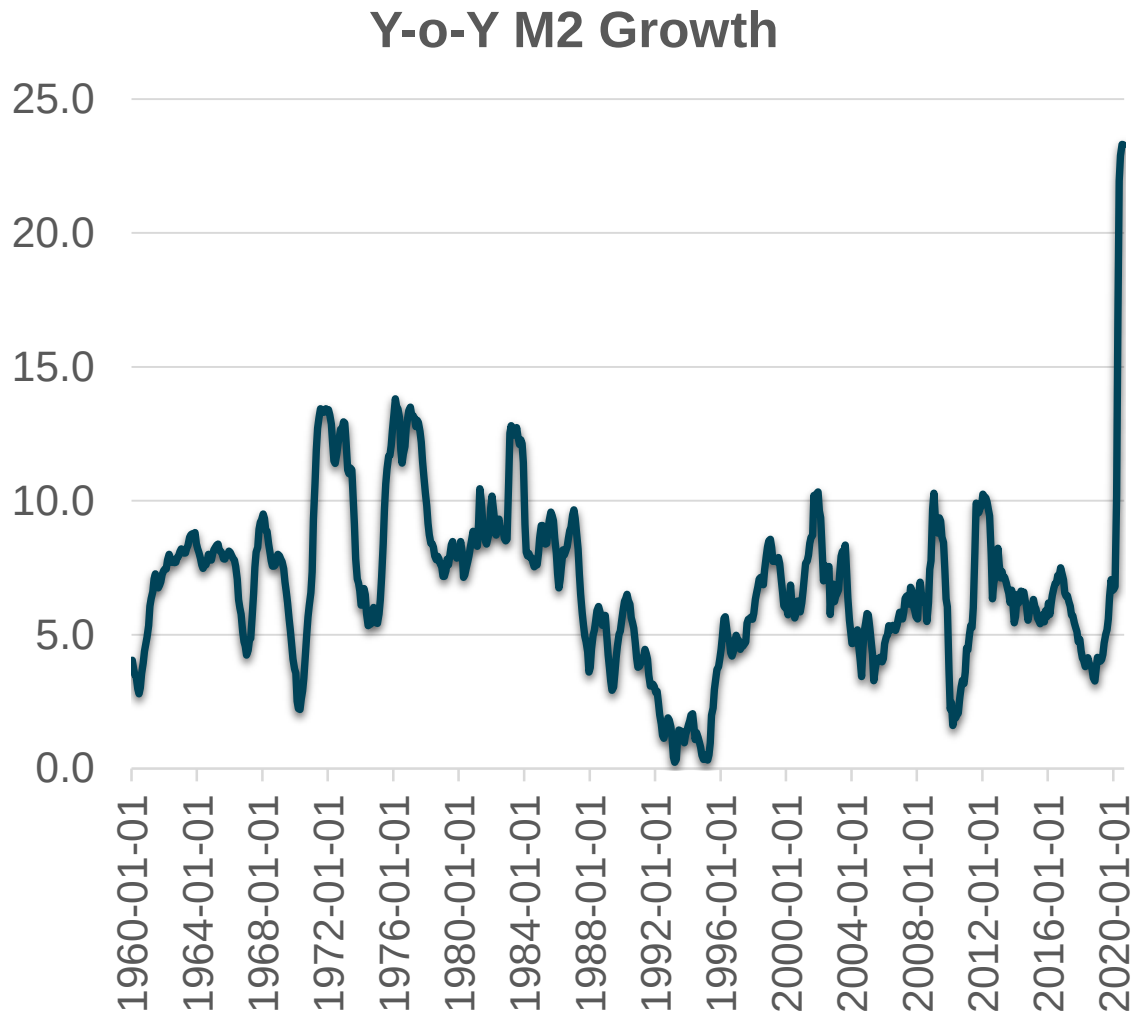
Federal Reserve Policy



Source: FRED

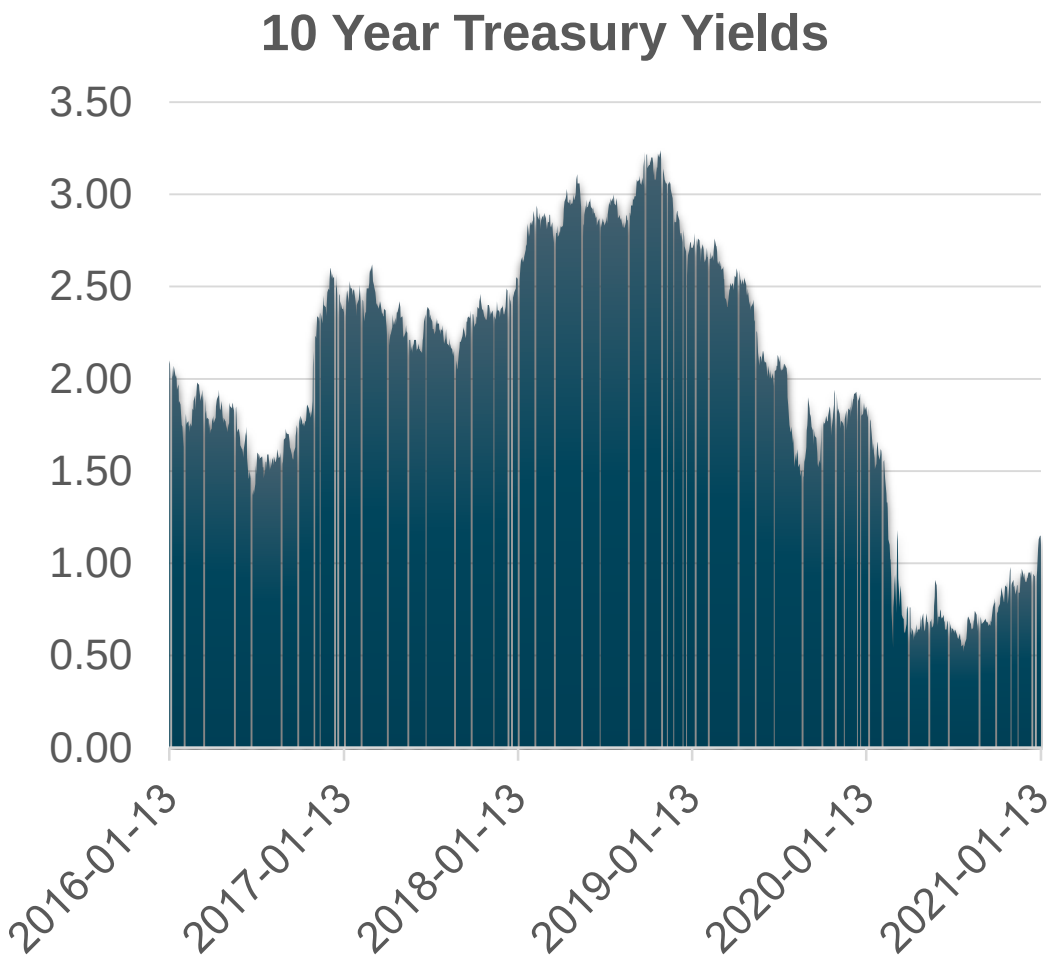
Unneeded Liquidity

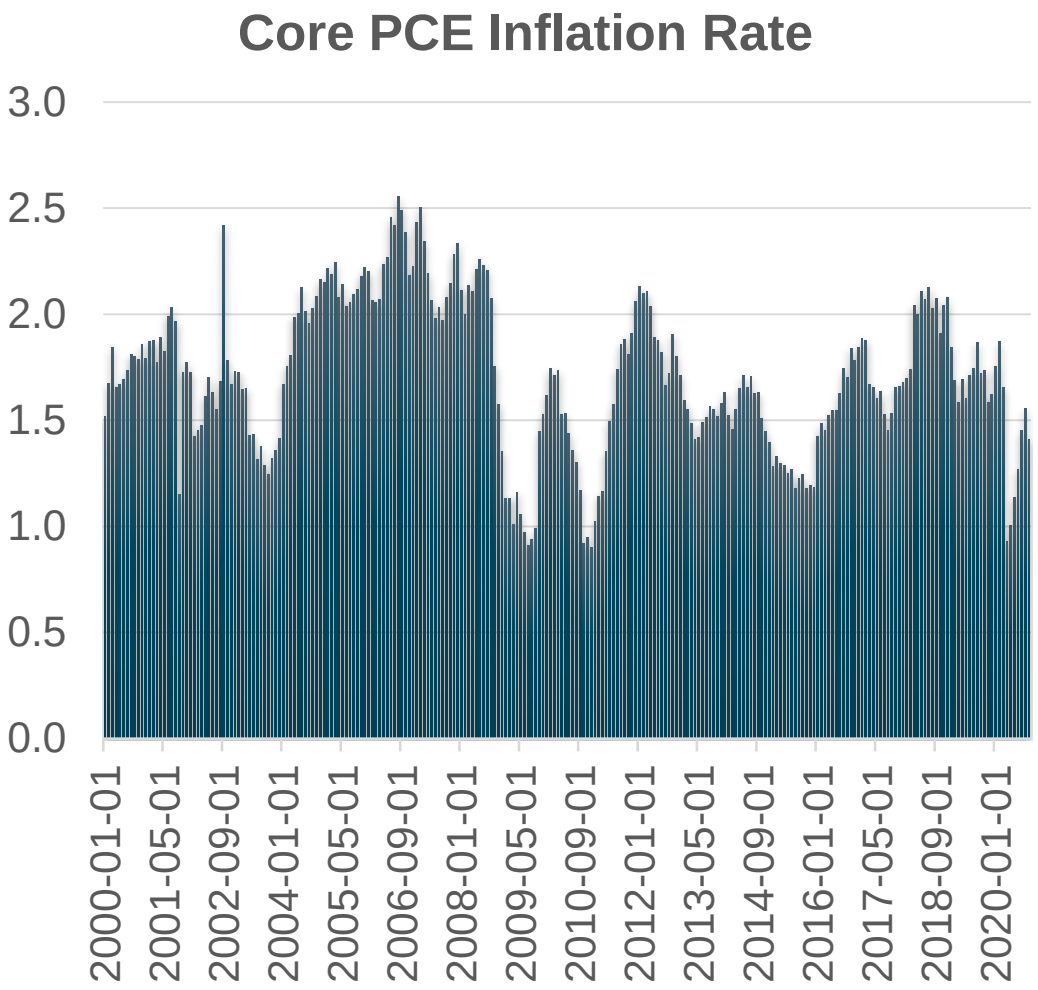




Source: FRED

Rates and Inflation





Long Run Consumer / Business Behavior

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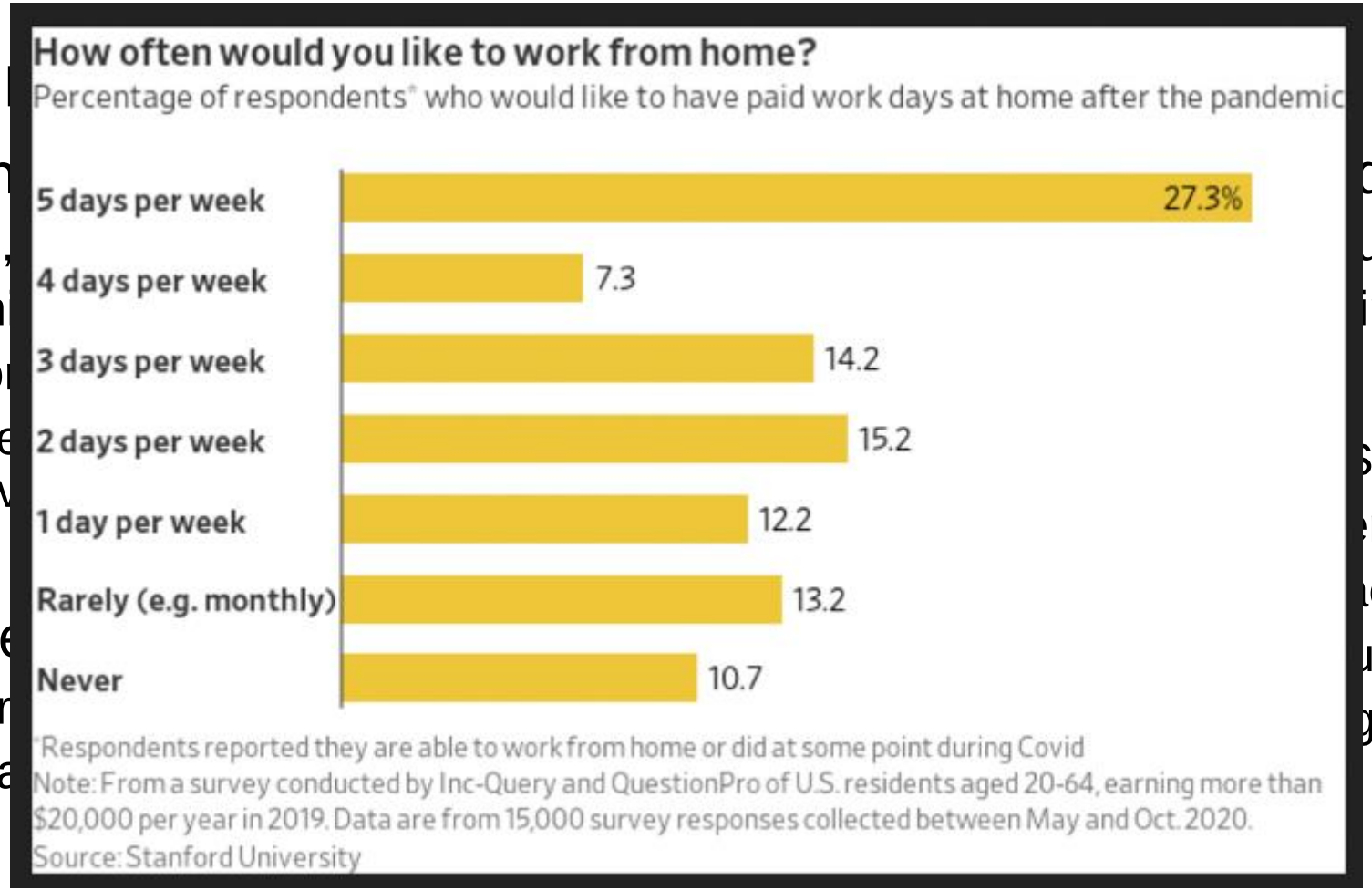

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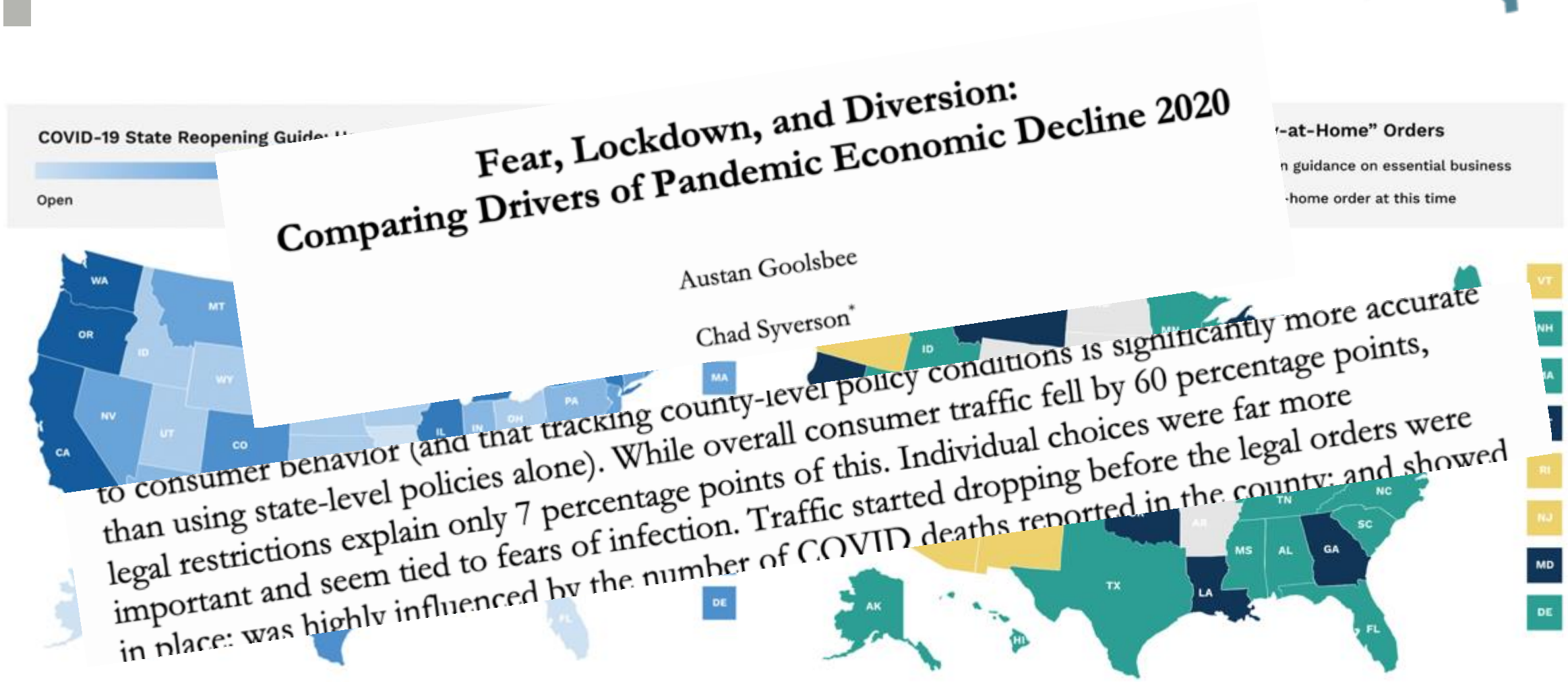
A long-needed debate…



2020: The Long Run Still Matters

- It ain't good, but it ain't *that* bad..
  - The "V" is the only logical outcome
  - Speed of recovery dictated by pace at which vaccines rolled out
- Baseline Forecast
  - -4.8% Q1, -31%Q2, 33% Q3, 6% Q4
  - Close to full recovery by Q3-2021
  - Unemployment close to 6% by year end
  - Moderate upticks in debt distress
  - Little impact on long run real estate values
  - Retail / restaurants / tourism to lag
- Wildcards
  - Global situation
  - How long until travel gets going
  - Government budgets
- The true enemy: Miserabilism
  - Problem before the pandemic
  - More bad policy driven by a basic lack of context
  - Health needs conflated with culture wars
  - No consideration for tomorrow / the next generation

UC RIVERSIDE | School of Business

CENTER FOR ECONOMIC FORECASTING & DEVELOPMENT

Thank You

chris.thornberg@ucr.edu | ucreconomicforecast.org

Contra
Costa
County

To: Board of Supervisors

From: Monica Nino, County Administrator

Date: January 26, 2021

Subject: Board of Supervisors Annual Retreat Budget and Key Issues for FY 2021/22 and Beyond

RECOMMENDATION(S):
ACCEPT report on Budget and Key Issues for FY 2021/22 and beyond.

FISCAL IMPACT:
No fiscal impact. This is an informational report only.

BACKGROUND:
Attached is the report on Budget and Key Issues.

☑ APPROVE ☐ OTHER

☑ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2021** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: Lisa Driscoll, County Finance Director (925) 335-1023

By: , Deputy

cc: Robert Campbell, Auditor-Controller, All County Departments (via CAO)

ATTACHMENTS

Budget and Key Issues

Contra Costa County Update Budget & Key Issues

Presentation to

Board of Supervisors

January 26, 2021

Contra Costa County
Familiar Budget Drivers and Challenges for 2021 and Beyond

- Economic Forecast
- State & Federal Budgets
- Labor Negotiations
- Strategic Use of Reserves
- Fund Infrastructure Needs (Repair & Maintenance)
- Fund System Infrastructure
- Adequately Fund Public Safety & Health Departments

2020/21 Achievements

- Budget structurally balanced for ten consecutive years and received the Government Finance Officers Association Distinguished Budget Presentation Award for each of those years, the current year budget is built on assumption of 4.5% increase in assessed valuations (AV), actual AV was 4.87% for 2020/21

- OPEB managed (unfunded liability reduced from $2.6 B in 2006 to current $523.9 million as of 6/30/2020)

- We have labor contracts in place with all of our bargaining unions/associations, which provide improved health insurance benefits and wages.

- Assessed Value, on which general purpose revenue is based, was up 6.34% in 2018/19; 5.3% in 2019/20; 4.87% in 2020/21; and is projected to grow 4.0% in FY 2021/22

2020/21 Achievements

- General Fund for 2020/21 - $1.86 B - (total adjusted budget without carryforward, excluding fire and special districts, for 2020/21 - $4.09 B)
- County maintained it's AAA bond rating from Standard & Poor's and Aa2 bond rating from Moody's with both agencies continuing to cite the County's robust financial position, including strong tax base and wealth and income profile.
- Created a permanent Office of Reentry and Justice within the Probation department beginning July 1.

2020/21 Achievements

- Facilitating the implementation of a felony mental health diversion program through the Department of State Hospitals.
- Continuing to support the Racial Justice Oversight Body to reduce racial disparities in the adult and juvenile justice systems.
- Continuing work with the Board and departments to fund enhanced detention health initiatives, including the addition of 53.1 FTE and construction of an acute psychiatric care unit to serve patient-inmates within the adult detention facilities
- Supported the Census 2020 Complete Count and surpassed the 2010 Self Response rate.

Bay Area Unemployment Rate November 2020 (Unadjusted)

The County's unemployment levels rebounded strongly from the highs experienced during the Financial Crisis in 2008-2010, reaching peak employment in 2019. Subsequent to COVID-19. the county has increased in line with State and national trends.

Marin	4.7%
Santa Clara	5.1%
San Mateo	5.1%
Sonoma	5.5%
San Francisco	5.7%
Napa	6.0%
Alameda	6.7%
Contra Costa	**6.8%**
Solano	7.5%

9 County Average 5.9% (2.8% Last Year)

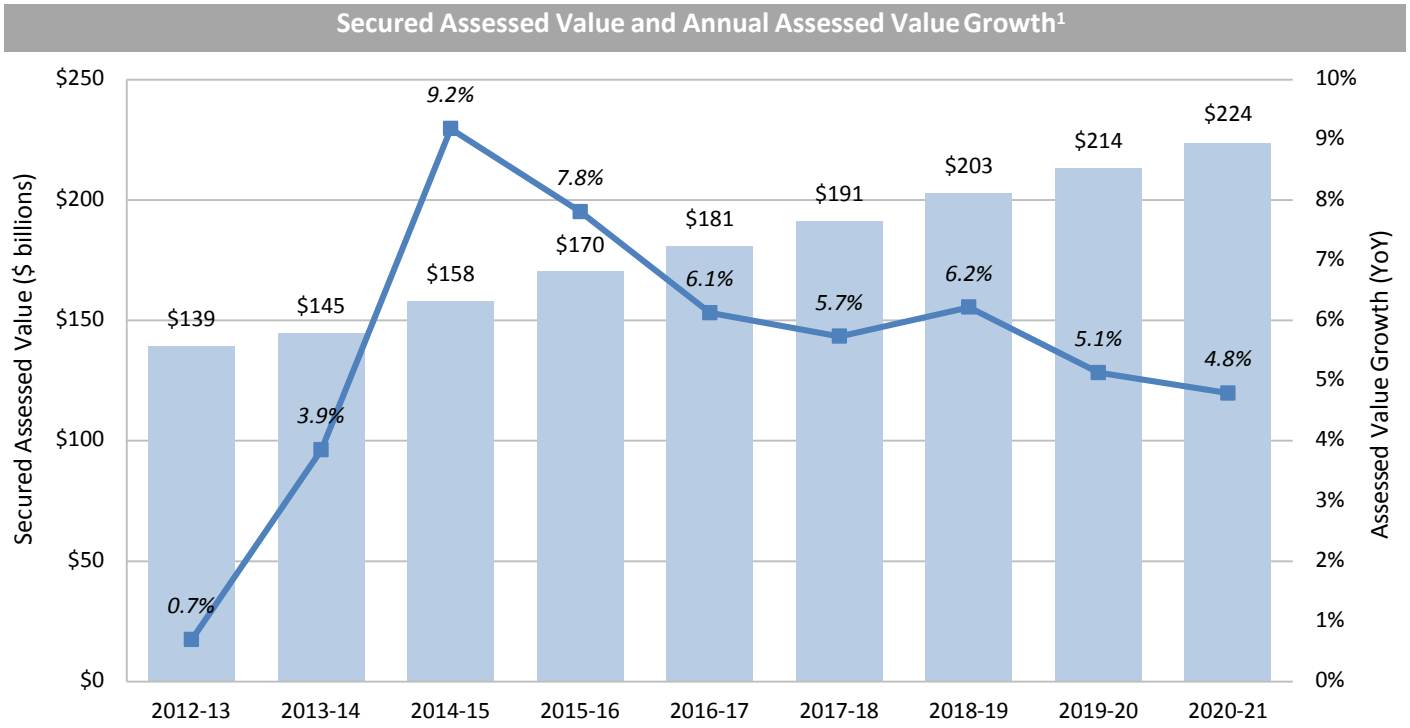
County Property Tax

Property taxes declined by over 11% between 2009 and 2012 and then grew significantly between 2014 and 2019. Projecting a more normal increase of 4% going into next few years. Actual Contra Costa County experience:

- 2009/10 (7.19% decline)
- 2010/11 (3.38 decline)
- 2011/12 (0.49% decline)
- 2012/13 0.86% increase
- 2013/14 3.45% increase
- 2014/15 9.09% increase
- 2015/16 7.53% increase
- 2016/17 6.01% increase
- 2017/18 5.78% increase
- 2018/19 6.34% increase
- 2019/20 5.30% increase
- 2020/21 4.87% increase

Assessed Valuation and Assessment Roll Growth

- The County's assessed valuation has rebounded from the recession with nine consecutive years of growth
- For FY 2020-21, the County's secured assessed valuation increased 4.8% to $224 billion
- The County projects FY 2021-22 assessed valuation will grow 4.0%
- The delinquency rate on tax collections was less than 1% in FY 2019-20
- Secured AV represents 97.4% of Total AV in the County



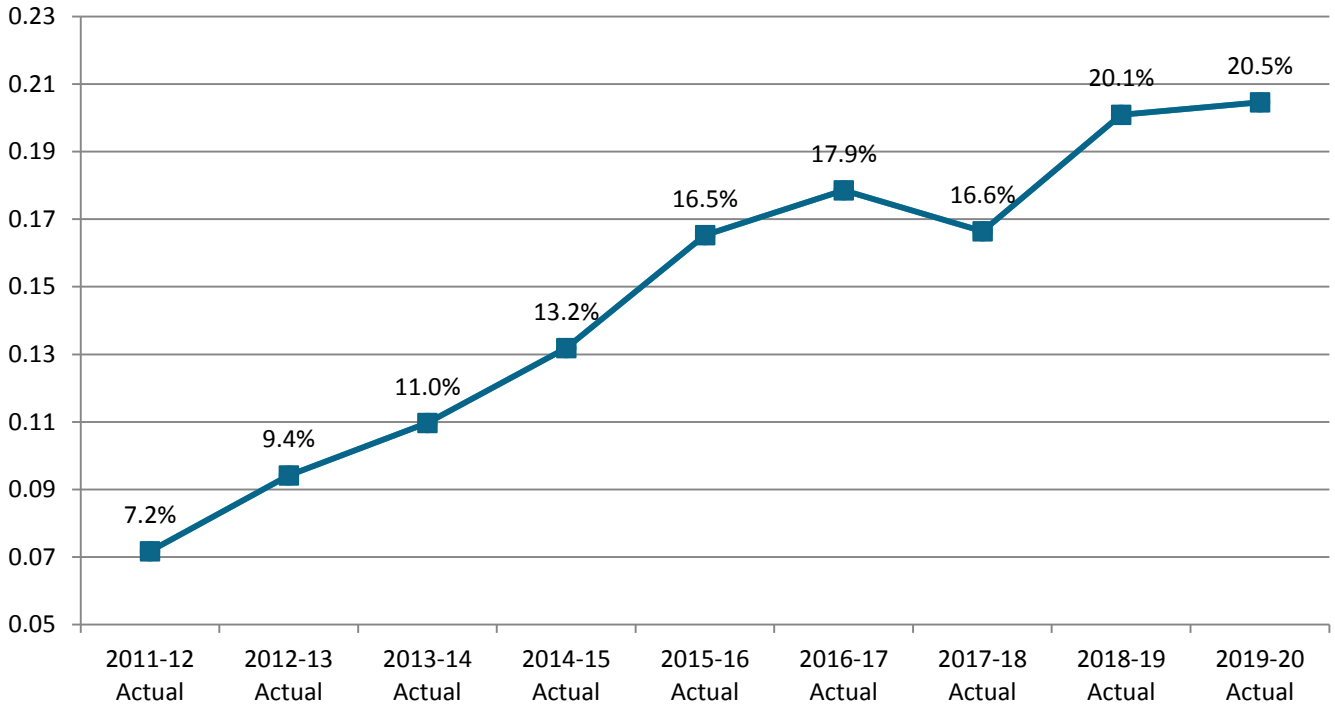
Contra Costa Fire District Property Tax

Property taxes declined by over 13% between 2009 and 2013. These taxes then significantly increased between 2014 and 2019. Now returning to a more normal increase of around 4% going into the next few years. Actual District experience:

- 2009-10 (7.8% decline)
- 2010-11 (2.4% decline)
- 2011-12 (1.9% decline)
- 2012-13 (1.2% decline)
- 2013-14 5.9% increase
- 2014-15 9.3% increase
- 2015-16 6.9% increase
- 2016-17 6.32% Increase
- 2017-18 5.53% increase
- 2018-19 6.44% increase
- 2019-20 5.50% Increase
- 2020/21 5.22% increase

General Fund Reserves Performance in Sync with Policy

- For FY 2019-20, total General Fund revenues were $1.728 billion and the total fund balance was $637.2 million, or 36.9% of total General Fund revenue
- Of the $637.2 million:
  - $353.5 million was unassigned – 20.5% of total General Fund Revenues
  - $283.7 million was assigned, committed, restricted or nonspendable



1. Source: Contra Costa County Comprehensive Annual Financial Report for fiscal year 2020

Impact of COVID-19 on the County

- The County received $227.8 million in CARES Act Coronavirus Relief Funds (CRF) to assist with its response to COVID-19 ($201.2 million from Federal direct allocation and $26.5 million from State sub-recipient allocation)
  - All funds have been spent and were applied to various permitted purposes, including payroll for public health and safety employees; improvements to telework capabilities; medical expenses; and public health expenses for the period March 1 – December 31, 2020

FY 2021 Key Budget Provisions

- In its FY 2021 Final Budget, the County closed a $35.0 million General Fund funding gap through a combination of mostly one-time spending reductions, revenue increases (including funding authorized under the CARES Act), the use of prior year fund balances, and the elimination of 93 vacant/unfunded FTE positions in the offices of the Assessor, Employment and Human Services, and Probation
- As part of budget adoption, the Board re-affirmed its policy prohibiting the use of general-purpose revenue to back-fill reductions in revenues to be received from the State
- Appropriates an additional $30.0 million on homeless housing and wraparound services directly related to COVID-19, to be funded with CARES Act/FEMA monies
- Did not anticipate the receipt of additional federal relief funding

Emergency Rental Assistance Program

- Authorized in the December stimulus package (H.R. 133)
  - County received direct allocation of $34,296,331 on January 20th
- County Administrator has convened an interdepartmental workgroup to provide immediate policy options to the Board
  - Funding must be obligated by September 30, 2021 to avoid reallocation
- Basic Eligibility (in statute)
  - Qualified for unemployment or has experienced reduction in income
  - Experienced financial hardship due to COVID-19;
  - At-risk of experiencing homelessness or housing instability;
  - Landlords may seek assistance on behalf of tenant so long as tenant co-signs
  - Payments provided directly to landlords on behalf tenants, unless landlords opts out
  - Assistance to households generally may not exceed 12 months (including any arrearages), but could be extended to 15 months

FY 2020/21 Mid-year Preliminary Stats Budget Performing As Expected

ALL FUNDS	Budget	Actual	Mid-Year 20-21 Percent	Mid-Year 19-20 Percent	Mid-Year 18-19 Percent	Mid-Year 17-18 Percent
Expenditures	$4,198,963,094	$1,831,077,772	43.6%	40.7%	41.0%	41.6%
Revenues	$3,911,348,812	$1,740,794,707	44.5%	39.2%	44.3%	43.6%

GENERAL FUND	Budget	Actual	Percent	Percent	Percent	Percent
Expenditures	$1,965,560,019	$840,093,359	42.7%	40.5%	41.2%	37.5%
Revenues	$1,780,702,923	$826,117,637	46.4%	37.1%	40.5%	40.4%
Wages & Benefits	$978,968,798	$441,582,986	45.11%	45.7%	45.9%	46.0%
Services & Supplies	$666,315,582	$285,698,013	42.88%	37.4%	38.6%	38.3%
Other Charges	$300,715,177	$137,100,204	45.59%	40.4%	43.9%	40.4%
Fixed Assets	$150,267,821	$37,320,217	24.84%	23.5%	23.1%	14.4%
Inter-departmental Charges	($140,707,359)	($61,608,060)	43.78%	41.0%	45.8%	46.5%
Contingencies	$10,000,000					
Total Expenses	**$1,965,560,019**	**$840,093,359**	**40.5%**	**40.5%**	**41.2%**	**40.4%**
Taxes	$461,313,000	$288,104,864	62.45%	64.0%	63.8%	59.7%
License, Permits, Franchises	$12,733,764	$2,950,802	23.17%	29.5%	31.7%	31.2%
Fines, Forfeitures, Penalties	$24,371,494	$1,100,871	4.52%	8.1%	11.0%	7.6%
Use of Money & Property	$5,671,750	$2,391,061	42.16%	28.5%	82.9%	48.8%
Federal/State Assistance	$723,789,799	$363,148,526	50.17%	28.2%	37.3%	33.0%
Charges for Current Services	$193,946,629	$84,859,095	43.75%	31.8%	37.9%	38.8%
Other Revenue	$358,876,488	$83,562,419	23.28%	27.4%	23.4%	22.4%
Total Revenues	**$1,780,702,923**	**$826,117,637**	**46.39%**	**37.1%**	**40.5%**	**38.0%**

General Purpose Revenue Distribution

Most of the General Purpose and Debt Service Revenue is allocated to a handful of County Departments/ Program areas; in fact, 85.9% of our General Purpose and Debt Service Revenue is spent in just nine departments

	2020-21 Adjusted	Share of Total
Health Services	$158,356,000	30.9%
Sheriff-Coroner	99,268,000	19.4%
Probation	43,499,500	8.5%
Public Defender	29,109,000	5.7%
Employment and Human Services	28,573,000	5.6%
Public Works	26,694,000	5.2%
District Attorney	22,630,000	4.4%
Assessor	16,665,500	3.3%
Capital Improvements	14,850,000	2.9%

* January Adjusted without Carryforwards

Contract Status

	Total Number of Permanent Employees [1]		Contract Expiration Date
AFSCME Local 512, Professional and Technical Employees	234		6/30/2022
AFSCME Local 2700, United Clerical, Technical and Specialized Employees	1,474		6/30/2022
California Nurses Association	767		9/30/2021
CCC Defenders Association	95		6/30/2022
CCC Deputy District Attorneys' Association	87		6/30/2022
Deputy Sheriffs Association, Mgmt Unit and Rank and File Unit	842		6/30/2023
Deputy Sheriffs Association, Probation Peace Officers Association	193		6/30/2023
District Attorney Investigator's Association	19		6/30/2023
IAFF Local 1230	332		6/30/2023
IHSS SEIU - 2015			6/30/2022
Physicians and Dentists of Contra Costa	254		10/31/2022
Professional & Technical Engineers – Local 21, AFL-CIO	1,129		6/30/2022
Public Employees Union, Local One & FACS Site Supervisor Unit	541		6/30/2022
SEIU Local 1021, Rank and File and Service Line Supervisors Units	847		6/30/2022
Teamsters, Local 856	1,821		6/30/2022
United Chief Officers' Association	12		6/30/2023
Western Council of Engineers	25		6/30/2022
Management Classified & Exempt & Management Project	418		n/a
Total	9,090	**100%**	

[1] Permanent number of filled Positions as of November 2020 (not FTE)

Pension Cost Management

- Contra Costa County Employee Retirement Association's (CCCERA) assumed rate of return is currently 7.00%
- FY 2021-22 the final annual County Pension Obligation Bond (POBs) payment will be made June 2022 – the final payment is $47.4 million
- FY 2021-22 the Final Fire Protection District POB transfer will be made June 2022 - the final transfer is $11.45 million (into Securitization Fund/June 2023)
- Without the issuance of these POBs, both the County and Fire Protection District's Unfunded Liabilities would be significantly higher
- Paulson Settlement Payments $2.76 M per year until final annuity on February 1, 2024 - $1.4 million

Solid Pension Funding Status

- CCCERA lowered its investment earnings assumption from 7.25% to 7.00%, beginning in calendar year 2014
- County UAAL as of 12/31/2019 was $607.93 million

Contra Costa County Annual Pension Cost[1]		
Year Ended Dec. 31	Annual Pension Cost ($000s)	% Contributed
2010	$183,951	100.0%
2011	200,389	100.0%
2012	212,321	100.0%
2013	228,017	103.1%
2014	288,760	101.7%
2015	321,220	100.8%
2016	307,909	100.0%
2017	314,512	100.1%
2018	324,863	100.1%
2019	326,717	100.4%

Comparable California County Pension Funding (as of 2018)							
County	Contra Costa	Alameda	San Mateo	Marin	Orange	San Diego	Santa Clara
(Issuer Rating)	Aa2/AAA/NR	Aaa/AAA/AAA	Aaa/AAA/NR	Aaa/AAA/AAA	Aa1/AA+/AAA	Aaa/AAA/AAA	Aa1/AAA/AA+
Assumed Pension Investment Rate	7.00%	7.25%	6.92%	7.00%	7.00%	7.25%	7.15%
Pension Funding Ratio	89.3%	86.0%	87.5%	88.3%	72.4%	78.4%	71.8%

Contra Costa County Employees' Retirement Association Pension Funding Status ($000s)				
Actuarial Valuation Date	Total CCCERA Unfunded Actuarial Accrued Liabilities	Funded Ratio	County UAAL	CCC Fire Protection District UAAL
2009	$1,024,673	83.80%	$727,578	$68,294
2010	1,312,215	80.30%	918,919	104,750
2011	1,488,593	78.50%	1,037,535	130,737
2012	2,279,059	70.60%	1,591,610	228,950
2013	1,823,681	76.40%	1,260,363	180,209
2014	1,469,942	81.70%	1,003,749	151,686
2015	1,311,823	84.50%	879,610	154,708
2016	1,187,437	86.50%	776,396	143,193
2017	1,059,356	88.50%	689,426	131,765
2018	1,031,966	89.30%	677,735	123,353
2019	947,054	90.60%	607,938	132,554

1. Source: Contra Costa County Employees' Retirement Association, Actuarial Valuation as of December 31, 2019

OPEB Trust Prefunding Status

- The County establishing an OPEB Trust in 2008 and began pre-funding benefits that same year.
- Pre-funding is currently $20 million per year
- The funded ratio is 39.5% as of the most recent valuation date (6/30/2020)

Other Post Employment Benefit Funding Status ($000s)			
Actuarial Valuation Date	Total Liability	Net Liability	Funded Ratio
2008	$2,367,023	$2,367,023	0.00%
2009	1,879,242	1,859,204	1.10%
2010	1,046,113	1,021,065	2.40%
2011	1,078,665	1,016,945	5.70%
2012	1,033,801	948,310	8.30%
2013	1,033,776	968,285	6.30%
2014	923,848	794,422	14.00%
2015	939,053	764,329	18.60%
2016	902,011	706,035	21.70%
2017	928,782	693,566	25.30%
2018	932,187	662,517	28.90%
2019	958,588	650,074	32.20%
2020	865,62	523,933	39.50%

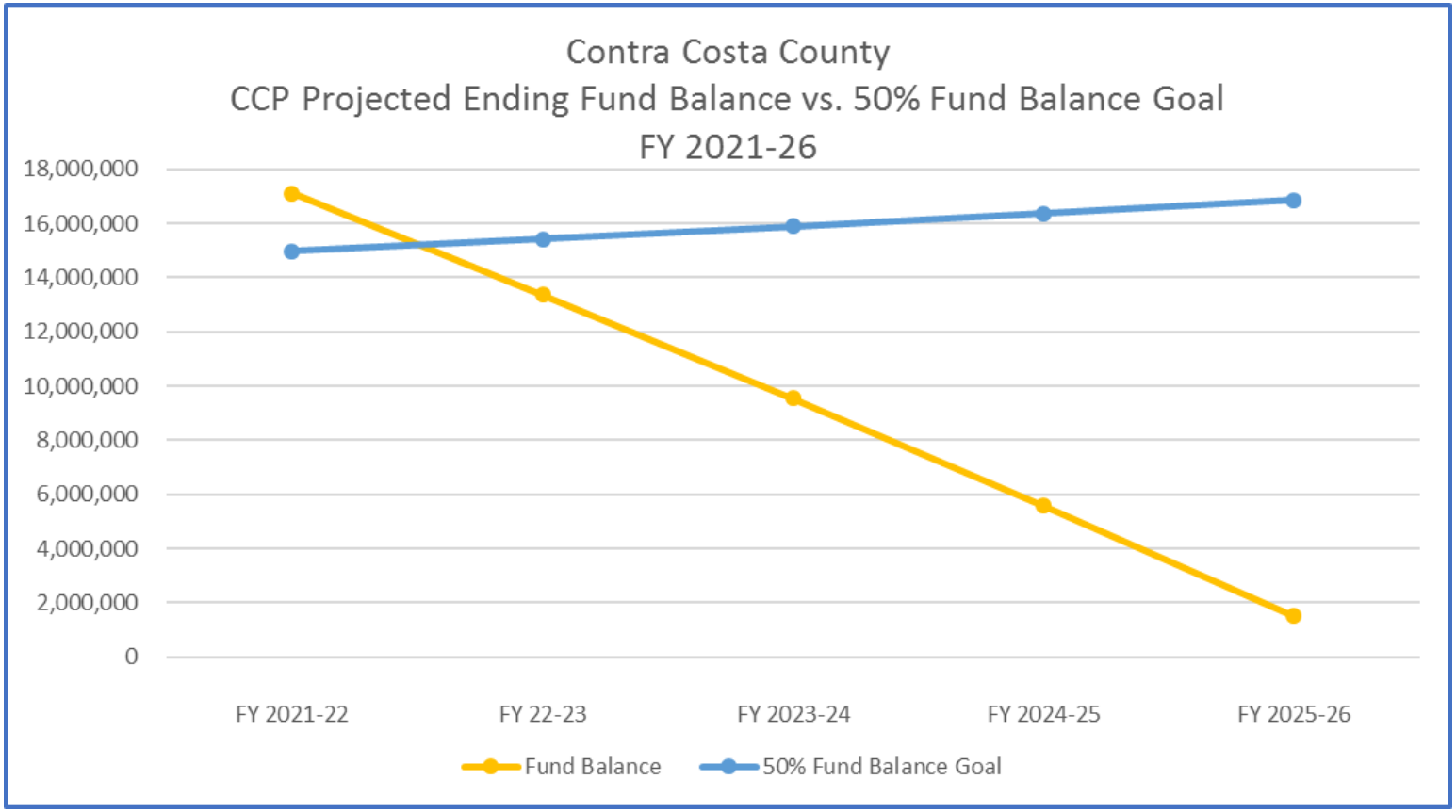
Preliminary employee/position data FY 2021/22

- 9,953 FTE (90 FTE Increase over last year)
- Total salary and benefit cost of $1,638,440,957
  - ($81.0 million increase over FY 2020/21 budget)
- Average wages of $96,336
- Average retirement cost of $36,885
- Average health insurance cost $15,528
- Average total cost of a position $164,620

Community Corrections Partnership

- CCP passed a FY 21/22 Budget Recommendation of $29,949,274 in December 2020, an increase of 5.9% over the current year.
  - PPC to review and approve the budget on January 25, 2021
  - Approximately 23% ($7.0 million) of the budget is allocated to Community Based Organizations
- CCP budget relies on approximately $26.5 million in base revenue and $3.5 million of CCP fund balance in FY 2021/22 (expenses exceed base revenues)
- Assuming just a 3% increase each year to expenditures over the next 4 years for existing employee/program costs, the County would be required to draw $19.1 million from CCP fund balance to fund AB109 programs through FY 2025-26.
- Assuming a FY 21/22 estimated beginning fund balance of $20.6 million, fund balance would be reduced to $1.5 million at the close of FY 25/26.
- At $1.5 million, fund balance would be at 4% of FY 25/26 projected expenditures. **Goal is 50% of expenditures** *(Approx. 6 months of operations)*

Community Corrections Partnership



Contra Costa Fire Protection District

Reasons For Optimism

- "Alliance" ambulance program stable (for now)
- Net decrease of $3.8 million in debt service payments in FY 2021-22
  - Payments on existing Pension Obligation Bonds decreasing by approximately $5.7 million in FY 2021/22
  - New debt service on capital construction projects is scheduled at $1.9 million annually.

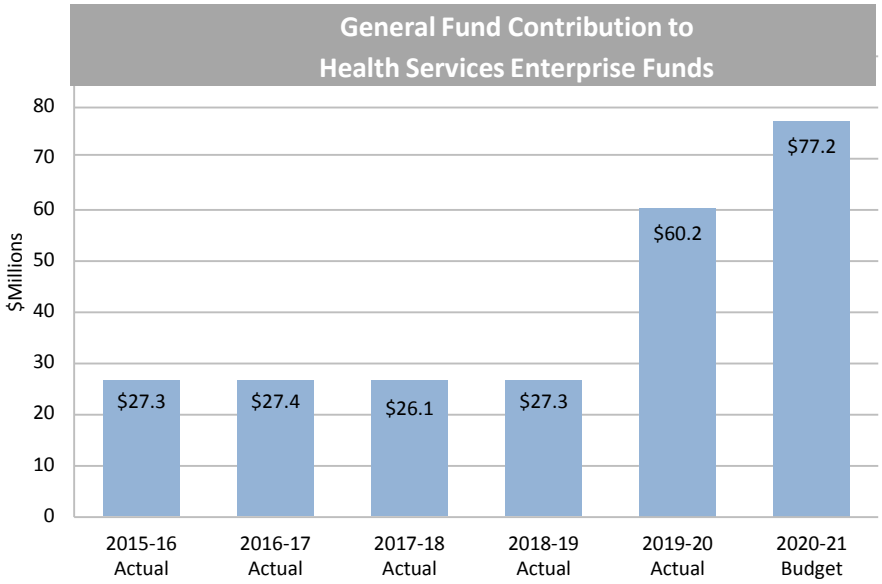
Reasons For Concern

- Property Tax revenue increases anticipated to slow
  - Assumption of 4.0% for 21/22
  - Additional decreases possible in 22/23 and beyond
- Cost of prior labor contracts
  - $8.7 million in FY 2021-22 (total three-year cost of $26.2 million)
- Increase in employer pension costs due to the depooling of Safety Cost Group #8, which impacts Contra costa Fire Protection District and East Contra Costa Fire Protection District
  - Estimated increase of approximately $1.5-$2.0 million in FY 21/22
- Litigation/ongoing appeal of PERB decision regarding United Chief Officers Association

Contra Costa Regional Medical Center

- Contra Costa Regional Medical Center (CCRMC) is a 164-bed acute care public hospital owned and operated by the County. It is inclusive of ten ambulatory health care centers, which are licensed as outpatient departments of the hospital.
- The Hospital Enterprise Fund represents 14% of the County's FY 2020-21 Final Budget
- Operation of the CCRMC is financially administered primarily with Hospital/Health Plan revenues, with the County General Fund subsidizing 12% of CCRMC's budget, or $77.2 million planned for FY 2020-21
  - The County General Fund allocation had been significantly reduced over the last five years following the implementation of the Affordable Care Act (ACA)
  - ACA membership and related revenue declined in FY 2018-19; the ACA impact coupled with new labor agreement costs created a need for additional subsidy in FY 2019-20

Regional Medical Center Budget ($000s)			
	2018-19 Actual	**2019-20 Actual**	**2020-21 Final Budget**
Beginning Net Position	$129,441	$146,527	$155,830
Revenue	625,080	609,582	615,890
Expenditures	627,251	651,402	660,553
Transfers In Subsidy	23,304	56,228	73,245
Ending Net Position	146,527	155,830	166,559
Change in Net Position	**$17,087**	**$9,303**	**$10,728**



Reasons For Concern

- Revenues will not keep up with expenditures for 2020/21 nor are they likely to do so for 2021/22 and beyond
- Inflation is coming back sooner rather than later
- Aging Technology – in process to replace the Finance System & Tax Systems at an approximate cost of $18 million each
- Unknown to what level the Federal government will respond to counties needs
- Real issues coming due to excessive stimulus funds
- Ongoing funding for County Hospital, Clinics, and Health Plan - it continues to be difficult to support the hospital with increased costs. We continue to reduce programs in other areas to support Hospital needs. We must consider alternative revenue streams and right size services to resources available.

FY 2021-22 Budget Hearing Format

Draft agenda for discussion purposes

- Introduction/summary by County Administrator
- Departmental presentations:
  - Sheriff-Coroner
  - District Attorney
  - Public Defender
  - Health Services Director
  - Employment and Human Services Director
- <u>Suggested changes for this year?</u>
- Deliberation

Budget Hearing on April 20th (hearing can be continued if needed)

Beilenson Hearings may be required at later date

Budget Adoption on May 11th

- The Fire Board will receive a budget presentation on the District's budget on April 27. Per the norm the Fire Budget Hearing and Adoption will occur along with the Countywide Budget on May 11th.

Contra
Costa
County

To: Board of Supervisors

From: Monica Nino, County Administrator

Date: January 26, 2021

Subject: Annual Report on Capital Projects

RECOMMENDATION(S):
Accept report on Capital Projects.

FISCAL IMPACT:
No fiscal impact. This is an informational report only.

BACKGROUND:
See attached report.

- [ ] APPROVE
- [ ] OTHER
- [x] RECOMMENDATION OF CNTY ADMINISTRATOR
- [ ] RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2021** [ ] APPROVED AS RECOMMENDED [ ] OTHER

Clerks Notes:

VOTE OF SUPERVISORS

Contact: Eric Angstadt, Assistant County Administrator 925-335-1009

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: All County Departments (via CAO)

ATTACHMENTS

Capital Projects
Update

Contra Costa County Capital Projects Update

Presentation to

Board of Supervisors

January 26, 2021

Agenda

Master Facilities Plan

Current Major Projects

651 Pine Street Demo and Redevelopment

Master Facilities Plan

- State of Current Inventory
- County Policies
- New Construction (if any needed)
- Maintenance Levels & Cost
- Financing

Module M – Martinez Detention Facility

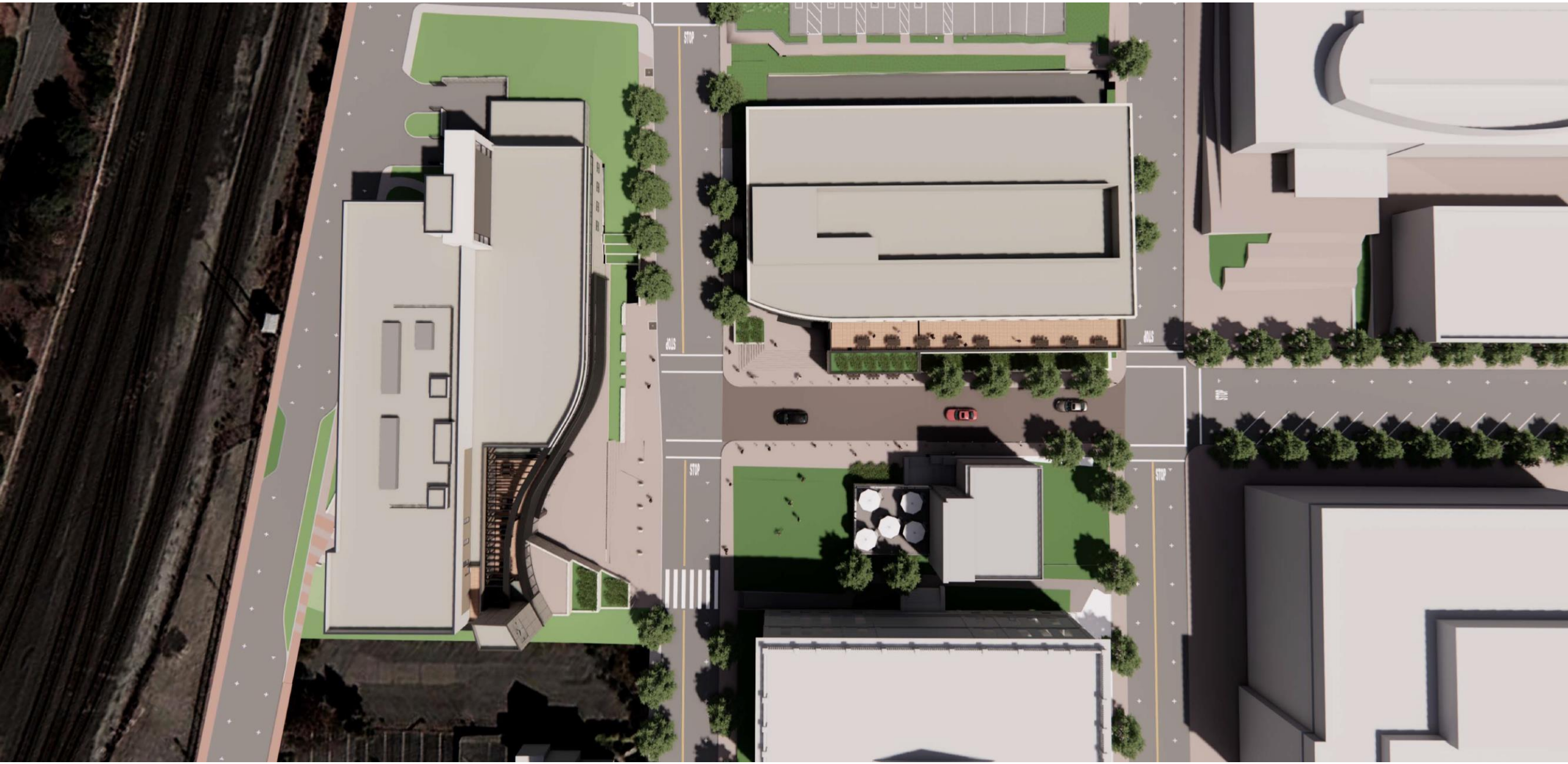
- Remodel of existing Module M to make 5 hospital equivalent mental health beds and space for a return to competence program
- $16.3 million budget – County funds
- Under construction

West County Re-Entry and Treatment Facility – WRTH

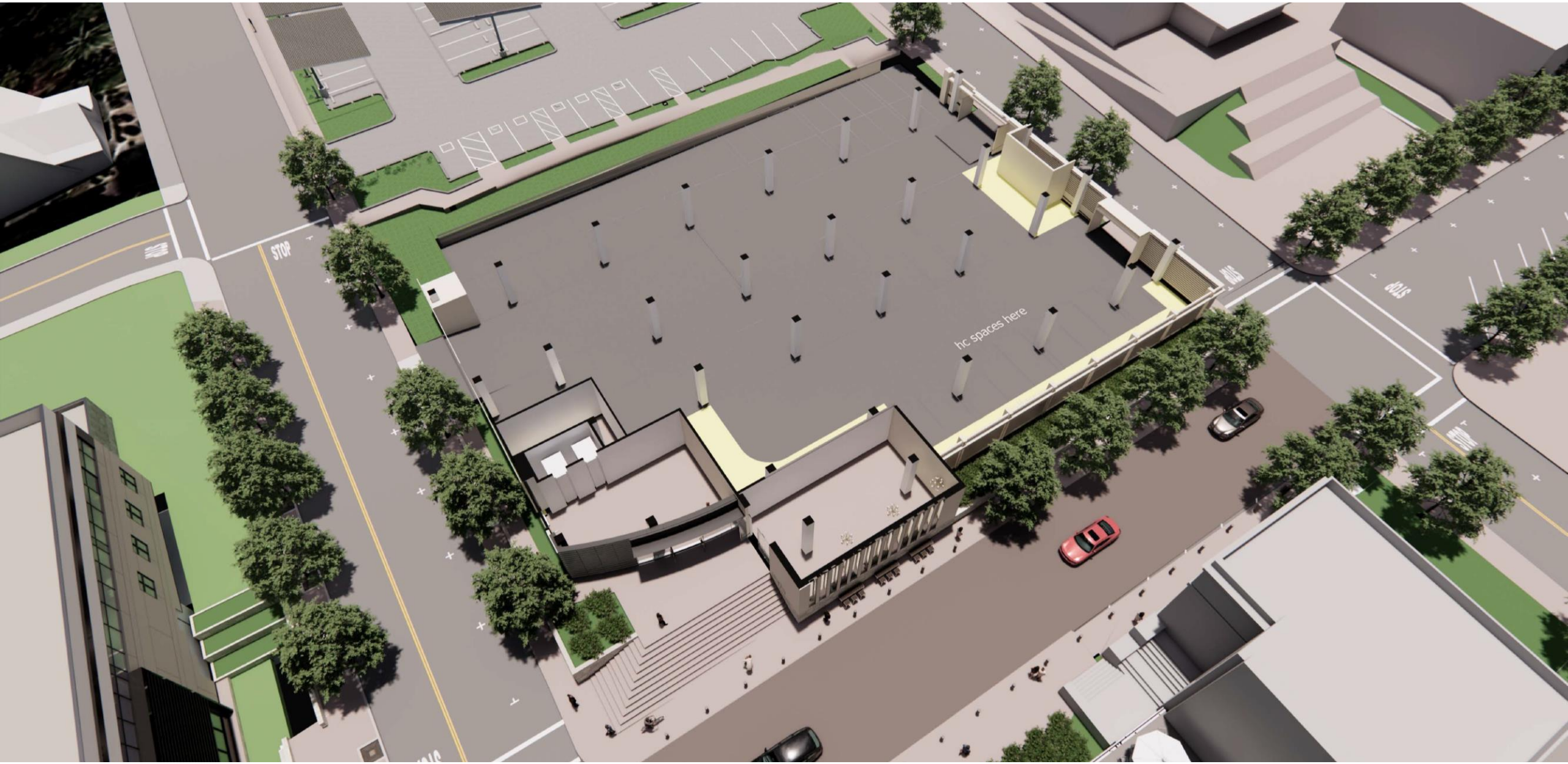
- 96 mental health treatment beds and 288 general population beds
- Re-entry services, visitation and programming space
- $95 million budget – $70 million State grant, $25 million County funds
- Waiting for State approval to issue RFP
- Three Design Build teams already pre-approved to Bid

651 Pine Street Demo and Redevelopment

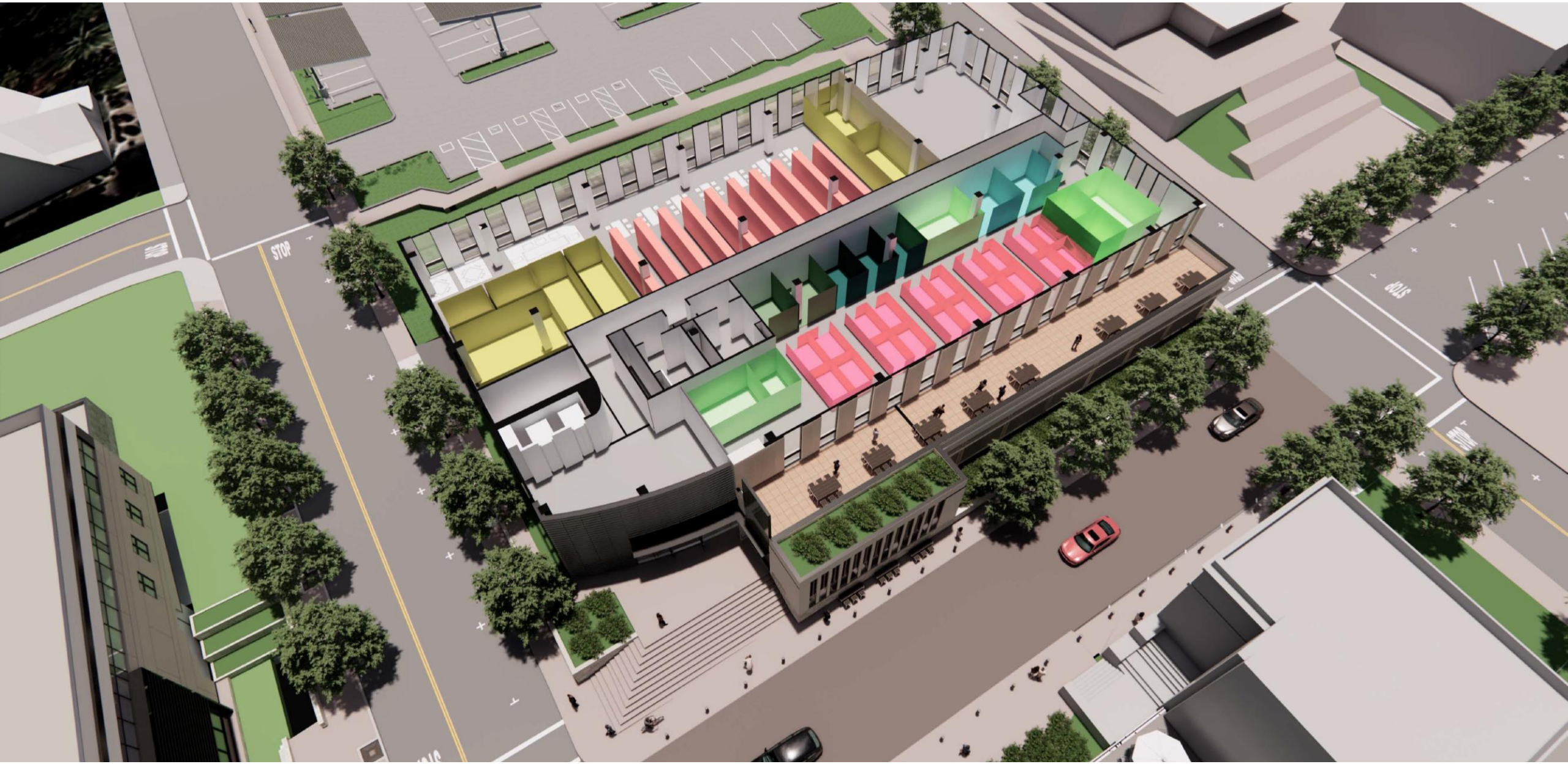
- Demolition of former administration tower and North Wing
- Build new 20,000 square foot office building with approximately 80 parking spaces
- Public plaza areas after demo of Old Jail annex
- Relocation of telecommunications infrastructure in and on 651 Pine Street tower
- $65 million budget – $45 million new debt (Estimate of $2.8 million annual), $20 million County funds
- Five design build teams are in the pre-qualification process and interested in bidding on project



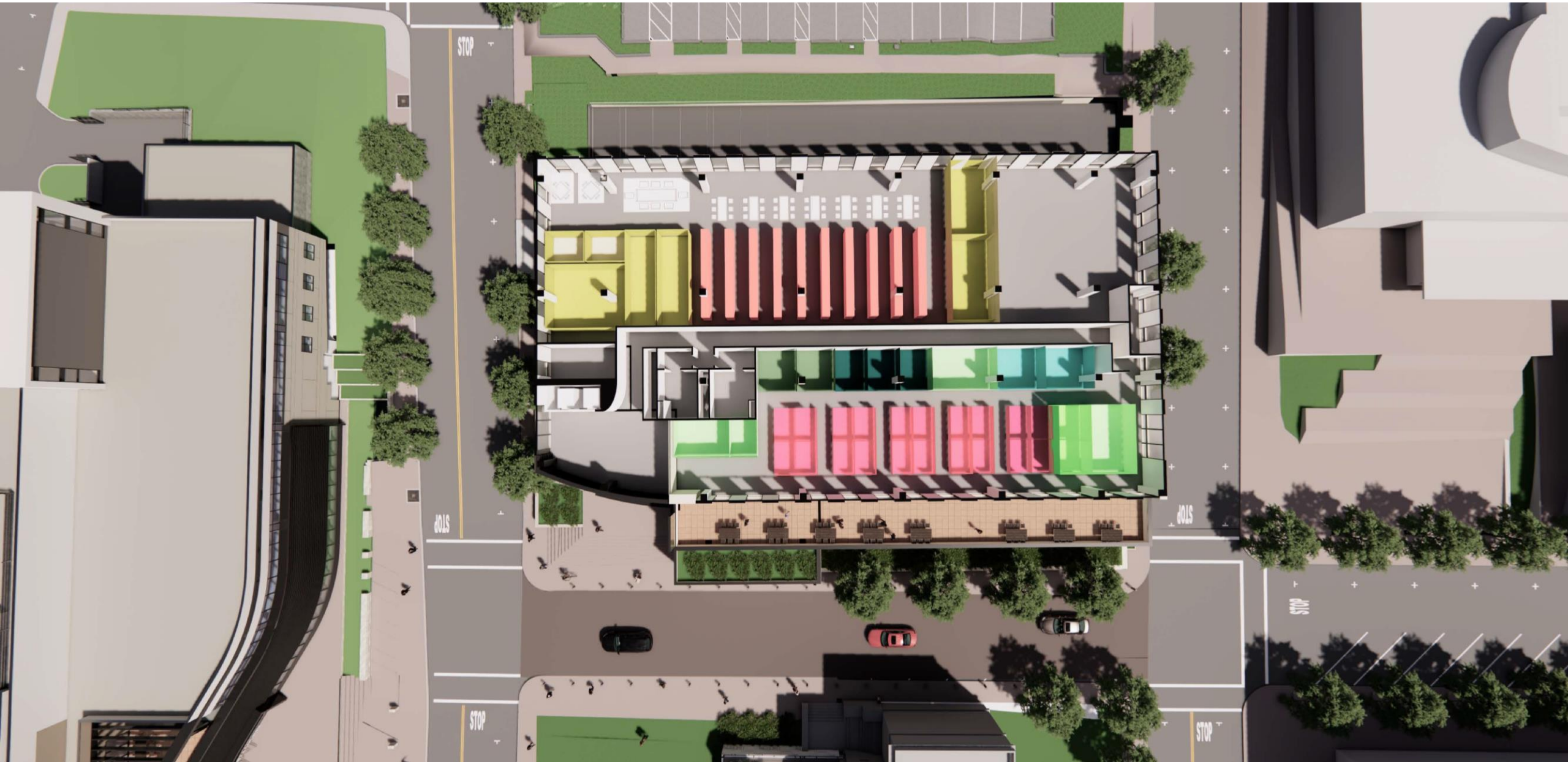
Site Plan



Aerial Garage Floor Plan

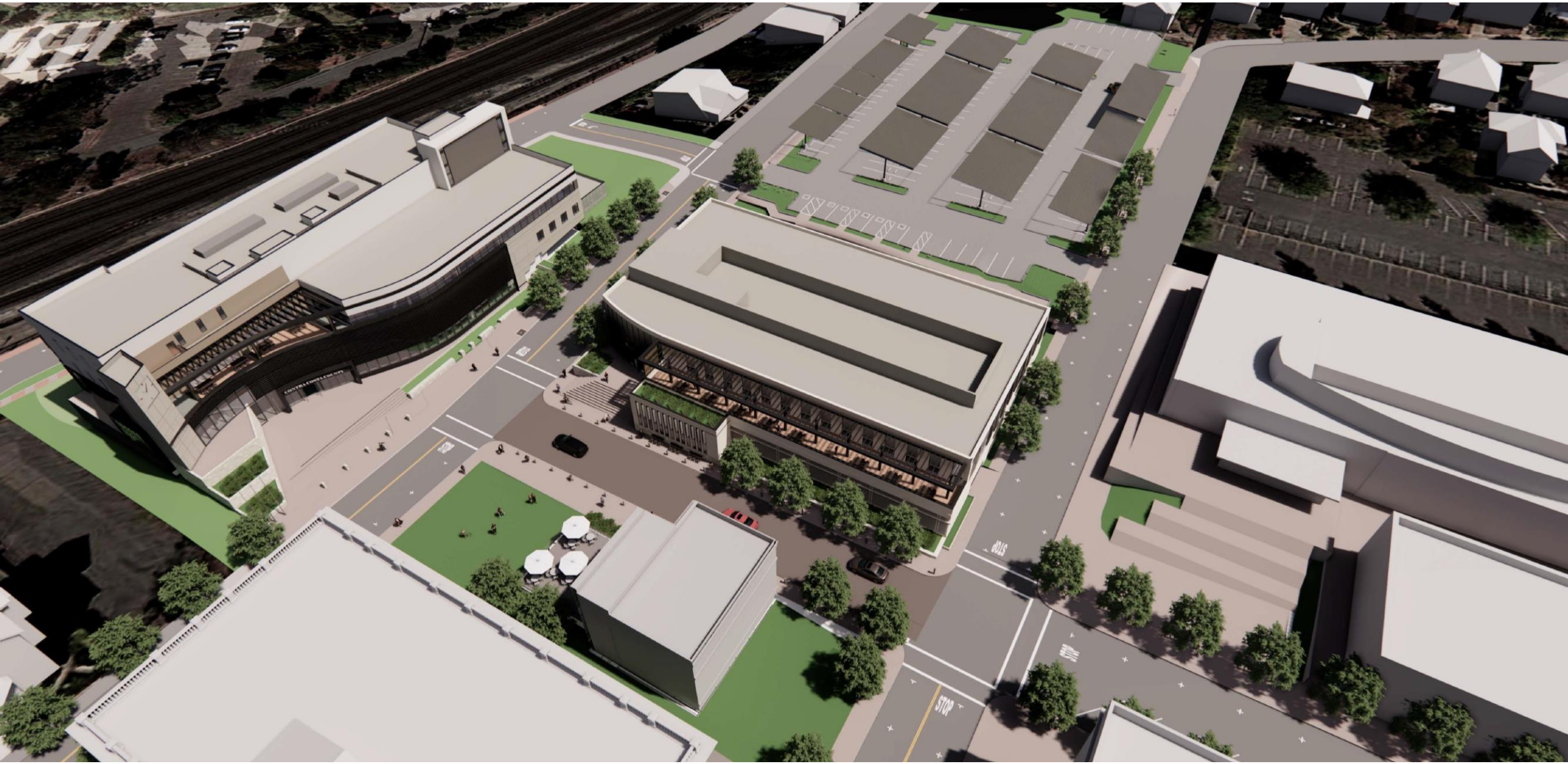


Aerial Second Floor Test Fit Plan

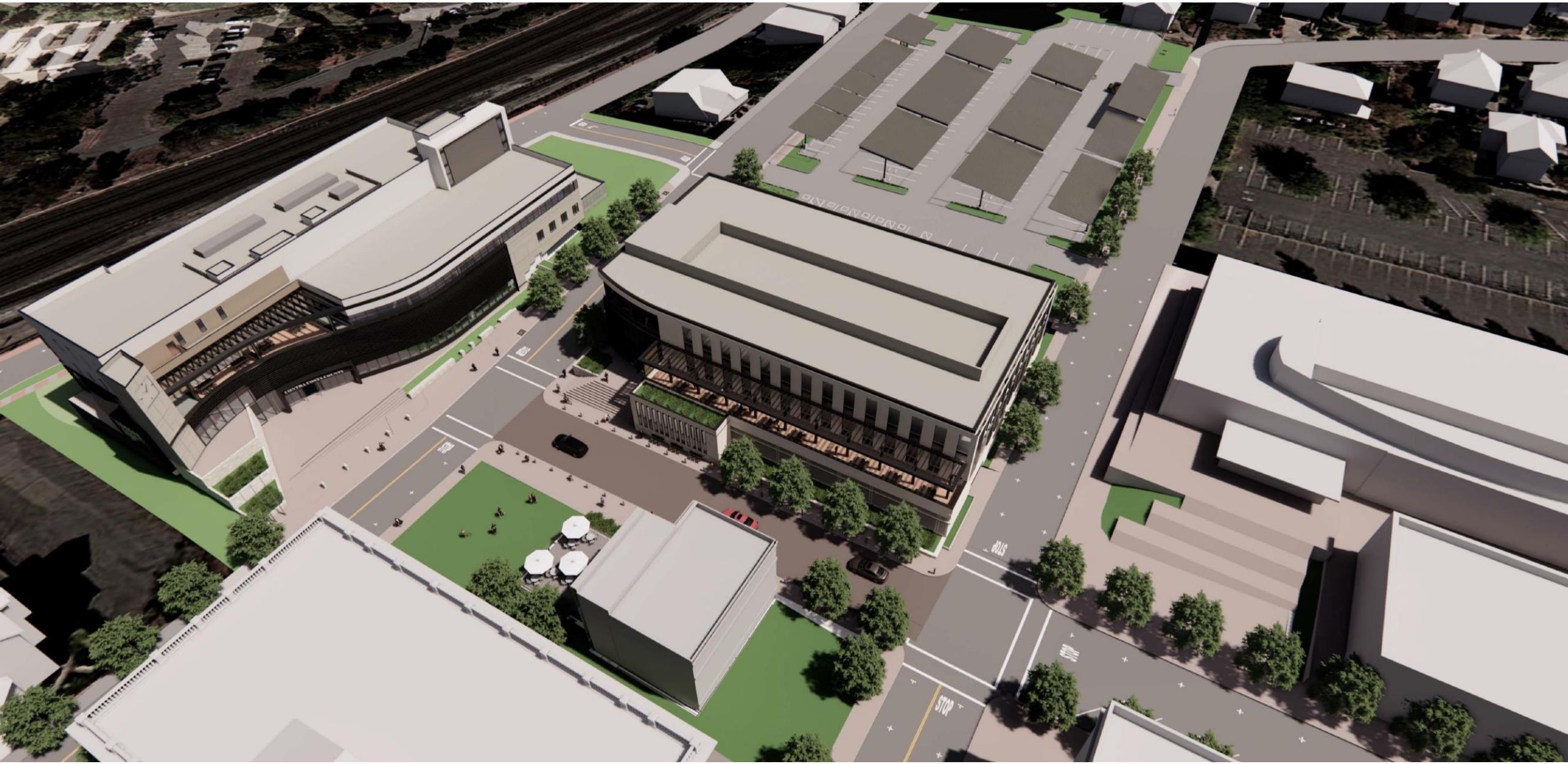


Second Floor Test Fit Plan

Aerial Third Floor Plan



Southwest Aerial View – 2 Story Building



Southwest Aerial View – 3 Story Building

Northwest Aerial View – 2 Story Building

Northwest Aerial View – 3 Story Building

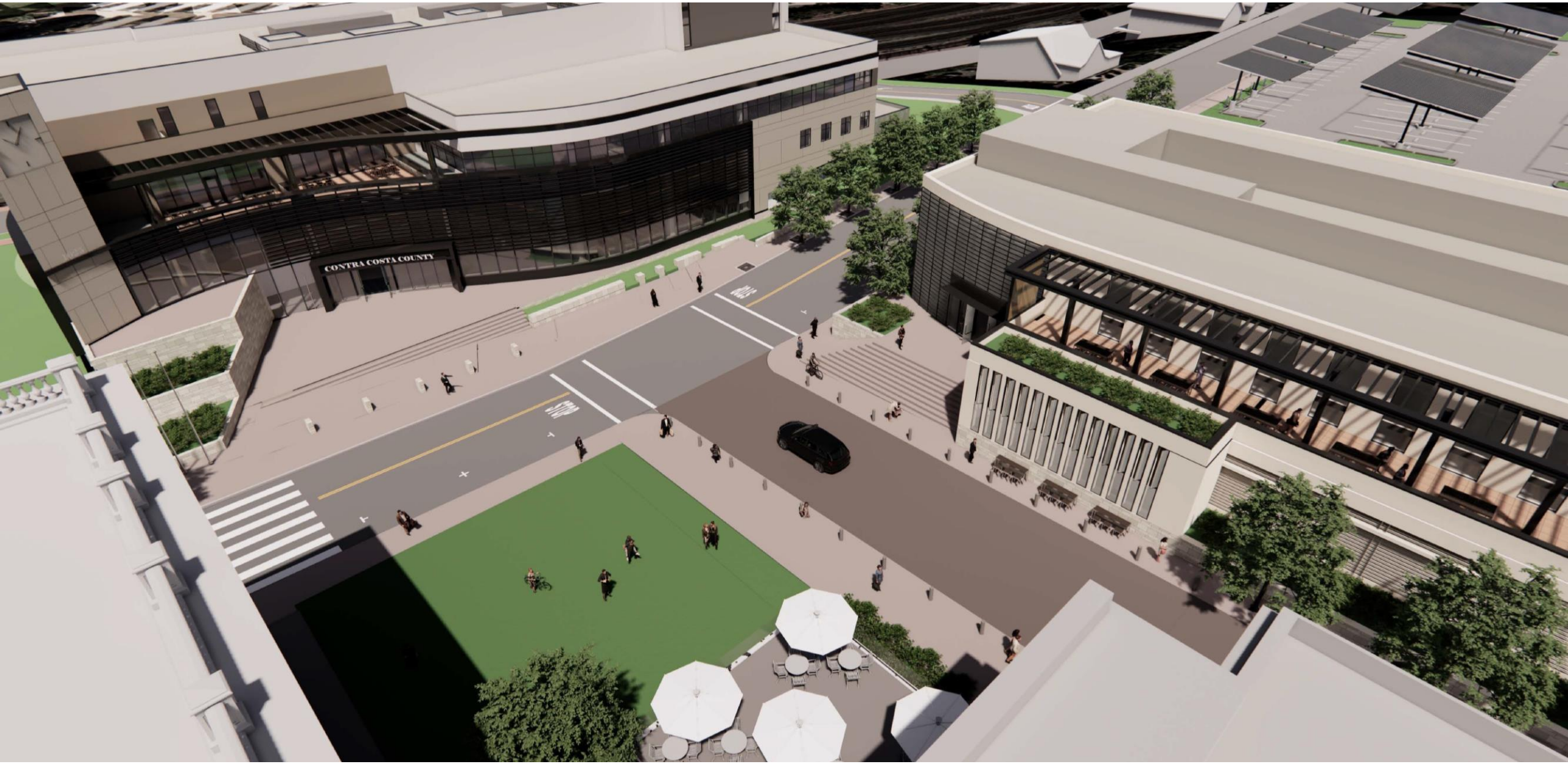
Northwest View From Admin Building – 3 Story Building

View Down Pine Street – 2 Story Building

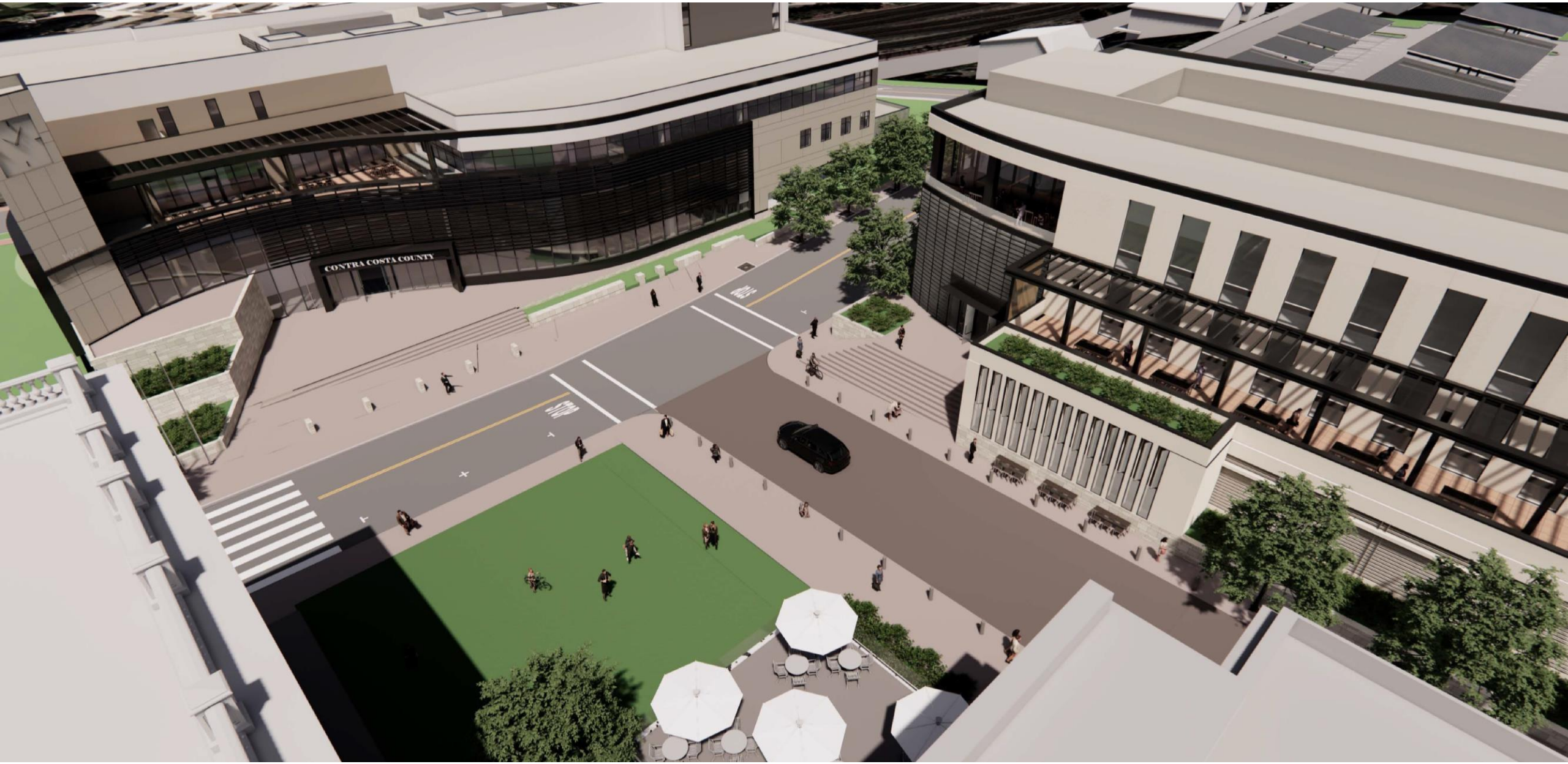
View Down Pine Street – 3 Story Building

View at Main and Pine j- 2 Story Building

View at Main and Pine j- 2 Story Building



Aerial View Over Park – 2 Story Building



Aerial View Over Park – 3 Story Building

Aerial View Of Park – 2 Story Building

Aerial View Over Park – 3 Story Building

View South on Pine Street – 2 Story Building

View South on Pine Street – 3 Story Building

Options:

1. Two Floors (Parking plus Office)	Estimated total project cost $65 million
2. Three Floors (Parking plus 2 floors Office)	Estimated total project cost $75 million
3. Two Floors but built to add a floor later	Estimated total project cost $68-70 million
4. No Building at all just parking and open space	Estimated total project cost $25-30 million

Contra
Costa
County

To: Board of Supervisors

From: Monica Nino, County Administrator

Date: January 26, 2021

Subject: REDISTRICTING 2021

RECOMMENDATION(S):
Accept report on Redistricting 2021.

FISCAL IMPACT:
No fiscal impact. This is an informational report only.

BACKGROUND:
See attached report.

- [ ] APPROVE
- [ ] OTHER
- [x] RECOMMENDATION OF CNTY ADMINISTRATOR
- [ ] RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2021** [ ] APPROVED AS RECOMMENDED [ ] OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

Contact: David Twa, County Administrators Office (925) 655-2045

By: , Deputy

cc: David Twa, Outgoing County Administrator

ATTACHMENTS

Redistricting 2021

CONTRA COSTA COUNTY

BOARD OF SUPERVISORS REDISTRICTING

Board Retreat, Jan 26,2021

PURPOSE / MISSION

CONDUCT A TRANSPARENT REDISTRICTING PROCESS, PROVIDING EXCEPTIONAL PUBLIC ACCESS TO INFORMATION, LEADING TO ADOPTION OF THE REDISTRICTING ORDINANCE THAT COMPLIES WITH ALL APPLICABLE LAWS

WHAT IS REDISTRICTING?

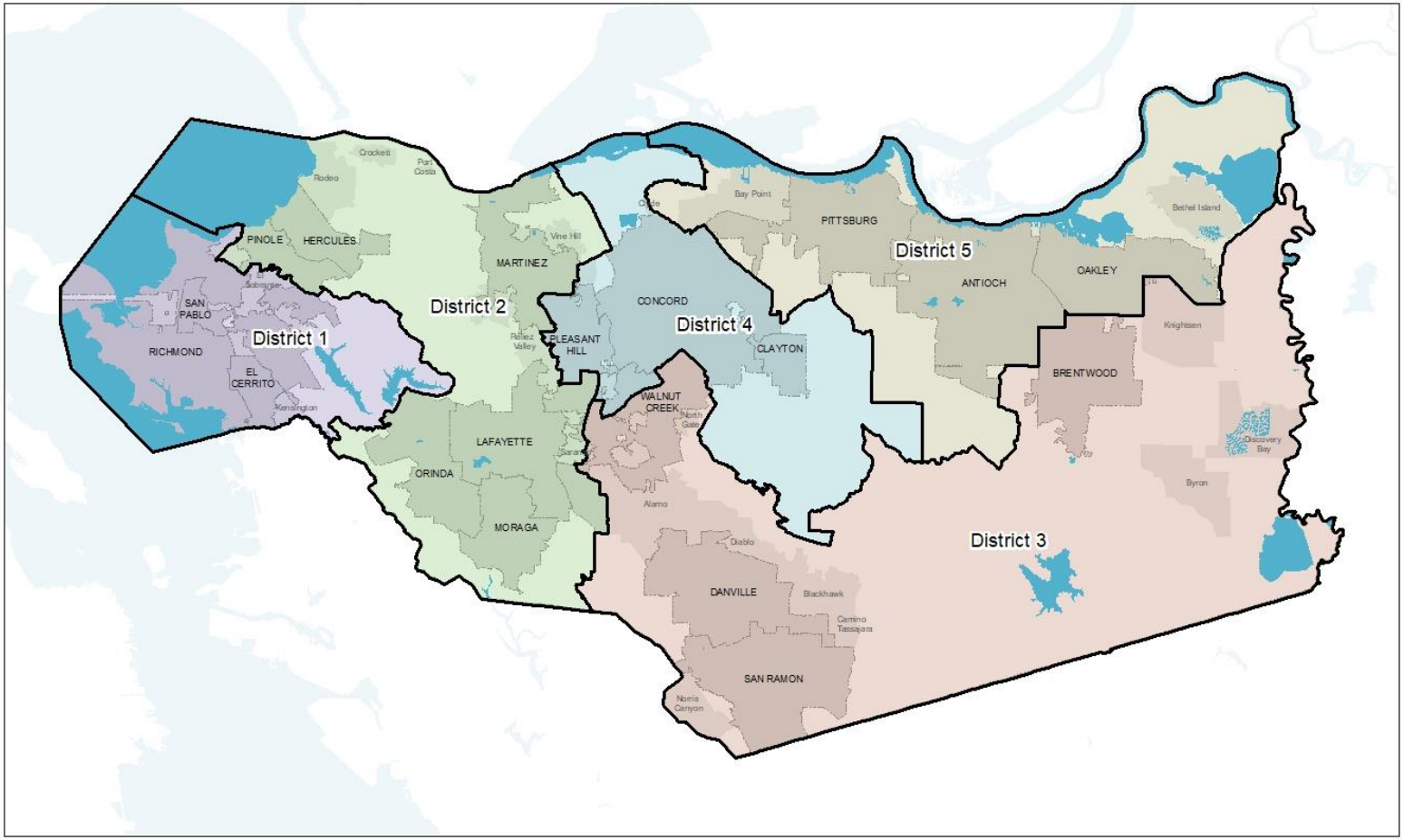
- **Every ten years the Board of Supervisors redraws supervisorial district lines to account for population growth and shifts during last decade based on U.S. census data**

- **Redistricting is necessary to comply with Equal Protection Clause, 14th Amendment, U.S. Constitution, "one person, one vote"**

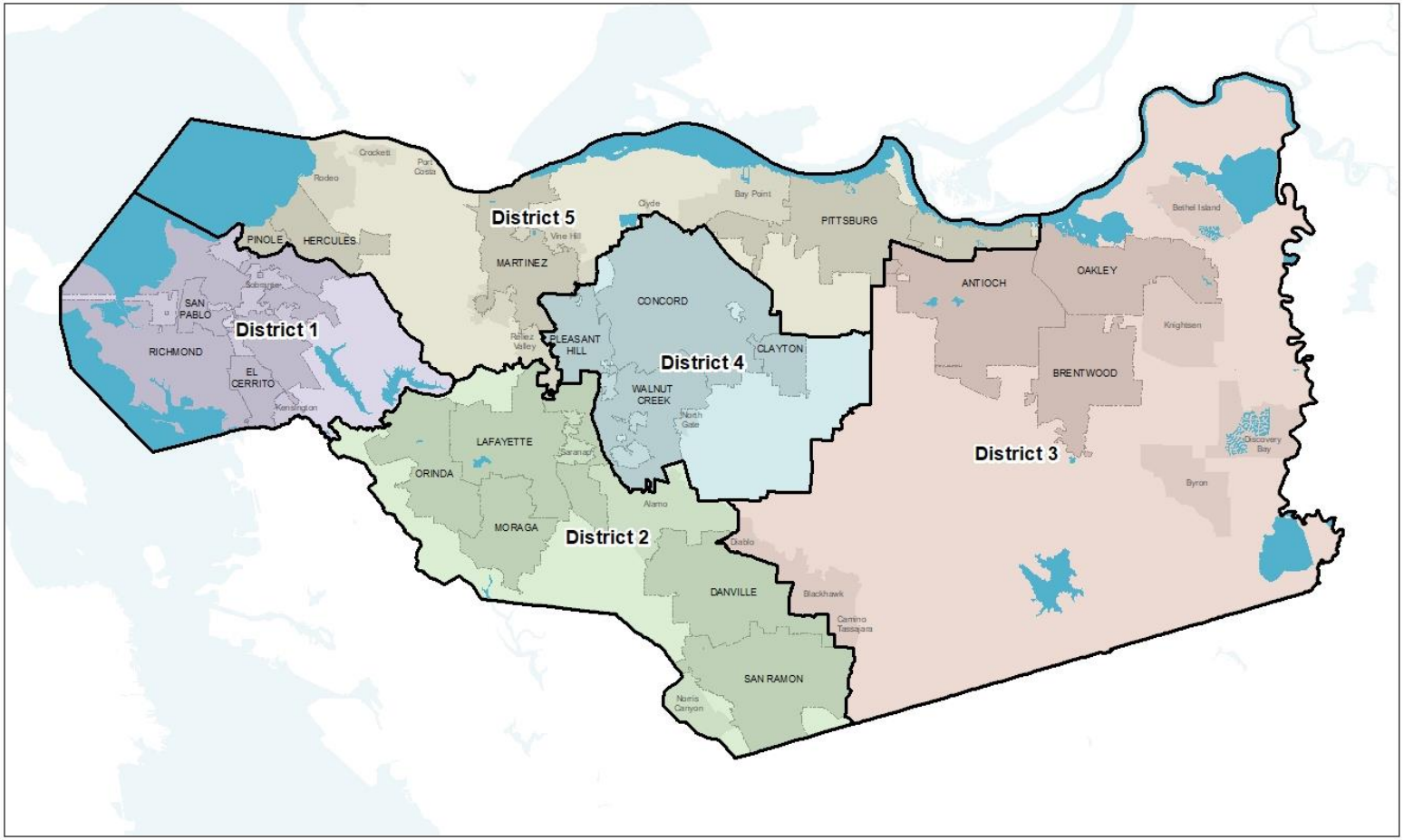
- **Board redistricting last occurred in 2011 (Ord. 2011-15)**

- **Official 2020 U.S. Census data must be used as basis for the Board's redistricting**

2001 BOARD REDISTRICTING MAP



2011 BOARD REDISTRICTING MAP



GOVERNING LAW

- **14TH Amendment, Equal Protection Clause, U.S. Constitution – "one person, one vote"**
- **California Elections Code, Sections 21500-21509**
- **Voting Rights Act of 1965**
- **AB 849 and SB 1108**

CALIFORNIA LAW MANDATORY REQUIREMENTS

- **Strict Time Limits** – Elections Code section 21501 requires that the boundaries of the supervisorial districts shall be adopted by the board no later than December 15, 2021
- Before adopting a final map, the board shall hold at least **four** (4) Public Hearings
- One before draft maps are drawn
- At least two (2) after the maps are drawn
- At least one on a Saturday, Sunday or after 6:00 PM Monday through Friday
- Public Hearings at a fixed time regardless of other agenda items, but Board may first conclude any item being discussed

Changes to the Population Counted

- **State Prisoners**
- Inmates in facilities administered by the state Department of Corrections and Rehabilitation must be included among the population counted if they have a last known residence in Contra Costa County. It is expected that the Statewide Database Center will have that information available, but **the State may need "an extra month" to provide the data.**

Guidelines for Redistricting

- Population equality (deviation from the mean of not more than +/- 5% between districts)
- Compliance with Federal law
- Districts shall be contiguous
- Geographic integrity of neighborhoods shall be respected
- Geographic integrity of a city should be respected by the county
- District boundaries should be easily identifiable and understandable by residents
- Geographic compactness of populations
- *At least* Four (4) public Hearings with specific meeting requirements
- Specific timelines for adoption of a plan

POPULATION GROWTH

- Official 2020 U.S. Census data must be used as basis for the Board's redistricting
- The California Redistricting Database is responsible for redistricting data and will include incarcerated population reallocation numbers
- Census 2020 redistricting data was scheduled to be released by April 1, 2021 – however, the data will not be available until a later date.
- General growth trends over last decade suggest population growth in San Ramon and East County

PROPOSED WORK PROGRAM

- **Guiding Principles / Criteria**
- **Data Analysis and Mapping**
- **Public Outreach**
- **Public Hearings and Ordinance Adoption**
- **Interdepartmental Leadership Group**

GUIDING PRINCIPLES / CRITERIA

Using existing district boundaries as the starting point, Board will redraw district boundaries that to the extent possible:

- **Achieve near equal population for each district – within +/- 5% between Districts**
- **Use easily identifiable geographic features and topography to achieve compact and contiguous district boundaries**

GUIDING PRINCIPLES / CRITERIA - continued

- **Maintain communities of interest in a single district and avoid splitting communities.**
- **Communities of interest may be defined by existing boundaries for**
  - **Cities**
  - **School Districts**
  - **Special Districts**
  - **Unincorporated communities**

DATA ANALYSIS & MAPPING

- **Existing Department of Conservation and Development (DCD) staffing and resources, including GIS mapping program, will be used to map district boundaries**
- **DCD will begin mapping district boundary alternatives, with an anticipated 3-6 map alternatives, when census data is available**
- **DCD will require 3-4 weeks to review new census data and geography and mapping of district boundary alternatives**

PUBLIC OUTREACH

"insure transparent process, providing exceptional public access to information"

- Establish Redistricting webpage on County website as primary portal for public information/access with up-to-date information and ability for public to provide feedback and comments

- Subject to any modifications required by COVID 19 The County Administrator's Office and DCD will support virtual or in person County wide public workshops to provide background, present boundary changes, answer questions, and receive input

- Other outreach efforts will include: press releases, public notice in newspapers, CCTV, civic engagement and community groups active in the County as well as other strategies

INTERDEPARTMENTAL LEADERSHIP GROUP

DEPARTMENT	ROLE
County Administrator's Office	Facilitate the redistricting process, Provides oversight and, direction to DCD in the development of the maps and public outreach
Conservation & Development	Provides data analysis, prepares mapping, coordinates public outreach efforts (maintains website and prepares outreach material)
County Counsel	Provides legal advice and assistance to County staff
County Clerk-Recorders Office	Provides information and procedural guidance

PROPOSED TIMELINE/MILESTONES

Milestone: February 9, 2021	Board adopts work program
Milestone: March – June, 2021	Census Bureau scheduled release 2021 Census Redistricting Data with Summary File to states and local government agencies. **Release date uncertain due to COVID 19** DCD staff reviews new geography, reviews data, and prepares draft maps. It will require a minimum of 3-4 weeks to complete this process.
Milestone: TBD	**Board Public Hearing #**1 Must be held before the Board draws a draft map or maps of the proposed supervisorial district boundaries

PROPOSED TIMELINE/MILESTONES - continued

Milestone: TBD	Board Public Hearing #2: Draft map alternatives (scenarios) and confirm public workshops/meetings. **Draft map cannot be released to the public until at least three weeks after the Legislature makes block-level redistricting data publicly available**
Milestone: One/two Week period TBD	Subject to COVID 19 restrictions, virtual or in person County wide Public workshops to review redistricting process, present map alternatives, and receive comments.
Milestone: TBD	Board Public Hearing#3:Redistricting Map Proposal(s)

PROPOSED TIMELINE/MILESTONES - continued

Milestone: TBD	Board Public Hearing #4: Redistricting Ordinance introduced
Milestone: TBD	Redistricting Ordinance set for adoption
Milestone: TBD	Statute of limitations to challenge adopted district boundaries expires (30 days after adoption)
Milestones: December 15,2021	Statutory deadline to complete redistricting (CA Elections Code section 21501) Not later than 174 days prior to the June 7, 2022 primary election. However, the Clerk-Recorder need to update their elections systems once the new maps are adopted, and has requested that they have the adopted maps by early Nov 2021.

BOARD REDISTRICTING 2021

QUESTIONS?

Contra Costa County

To: Board of Supervisors

From: Anna Roth, Health Services Director

Date: January 26, 2021

Subject: COVID-19 Update - Protecting Our Community During COVID-19

RECOMMENDATION(S):
Accept COVID-19 response update - Protecting Our Community During COVID-19.

FISCAL IMPACT:
No fiscal impact. This is an information report only.

BACKGROUND:
See attached report.

- [x] APPROVE
- [x] RECOMMENDATION OF CNTY ADMINISTRATOR
- [ ] OTHER
- [ ] RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2021** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

Contact: Erika Jenssen, Deputy Director (925) 957-5403

cc: All County Departments (via CAO)

ATTACHMENTS

COVID-19 Response
Update

CONTRA COSTA
HEALTH SERVICES

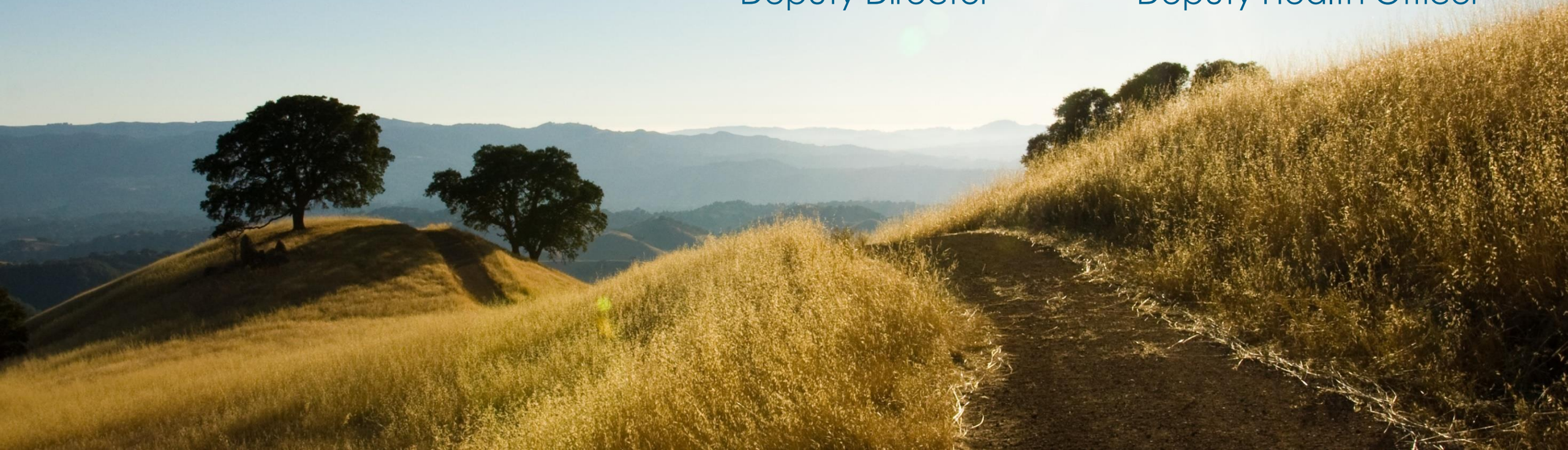
Protecting Our Community During COVID-19

Anna M. Roth, RN, MS, MPH,
Health Director

Erika Jenssen, MPH,
Deputy Director

Dr. Chris Farnitano, MD,
Health Officer

Dr. Ori Tzvieli, MD, MPH,
Deputy Health Officer



A Year Like No Other…

2020 has been unprecedented. The year opened with CCHS fully engaged in efforts to enhance alignment throughout the county as part of the long-range LIVING CONTRA COSTA strategic planning process. Just as that plan was about to be introduced, the pandemic hit, demanding an immediate and across-the-board response effort.

Fortunately, the outreach, planning and partnership work that was part of the strategic planning process provided a platform for a new and impressive level of integration and alignment. This allowed Health Services to respond rapidly and comprehensively, drawing on a deep reservoir of skills, resources and support from all county government and from the broader community, while strategically redeploying its staff in the areas of most critical need.

And while the pandemic has demanded enormous attention and staff time, it is impressive that this has all been done while maintaining and, in some cases, even enhancing, the essential health services that CCHS has always provided.

CONTRA COSTA HEALTH SERVICES

Annual Highlight Report 2020

CONTRA COSTA HEALTH SERVICES

2020 HIGHLIGHT REPORT COVID-19 RESPONSE

COVID-19 CASES IN CONTRA COSTA COUNTY *as of 1/21/2021*

53,844	46,542	478	227
total cases	recovered cases	total deaths	deaths in Assisted Care Facilities

RESPONSE
- Supported logistics for the entire county during the pandemic, wildfires & power outages
- 35 health orders issued to protect the community
- 3 alternate care sites established to care for 400 patients
- Increased capacity for COVID-19 patients at CCRMC, with 19 additional Enhanced Air Flow rooms, emergency department surge tent set up & procurement of 39 additional ventilators

TESTING
- Tested over 40,000 patients at testing sites and CCHS facilities
- Provided 479,709 tests countywide
- Contacted approximately 80% of cases
- Increased lab processing capacity from 50 samples to 5,000 samples per day
- Mandated staff testing at skilled nursing facilities, assisted living and other congregate living facilities

PATIENT & CLIENT SERVICES
- 522% increase in tele-health services since March 2020
- 13% increase in people served through weekly Meals on Wheels deliveries
- Served nearly 1,400 in non-congregate shelter (hotels) program
- 500 clients housed in hotels provided with behavioral health services

COMMUNICATIONS
- 3.5 million users reached by the COVID-19 bilingual website
- 150 communications tools, including videos, posters, flyers, fact sheets & social media posts
- 160 sets of daily talking points
- Respond to over 1,000 media requests

FINANCE
- 100% of available CARES Provider Relief Funding utilized
- Restructured all internal financial reporting to reflect the impact of COVID-19
- Balanced the fiscal year 19/20 budget with no adverse impact on the County General Fund

CCHS 2020 Highlights 2

January 2020…

- China reports cluster of pneumonia cases in Wuhan
- U.S. begins screening travelers
- 1st confirmed U.S. case
- CCHS assembles response team
- Department Operations Center opens

TAIWAN

Leader gets election boost from unlikely place: China

CHINA

New virus identified as cause of pneumonia outbreak

Feb 2020

- 1st Case from Travis AFB
- Emergency operations initiated
- Began testing & contact tracing
- COVID-19 Vulnerability Index

March

- 1st local case
- Shelter in Place order
- Airline & cruise ship monitoring
- COVID-19 website & call center launched
- Shift to telehealth
- Testing sites for healthcare workers & first responders opened
- Undocumented Populations Task Force

April

- 1st Surge
- Face covering order
- Community testing sites opened
- Eviction protection & rent freeze ordinance
- Public dashboards launched
- Alternative Care Sites
- Project Room Key
- Rapid Response Playbook for at Risk Populations

May

- 1st case in county detention center
- Community Engagement and Outreach Work Group established

June

- Businesses & outdoor dining reopen as spread slows
- African American Task Force Juneteenth Event

July 2020

- Surge
- State issued 1st health order closing businesses
- Enforcement Ordinance enacted
- Latino/x Work Group
- Historically Marginalized Communities Work Group
- Youth Ambassador Program
- $1.6M community grants

Sept

- Project Homekey Pittsburg hotel purchase
- Free flu shots at testing sites

Dec

- Surge
- Bay Area implements regional stay at home order
- Congregate Care Playbook
- Ethical & Equitable Vaccine Allocations Committee
- Healthcare worker vaccinations begin

Aug

- New North Richmond testing site
- State launched *Blueprint to Safer Economy* tier system

Nov

- County moves back to most restrictive tier as cases spike
- State Stay-at-Home order
- West County mass testing event

Jan 2021

- Surge
- Began vaccinating 75+
- Expanded eligibility to 65+
- Vaccine appointment phone line
- Vaccine dashboard
- African American PSA

Mounting Imperatives

- Vaccine Distribution
- Hospital Surges
- Contact Tracing
- COVID-19 Testing

Photo: Choice in Aging

State Distribution Guidelines

as of 1/20/21

Phase 1A

Healthcare workers

Long-term care facilities

Phase 1B

Ages 65 & older

Frontline essential workers

Congregate settings with outbreak risk

Phase 1C

Ages 50 - 64

Ages 16 – 64 with high-risk medical conditions

Other essential workers

Phase 2

Everyone 16 years & older not in Phase 1

70,000+

Vaccine Doses Given Since December 15

A BOLD AIM

Lead with bold, ambitious and realistic aim

- Marshals existing resources, partners
- Shared goal for our community
- Flexible and responsive

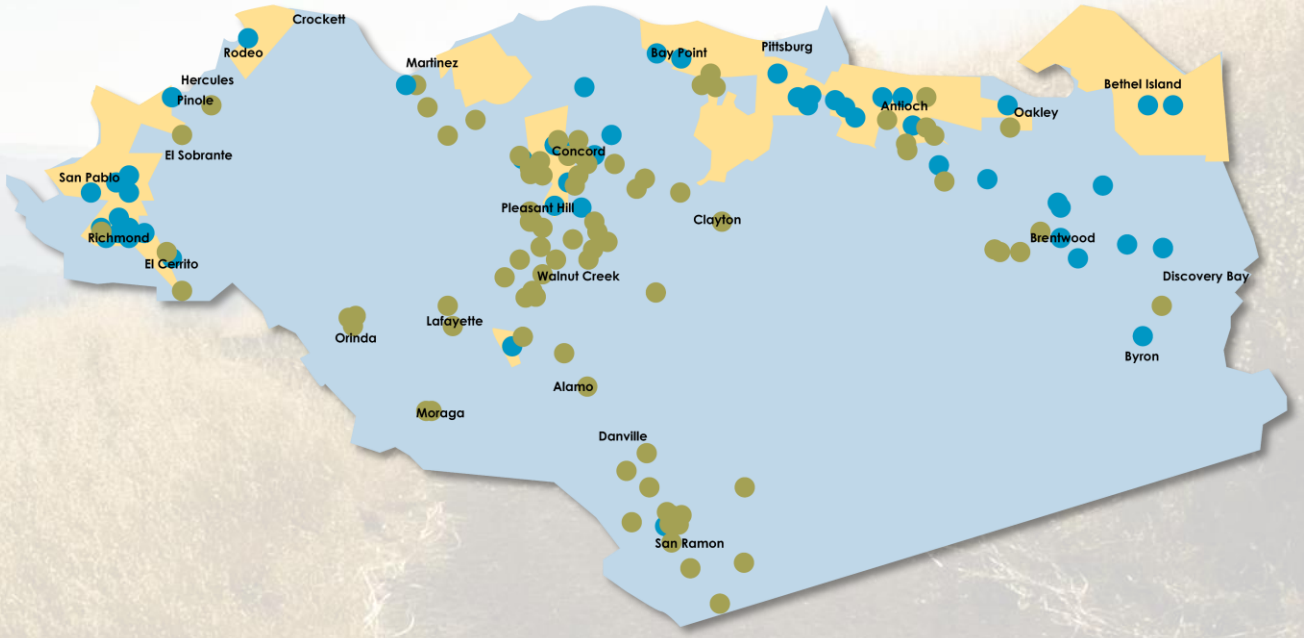
Our Countywide Aim…

Vaccination Plan Priorities

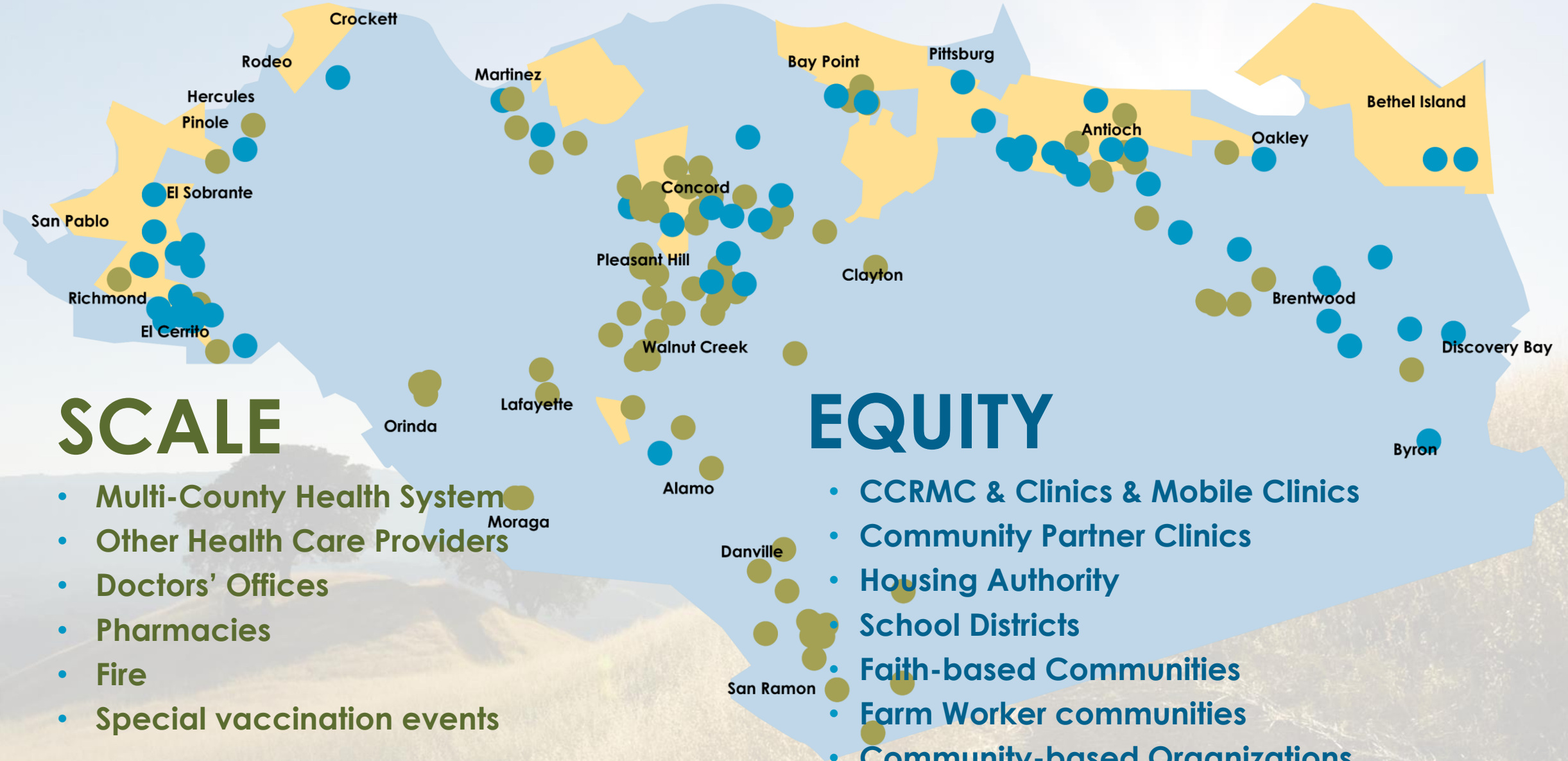
CCHS MISSION STATEMENT

Our mission is to care for and improve the **health of all** people in Contra Costa County with special attention to those who are **most vulnerable** to health problems.

- Equity
- Scale



Contra Costa County Vaccine Distribution Plan



SCALE

- Multi-County Health System
- Other Health Care Providers
- Doctors' Offices
- Pharmacies
- Fire
- Special vaccination events

EQUITY

- CCRMC & Clinics & Mobile Clinics
- Community Partner Clinics
- Housing Authority
- School Districts
- Faith-based Communities
- Farm Worker communities
- Community-based Organizations

Unknowns

- Future surges
- Federal & State guidelines
- Vaccine availability
- New vaccines
- ?

Reasons for Hope

- Vaccines
- Healthcare system stabilization
- Strong Partnerships
- Community resilience

Photo: Choice in Aging

THANK YOU

CONTRA COSTA
HEALTH SERVICES

Contra Costa County

To: Board of Supervisors

From: John Kopchik, Director, Conservation & Development Department

Date: January 26, 2021

Subject: Economic Development Initiatives

RECOMMENDATION(S):
ACCEPT update on economic development and the County's Northern Waterfront Economic Development Initiative.

FISCAL IMPACT:
No fiscal impact.

BACKGROUND:
See attached reports.

☑ APPROVE ☐ OTHER

☑ RECOMMENDATION OF CNTY ADMINISTRATOR ☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **01/26/2021** ☐ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

Contact: Amalia Cunningham, (925) 674-7869/Keith Freitas (925) 359-8687

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: January 26, 2021

Monica Nino, County Administrator and Clerk of the Board of Supervisors

By: , Deputy

cc: All County Departments (via CAO)

ATTACHMENTS

Airport Presentation

Economic Development in Contra Costa County

Contra Costa County Public Works Department Airports Division

Contra Costa County Airports

Economic Engine and Jobs Creator

Airport Enterprise Fund:

- Airports operate without the use of County General Funds
- Generate revenues for the County General Fund
- Revenues derived from diverse mix of aviation and non-aviation businesses
- Attractive to new developing technologies
- Development ready and "OPEN FOR BUSINESS"

Annual Regional Economic Impact

(2017 Study)

Contra Costa County Airports

- $105.93 Million Economic Output
- 828 Jobs
- $8 million in State and Local revenue
- $10.2 million in Federal Tax Revenue

Buchanan Field Airport

- $103.84 Million Economic Output
- 808 Jobs
- $7.9 million in State and Local revenue
- $10 million in Federal Tax Revenue

Byron Airport

- $2.09 Million Economic Output
- 20 Jobs
- $96,000 in State and Local revenue
- $200,000 in Federal Tax Revenue

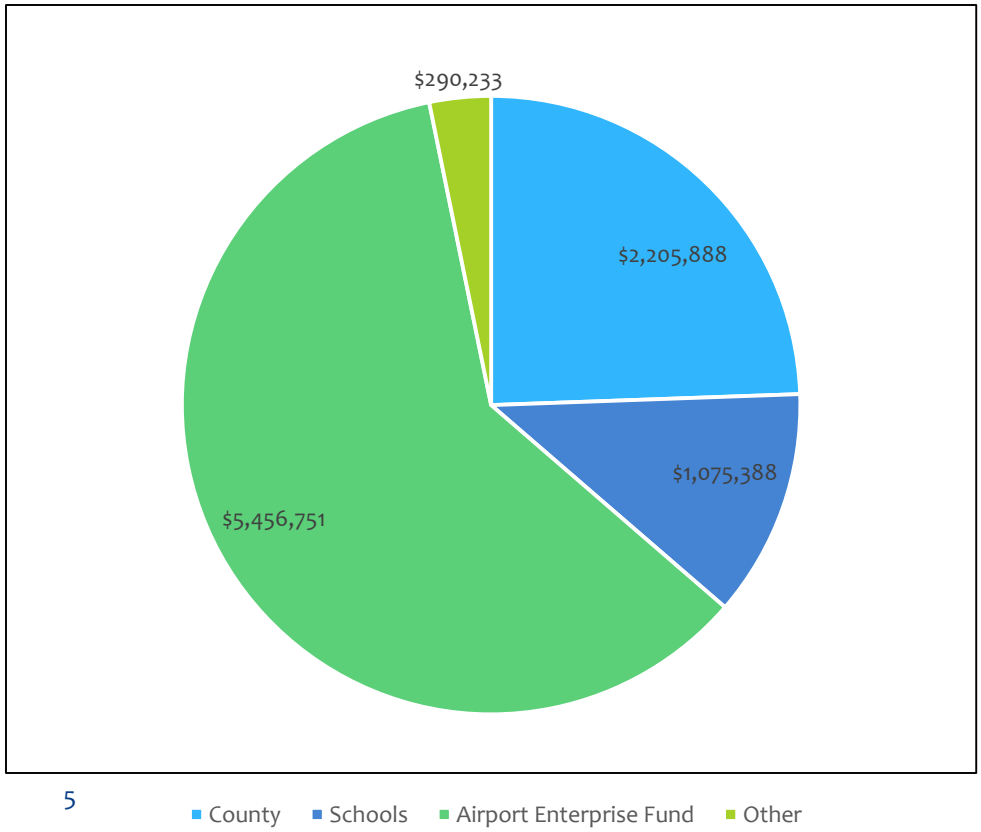
Revenue Change from FY 2017-18 to FY 2019-20*
(* FY includes the beginning of the pandemic)

Revenue Sources	Fiscal Year 2017-2018	Fiscal Year 2019-2020	FY 2017/18 - 2019-20
Aircraft Tax	$945,761	$1,195,957	26%
Unsecured & PI	$615,775	$694,084	13%
Secured	$143,620	$190,340	33%
Sales Tax	$460,942	$722,112	57%
Transient Occupancy Tax	$1,035,106	$762,682	-26%
Business License Tax	$6,670	$6,334	-5%
Leases & Licenses	$5,104,738	$5,456,751	7%
Total	$8,312,612	$9,028,260	9%

Annual Airport Generated Revenue Contribution to County and Others

* Airport business activity has resulted in an overall 9% **increase in revenue since 2017**

Revenue Distribution FY 2019-20 (Total $9,028,260)

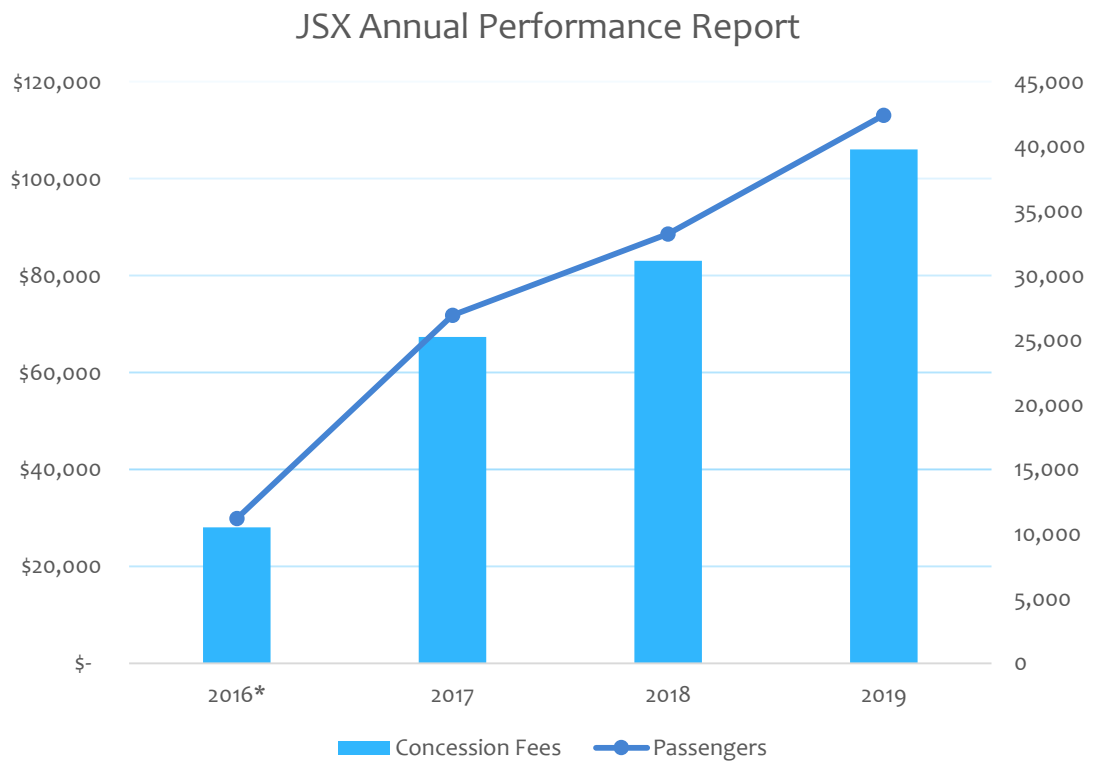


Commercial Service @ Buchanan Field

* Only 382 U.S. airports are served by commercial airlines
* General Aviation (GA) provides rapid, on-demand transportation by:
  * Utilizing a network of more than 2,950 smaller, public-use GA airports
  * Bringing travelers closer to their destination than commercial airports
* Only East Bay General Aviation Airport capable of attracting commercial service carriers (FAA Part 139 Certificate)
  * Scheduled charter, i.e. JSX (Currently operating at Buchanan Field)
  * Regional carriers, i.e. Horizon Air and SkyWest

JSX Annual Performance Report (2016-2019)

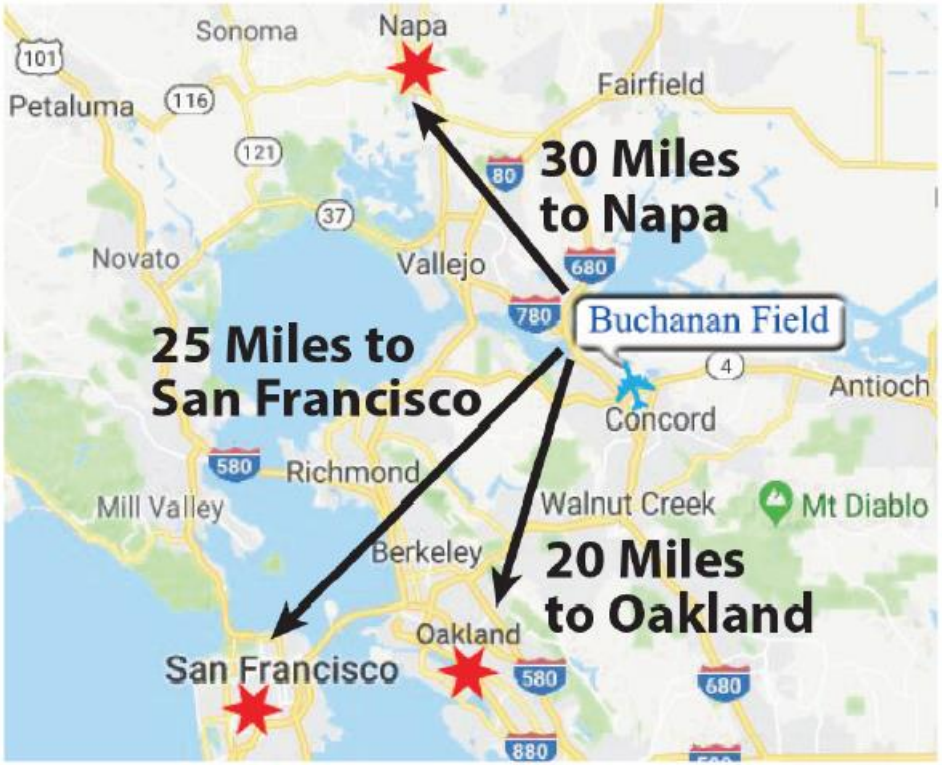
Fights to Burbank and Orange County

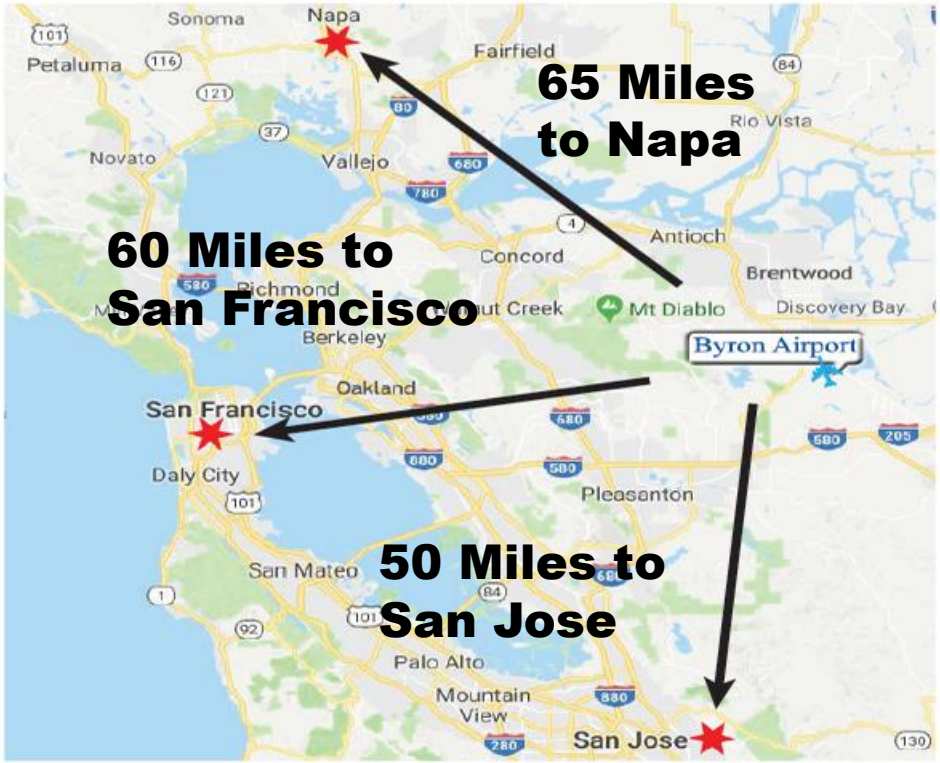


	2016*	2017	2018	2019
Concession Fees	$ 28,065	$ 67,325	$ 83,060	$ 106,015
Passengers	11,226	26,930	33,224	42,406

*2016 Statistics - April through December

Conveniently Located in the Bay Area





Bay Area Test Site (BATS)

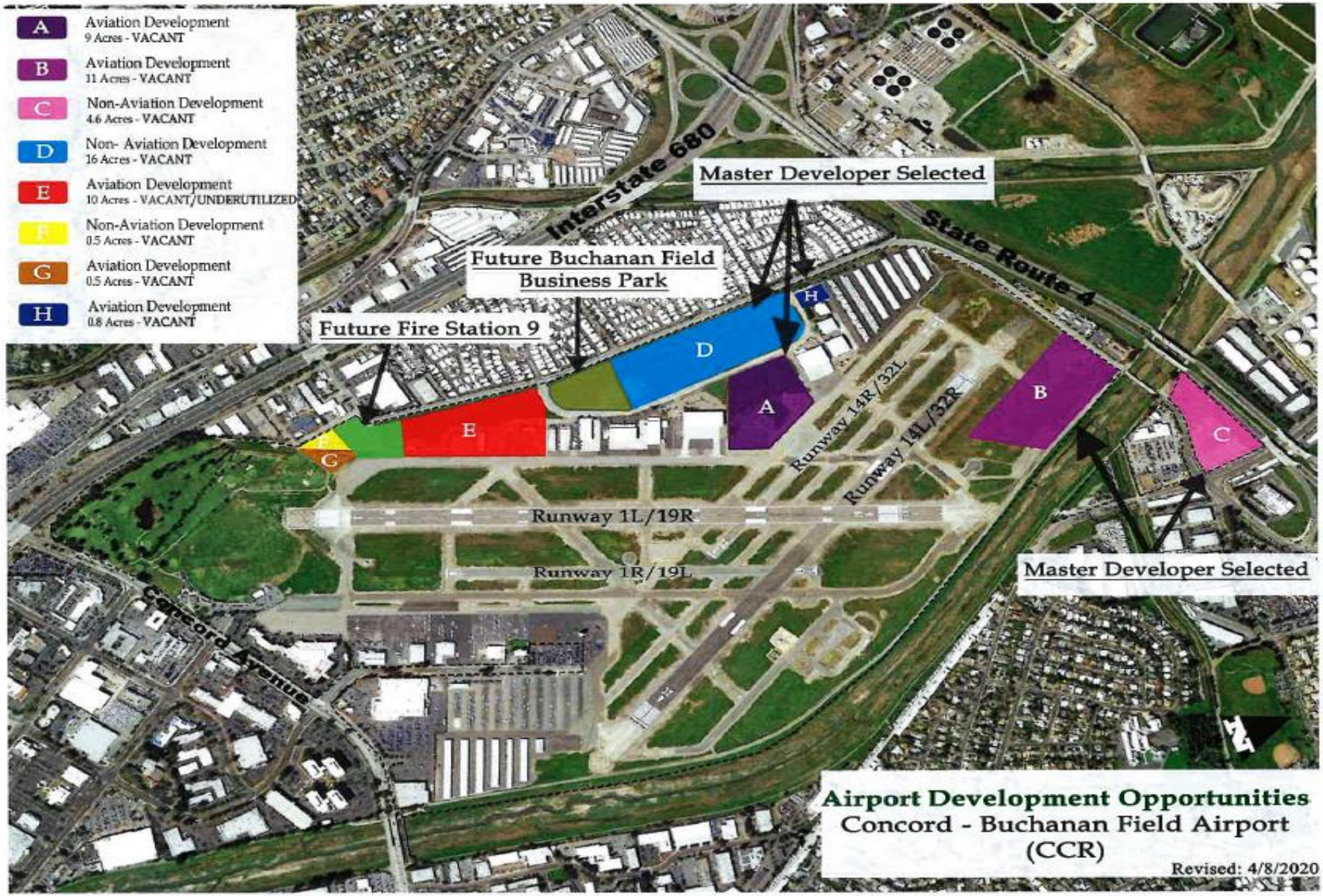
* Contra Costa County is proactively promoting Buchanan Field and Byron Airport to attract Unmanned Aircraft System (UAS), aviation emerging innovation, and technology businesses.
* Contra Costa County has partnered with the University of Alaska Fairbanks for BATS to be a part of the Pan-Pacific UAS Test Range Complex (PPUTRC) and become an official FAA UAS test site.
* Benefits of BATS include:
  * Close proximity to San Francisco and Silicon Valley
  * Two airport system; one with Class D and one with Class G airspace

New & Existing Aviation Technology Businesses

* Upcoming Byron Airport Subtenant
  * Business focus is flying full scale aircraft unmanned
  * Currently have 100 employees
  * 25% employee growth expected within 5 years

* Volans-i Unmanned Aircraft System (UAS or Drone) delivery applications and systems
  * Started at Buchanan Field in 2019 with 25 employees
  * Grew to 80 employees in 2020
  * Project to grow to 150 employees by the end of 2021

* Several UAS businesses are testing at the Byron Airport; including small drone for product delivery, electric aircraft, unmanned air taxi, and beyond


A Aviation Development 9 Acres - VACANT
B Aviation Development 11 Acres - VACANT
C Non-Aviation Development 4.6 Acres - VACANT
D Non- Aviation Development 16 Acres - VACANT
E Aviation Development 10 Acres - VACANT/UNDERUTILIZED
F Non-Aviation Development 0.5 Acres - VACANT
G Aviation Development 0.5 Acres - VACANT
H Aviation Development 0.8 Acres - VACANT
Interstate 680
Master Developer Selected
State Route 4
Future Buchanan Field Business Park
Future Fire Station 9
Runway 14R/32L
Runway 14L/32R
Runway 1L/19R
Runway 1R/19L
Concord Avenue
Master Developer Selected
Airport Development Opportunities
Concord - Buchanan Field Airport
(CCR)
Revised: 4/8/2020

Planned Buchanan Field Development Projects

3-Acre Light Industrial Park

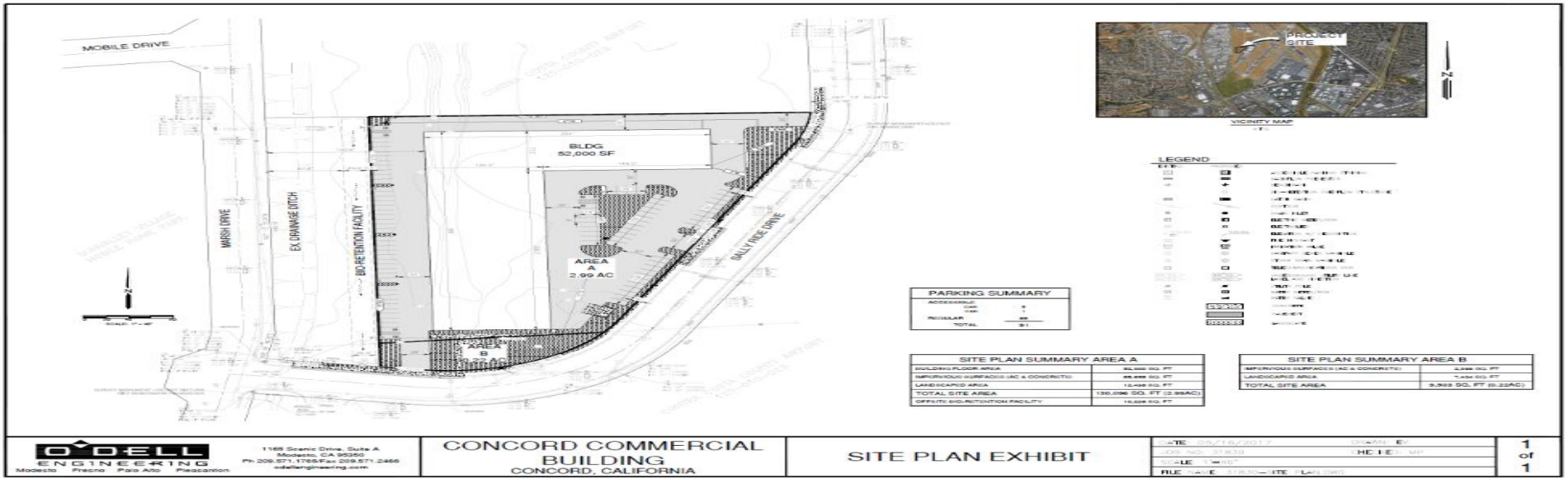
Fire Station #9

4.6-Acre Self Storage Facility

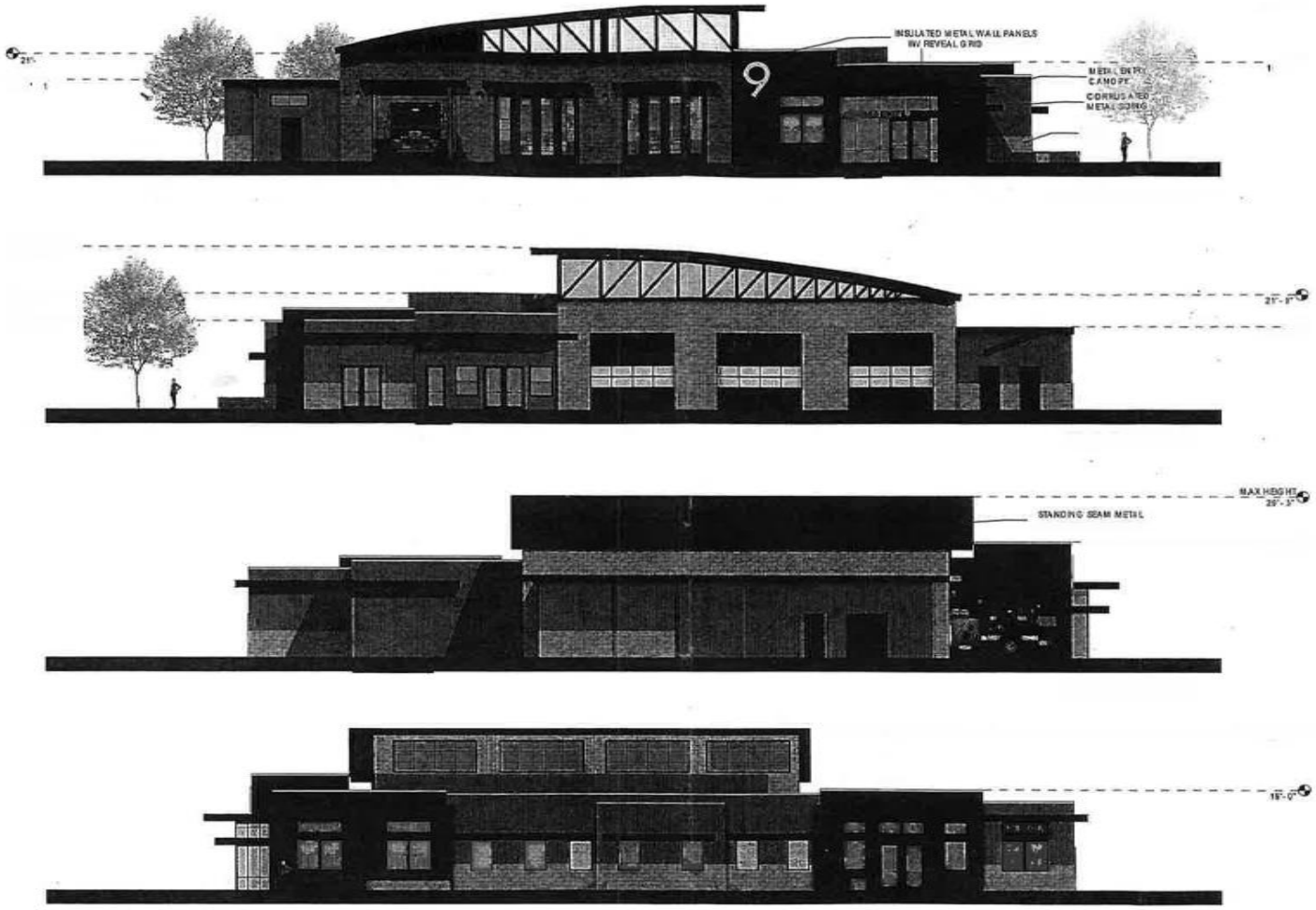
16-Acre Light Industrial Complex

General Aviation Terminal

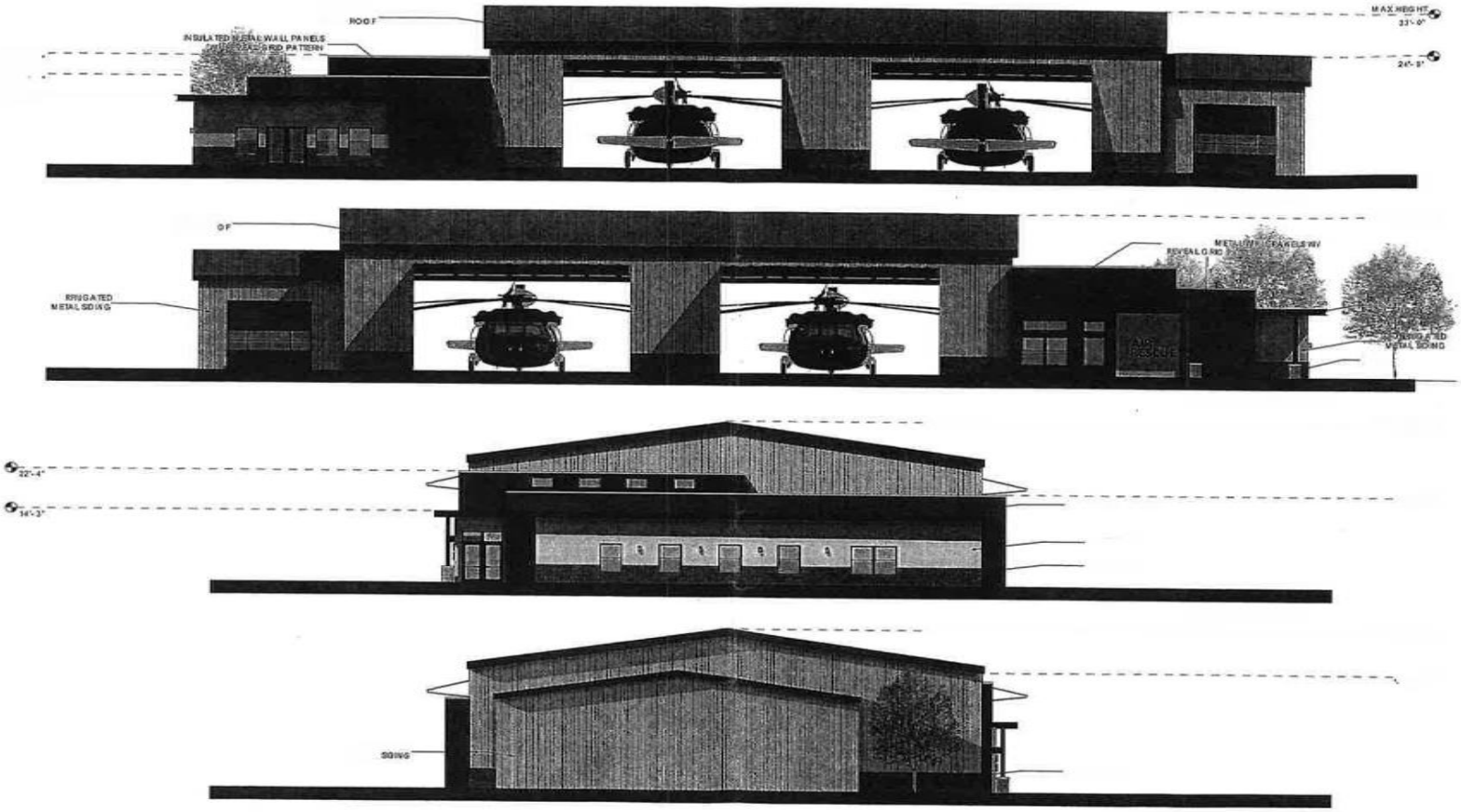
3-Acre Light Industrial Business Park



Fire Station #9

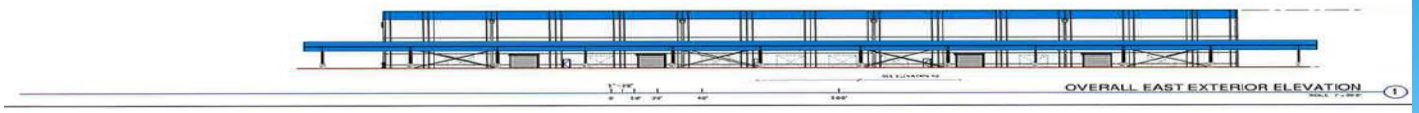


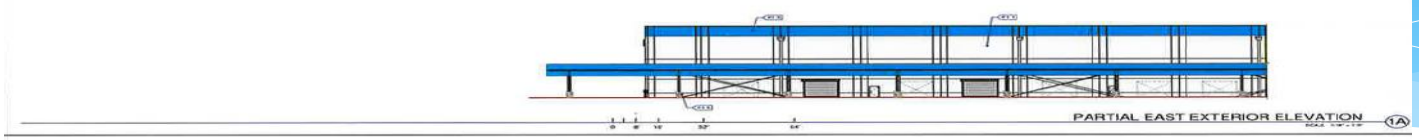
Fire Station #9 – Aviation Component

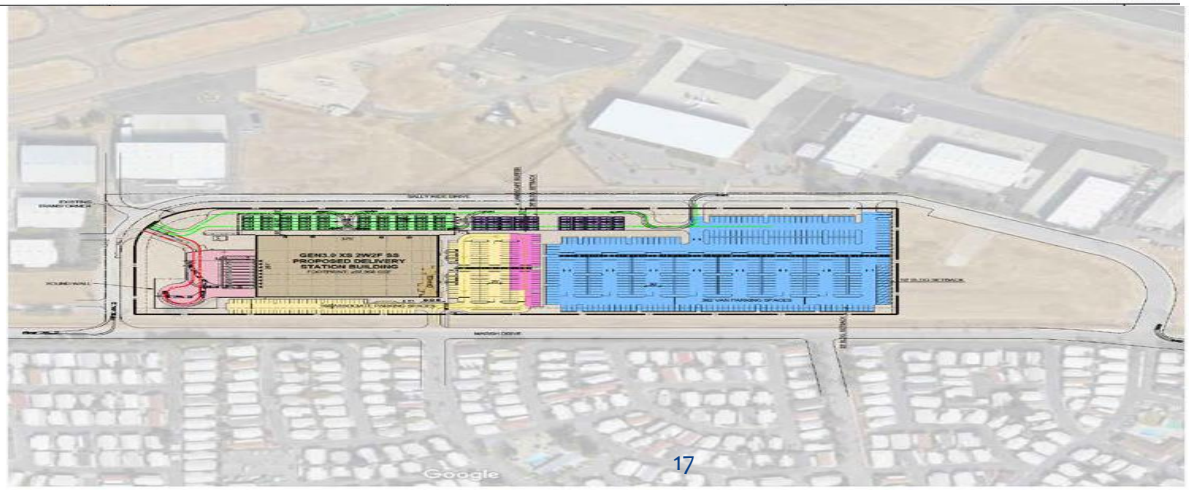


4.6-Acre Self Storage Facility

16-Acre Light Industrial Project



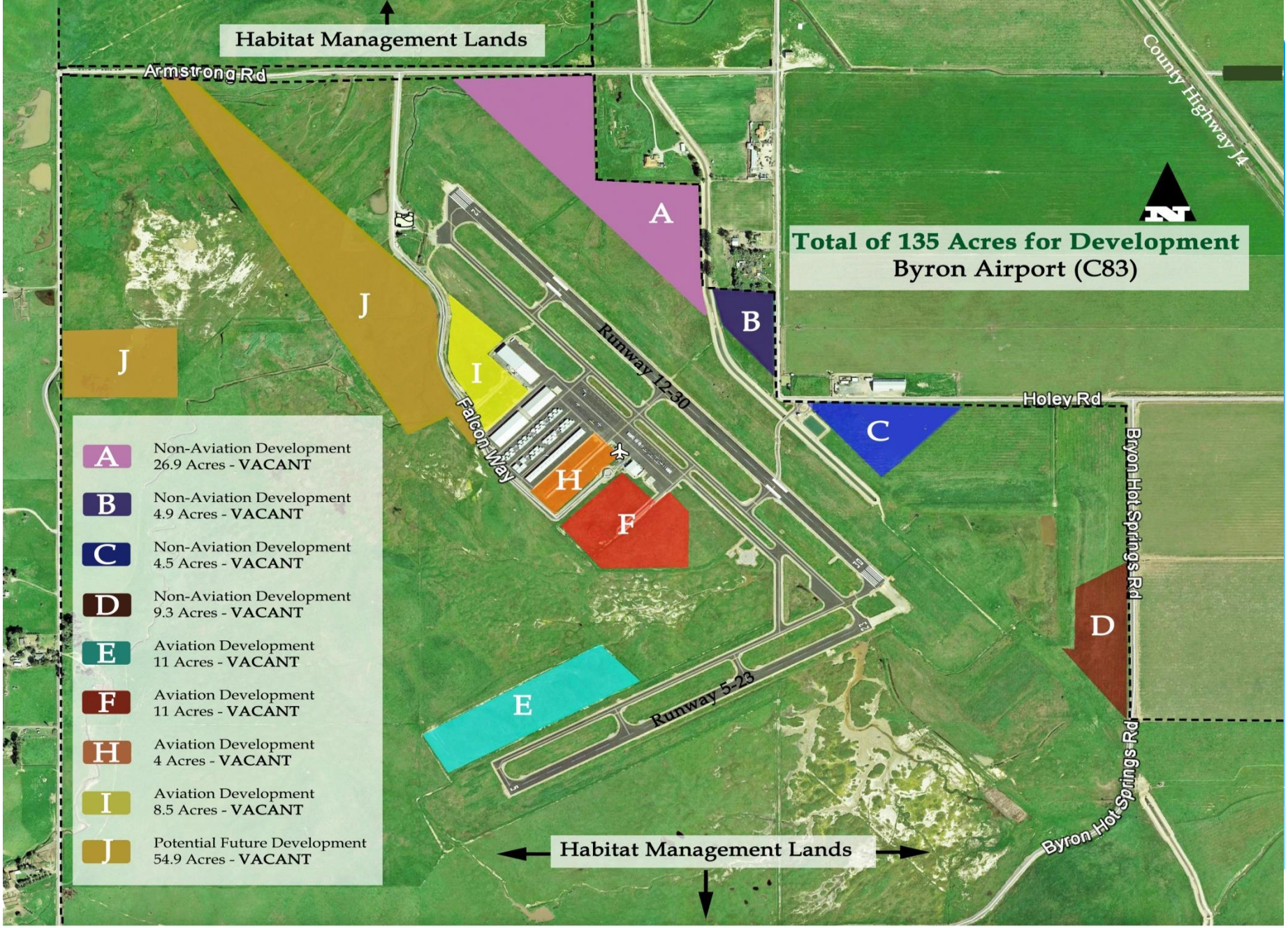




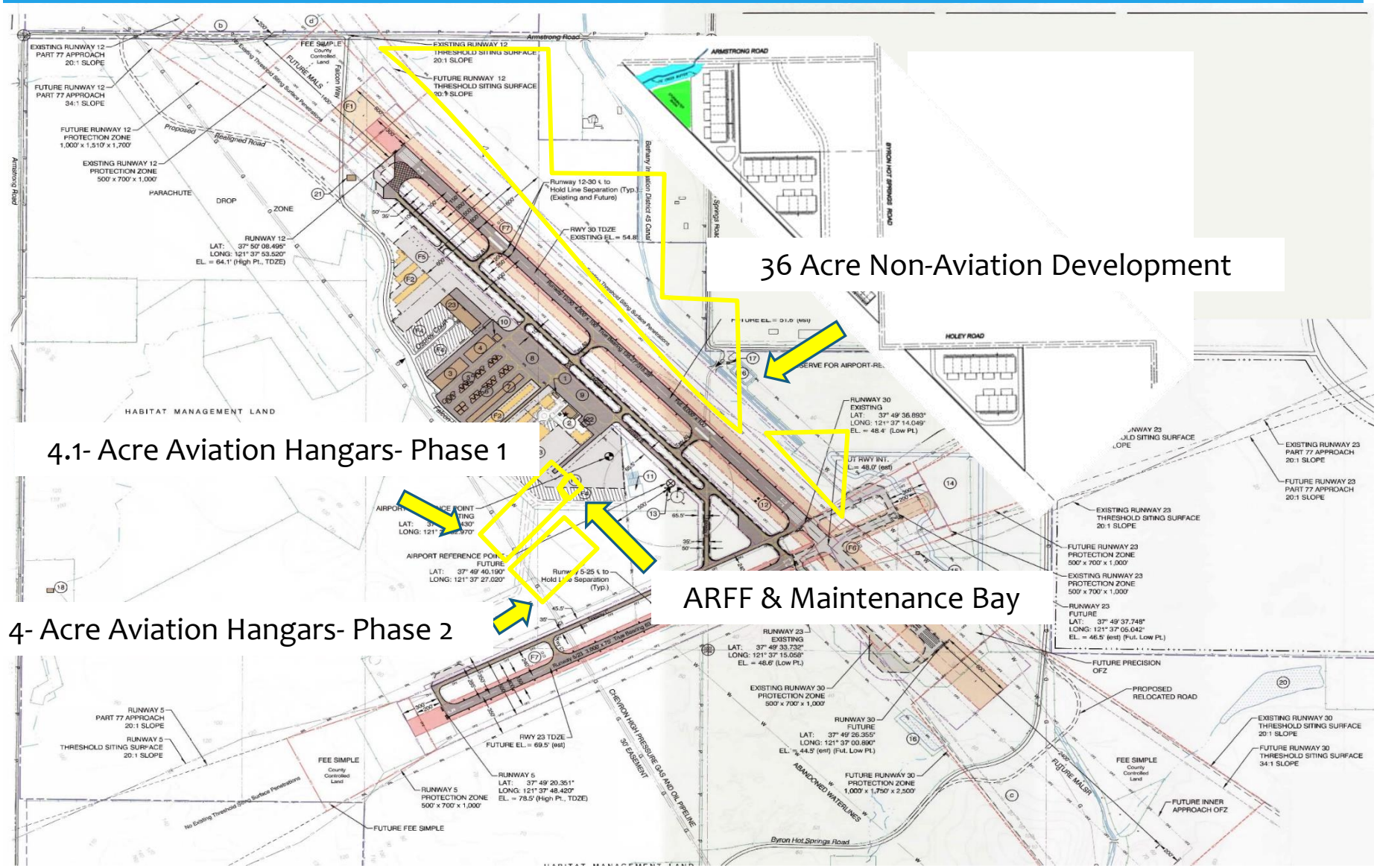
ARFF, Administrative Offices, and General Aviation Terminal at Buchanan Field

Planned Byron Airport Development Projects

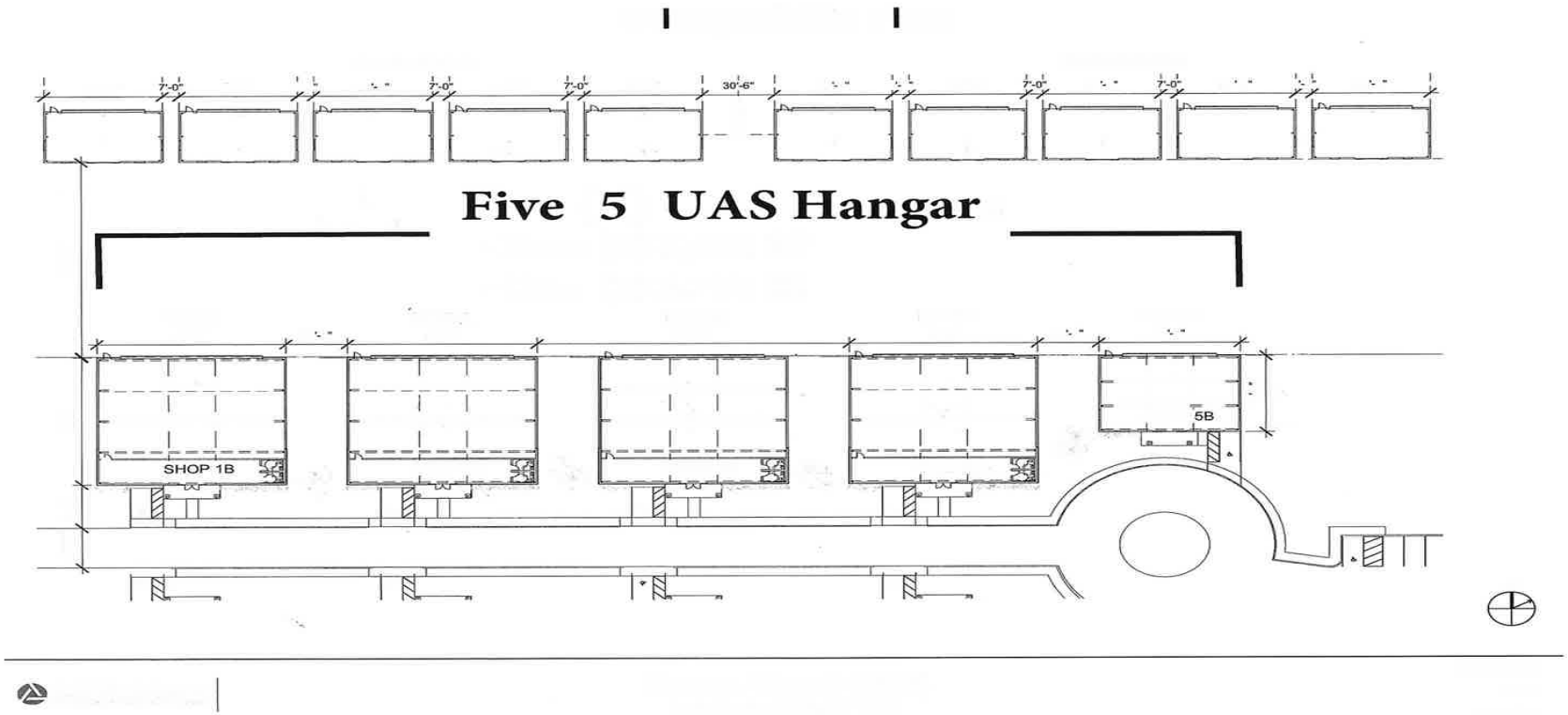
- 4.1 – Acre Urban Air Mobility Phase I
- 4- Acre Urban Air Mobility Phase II
- Airport ARFF and Maintenance Building
- 36- Acre Non-aviation Warehouse and Light Industrial


Habitat Management Lands
Armstrong Rd
County Highway J4
Total of 135 Acres for Development
Byron Airport (C83)
A
B
C
D
E
F
H
I
J
J
Runway 12-30
Falcon Way
Holey Rd
Bryon Hot Springs Rd
Runway 5-23
Byron Hot Springs Rd
Habitat Management Lands
A Non-Aviation Development 26.9 Acres - VACANT
B Non-Aviation Development 4.9 Acres - VACANT
C Non-Aviation Development 4.5 Acres - VACANT
D Non-Aviation Development 9.3 Acres - VACANT
E Aviation Development 11 Acres - VACANT
F Aviation Development 11 Acres - VACANT
H Aviation Development 4 Acres - VACANT
I Aviation Development 8.5 Acres - VACANT
J Potential Future Development 54.9 Acres - VACANT

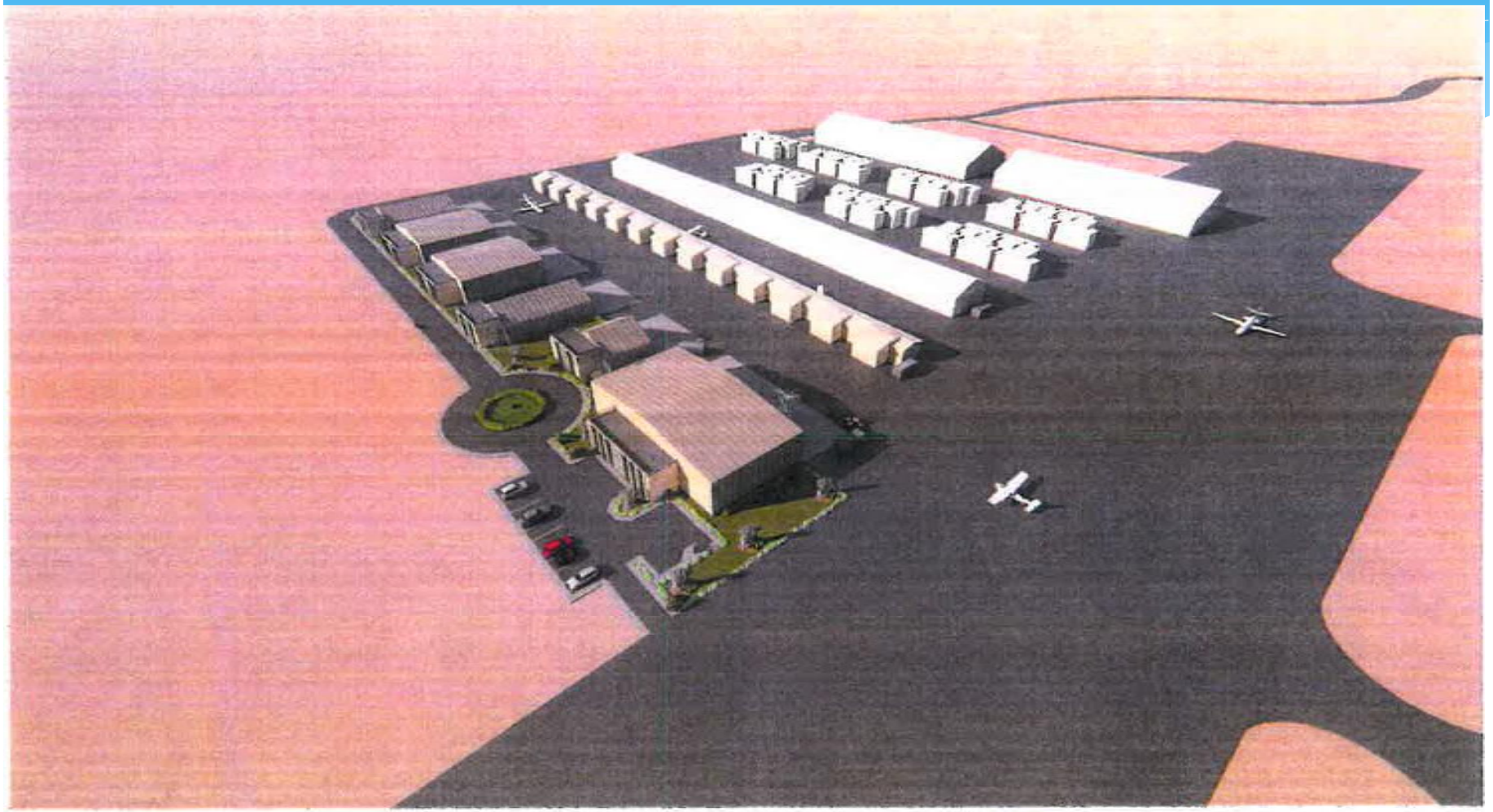
Byron Airport Development



4.1-Acre Aviation Project: Phase 1

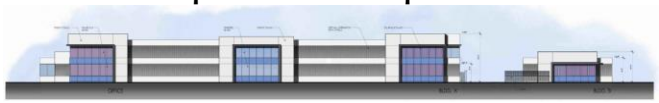


4.1-Acre Aviation Project: Phase 1



Added Economic Impact from Growth of the Airports to Contra Costa County

Airport Development



FALCON 7X

* **Upcoming** light industrial development valued at $43 million.
* The **annual** possessory interest tax to the **County General Fund** & schools is estimated at **$430,000**.
* Development will also generate sales tax to the County General Fund.
* 400 jobs will be created at start of project

* One new Dassault Falcon 7X, estimated value $60 million, would generate **$372,000 annually** to the County General Fund from possessory interest.

Thank You

ECONOMIC DEVELOPMENT IN CONTRA COSTA COUNTY

Presentation to Board of Supervisors, January 26, 2021

John Kopchik, Director, and Amalia Cunningham, Assistant Deputy Director, Department of Conservation and Development

Today's Topics

ECONOMIC DEVELOPMENT OVERVIEW

STATE AND LOCAL TOOLS

FOCUS ON NORTHERN WATERFRONT INITIATIVE

Why do economic development?

Local jurisdictions commonly use economic development programs to:

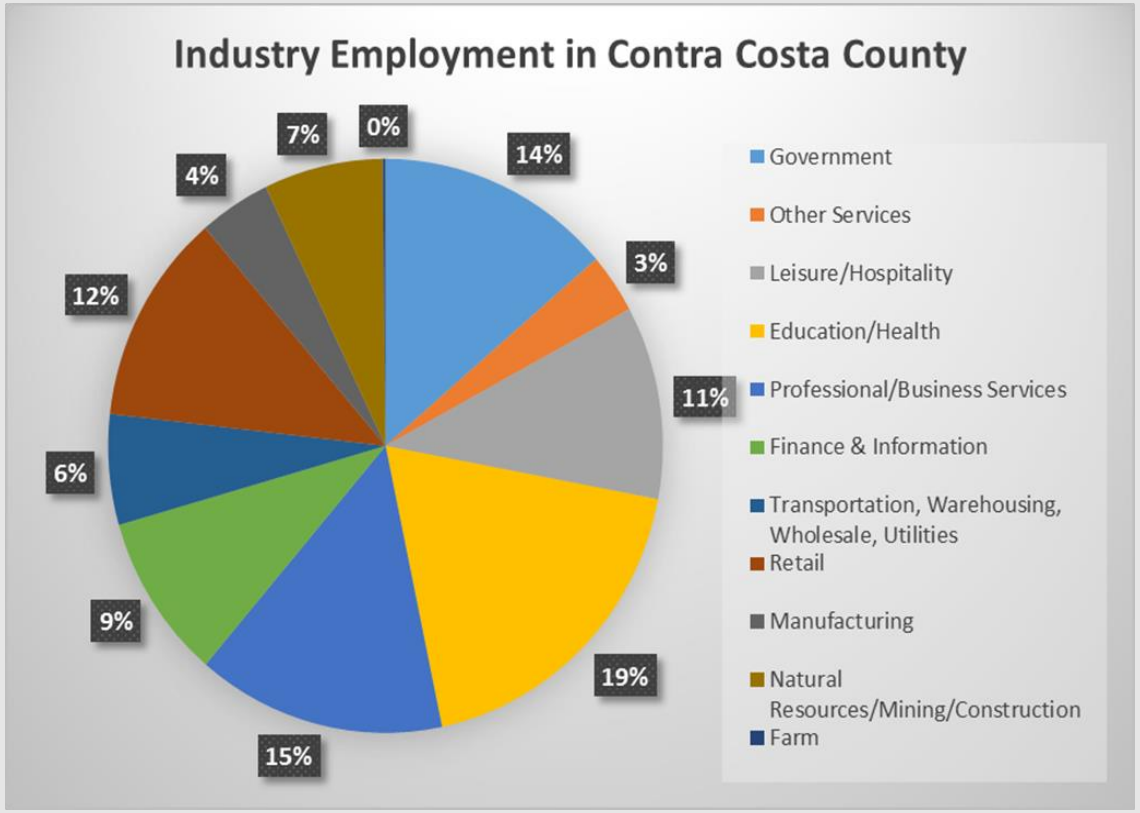
- Retain or attract industries that contribute to employment opportunities good fit for local demographics
- Foster community quality of life (restaurants, retail, "Main Street" ambiance)
- Facilitate more jobs at or above living wage to help meet policy goal of reversing jobs-housing imbalance
- Support other public services through increased tax-generating activity

Why Communities Invest in Economic Development

Graphic courtesy of the California Association for Local Economic Development (CALED)

Fostering a range of business types that diversify the local tax base, keep our local economy strong, and celebrate our unique community fabric.

Employment is a Key Indicator in CCC



- Total of about 375,000 jobs (2019)
- Largest employment sectors: Education, health care, professional services, and government
- About 51% of Contra Costa jobs are held by residents; this share is dropping over time as more residents commute out
- About 57% of employed residents work in the county
- More than half of employed residents commute more than a half-hour to work

Key Employers in Contra Costa County

Largest Employers Countywide

Bay Alarm Radio Monitoring
Bay Area Rapid Transit
Bio-Rad Laboratories
Broadspectrum Americas
Chevron
Contra Costa County (exc. CCRMC)
Contra Costa Regional Medical Center
Department of Veterans Affairs
Job Connections
John Muir Medical Center
Kaiser Permanente
Robert Half International
Santa Fe Pacific Pipe Lines
St Mary's College
Sutter Delta Medical Center
USS-POSCO Industries

No overlap

Private Companies Over 100 Employees in Unincorporated CCC

AAA of Northern California and Nevada
Allied Waste Services
Athenian School
Biocare Medical
Blackhawk Country Club
C & H Sugar Company
California Grand Casino
Del Monte Foods
Diablo Country Club
Federal Express Corporation
Henkel Corporation
High End Development
KISQ-FM Radio
Overaa & Co
Palecek Imports
Paradigm Management Services
Phillips 66 Company
R J Roberts
Renaissance ClubSport
Robert Half International
Round Hill Country Club
RPM Mortgage
Safeway
Sams Club
Shell Oil Products, U S
Tesoro Refining and Marketing

Available Tools

Statewide (post-redevelopment)

- EIFD (new financing program for locals – aka "redevelopment-lite")
- Some housing grant programs have an ancillary economic development benefit (Infill Infrastructure Grant, etc.)
- State financing programs of general interest, varying from very competitive to hard to access (loan guarantees, CA Competes, etc.)
- State tax credits for certain types of hiring, equipment purchases
- State programs for energy efficient or greenhouse gas reducing innovations, companies, etc.
- Local taxes or fees may be imposed in accordance with state law, such as Business Improvement Districts or Tourism Business Improvement Districts, dedicated to business support

Contra Costa County's unique assets

- County-owned land – Successor Agency, airports, other public real estate
- Occasional special opportunities such as annexation tax sharing agreements, community benefit agreements. Not retail-dependent.
- Many departments play a role in economic development goals, incl. CAO, EHSD/Workforce Development Board, Treasurer-Tax Collector, Public Works, DCD
- Strong homegrown collaborative partners, incl. but not limited to East Bay Leadership Council/Contra Costa Economic Partnership, City chambers and visitors bureaus, community college district
- Tradition of cities and counties working closely on common development goals
- Northern Waterfront Economic Development Initiative…

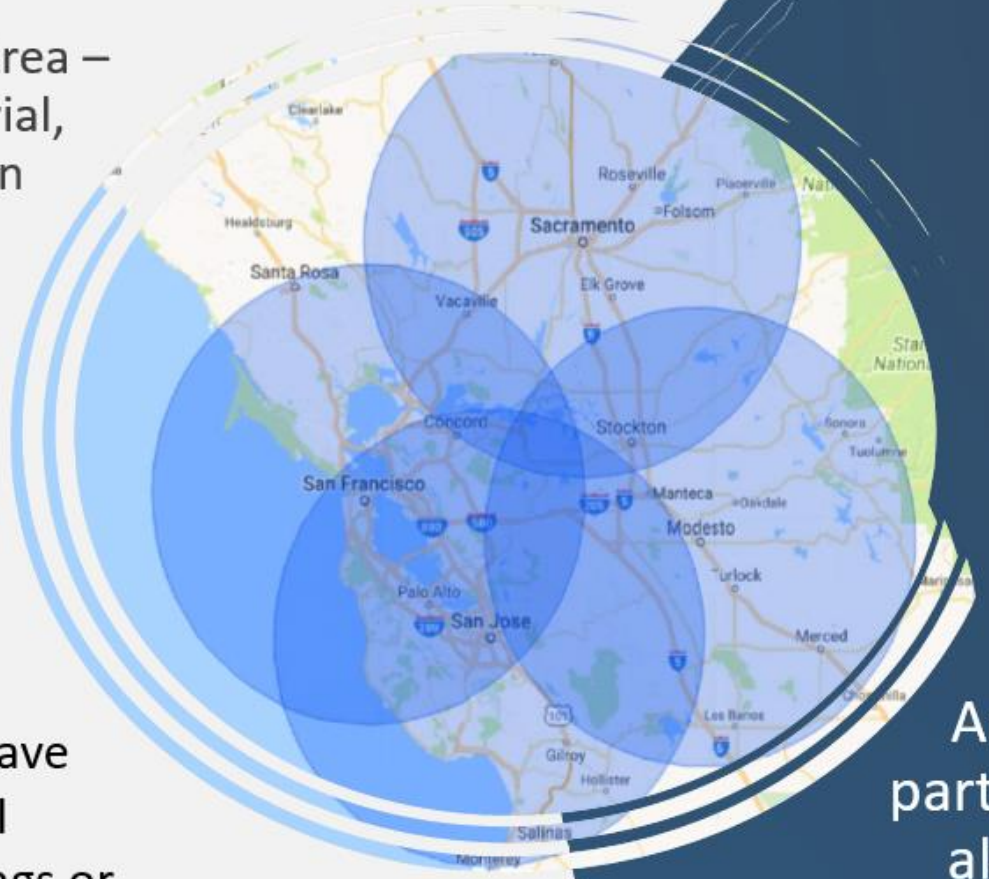
NORTHERN WATERFRONT ECONOMIC DEVELOPMENT INITIATIVE ™

Seven cities and the County coming together, 2013 through today

What is the Northern Waterfront?

An economic development partnership and jobs strategy along the northern edge of Contra Costa County

At one time, this region was the industrial heart of the entire Bay Area – the Bay/Delta served as raw material, disposal system, and transportation corridor.



Many economic cycles later, we have some very strong legacy industrial businesses, some obsolete buildings or vacant sites, and a growing need to give our residents workplaces closer to home.

Strategic advantage: location!
Capital of the Northern California Mega-Region ™

Northern Waterfront Target Industry Clusters
from adopted Strategic Action Plan

Advanced Manufacturing

Henkel, Bishop Wisecarver, Pulse Systems, Telemetry Solutions, Pacific Instruments, Bazell Technologies

Biomedical/ Biotech

BioRad, Fresenius, Sigray, Biocare Medical, BioZone, BioMicroLab

Agriscience & Food

Ramar Foods, Naia Gelato, Del Cielo Brewing, C&H, Dow/Corteva

Transportation Technology

Drafting off GoMentum Station; also includes aviation innovations and drone industry

Clean Technology

Growth industry nationally and regionally; MCE & many installers operating in region

Partnership in Action

- 60 mile corridor between Highway 4 and the Delta, from Hercules to Brentwood
- All seven cities on Hwy 4 are partners via joint MOU based on goals in Strategic Action Plan
- Long-term collaborative of partners working to retain and expand **jobs** in the region and address the jobs-housing imbalance – use counter-commute capacity
- County has been primary funder and staffer for Initiative, with mainly General Fund annual support
- Planning documents based on industry clusters – strategies include incubators, marketing, workforce connections and much more – partners select from "menu" to work on projects jointly
- Convene Q1-2021 with city partners to determine new priority projects given new realities
- Adjust strategies to reflect current economic opportunities

Examples of Wins by Northern Waterfront Initiative Partners

- Vortex Marine move to Antioch; Bombardier move to Pittsburg
- FutureBuild $200,000 EPA training grant in Pittsburg; additional EPA cleanup grants
- Electrical vehicle readiness workforce training grant
- EDA grant for short-line rail feasibility study in Antioch-CCC-Oakley
- Northern Waterfront's Conceptual Framework report by Emerald HPC led to non-profit job/life skills organizations seeking space in East County to start operations
- Four areas designated as Priority Production Areas by ABAG-MTC in pilot program
- Strategic Action Plan received award from California Planning Association for economic development planning
- 2019 Forum brought together stakeholders from the entire corridor

A full house of stakeholders attended the May 2019 Northern Waterfront forum at the Antioch Community Center. Photo credit: David Fraser

Looking Ahead: Economic Development Considerations

- Pandemic short-term impact on business mix and resident employee mix in the county and the Bay Area
- 6.8% unemployment in Nov. 2020 (up from 3.1% in Feb. 2020 but down from 13% over the summer)
- Pandemic long-term impact on remote work options – potential to decentralize traditional employment centers like "Silicon Valley"
- Competing pressures to use public land for affordable housing from both regional and state levels
- Ongoing pandemic affecting business conditions locally and nationally – changes still unfolding, including evaluating temporary relief programs like Workforce's business hotline and CDBG microenterprise assistance

Looking Ahead:
Economic Development Considerations

- Even pre-COVID, retail evolution underway – more experiences, more last-mile/delivery options, more online shopping
- Major transitions at two of the largest employers in unincorporated CCC related to the petroleum industry's global transition, in addition to employment reductions at many of the largest private employers countywide in retail and hospitality
- Opportunities at County's airports to grow emerging industries
- Staffing up - Economic Development Manager position open now, tent. start date 4/1

BOARD MEMBER DISCUSSION

Thank you!