



**CITY OF NORCO
ECONOMIC DEVELOPMENT ADVISORY COUNCIL
REGULAR MEETING AGENDA**

**Tuesday, February 26, 2019
City Hall – Conference Rooms A & B, 2870 Clark Avenue, Norco, CA 92860**

CALL TO ORDER: 8:15 a.m.

ROLL CALL: Scott da Rosa, Chair
Ashley Etchison, Vice Chair
Antonio Barreto, Member
Diane Collins, Member
Nicole Hansen, Member
Michael Kayl, Member
Vicki Leonard, Member
Patrick Malone, Member
Chris Muller, Member
Susan Olmstead-Bowen, Member
Michael Ryan, Member

PLEDGE OF ALLEGIANCE: Member Michael Ryan

1. APPROVAL OF MINUTES:

A. EDAC Regular Meeting Minutes of January 22, 2019
Recommended Action: Approve the EDAC regular meeting minutes.
(Management Analyst)

2. **PUBLIC COMMENTS:** *This is the time when persons in the audience wishing to address the Economic Development Advisory Council regarding matters not on the agenda may speak. Please complete a speaker card and present it to the Meeting Clerk so that you may be recognized.*

3. DISCUSSION / ACTION ITEMS:

A. Discussion on Sales Tax Update, 3rd Quarter 2018 *(Economic Development Consultant)*

Recommended Action: Receive and file.

B. Business Appreciation Initiative Nominee Selection *(Economic Development Consultant)*

Recommended Action: Approve the businesses nominated by the Selection Committee for Business Appreciation Initiative recognition in March 2019, April 2019, May 2019, and June 2019.

C. Verbal Discussion on EDAC's Role in Attracting the Photonics Industry to Norco

Recommended Action: Provide direction.

Economic Development Advisory Council Regular Meeting Agenda

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4. EDAC / STAFF COMMUNICATIONS:

- A. City Manager Update
- B. Economic Development Update
- C. Upcoming Event Announcements
- D. Request for Items on Future Agendas (within the purview of the EDAC)
- E. Next Regular Meeting Scheduled: March 26, 2019

ADJOURNMENT

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the City Clerk's office (951) 270-5623. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. (28 CFR 35.102-35.104 ADA Title II). Staff reports are on file in the Economic Development Department. Any writings or documents provided to a majority of the Economic Development Advisory Council regarding any item on this agenda will be available for public inspection at the City Clerk's counter in City Hall located at 2870 Clark Avenue. The meeting is recorded.



**CITY OF NORCO
ECONOMIC DEVELOPMENT ADVISORY COUNCIL
REGULAR MEETING MINUTES**

Tuesday, January 22, 2019

City Hall – Conference Rooms A & B, 2870 Clark Avenue, Norco, CA 92860

CALL TO ORDER: 8:22 a.m.

ROLL CALL:

Present: Scott da Rosa, Chair
Ashley Etchison, Vice Chair
Diane Collins, Member
Nicole Hansen, Member
Michael Kayl, Member
Vicki Leonard, Member
Patrick Malone, Member
Susan Olmstead-Bowen, Member

Absent: Antonio Barreto, Member
Chris Muller, Member
Michael Ryan, Member

PLEDGE OF ALLEGIANCE: Member Susan Olmstead-Bowen

1. APPROVAL OF MINUTES:

A. EDAC Regular Meeting Minutes of November 27, 2018

M/S MALONE/KAYL to approve the regular meeting minutes of November 27, 2018, as presented. The motion was carried by the following roll call vote:

AYES: COLLINS, DA ROSA, ETCHISON, HANSEN, KAYL, LEONARD, MALONE, OLMSTEAD-BOWEN

NOES: NONE

ABSENT: BARRETO, MULLER, RYAN

ABSTAIN: NONE

2. PUBLIC COMMENTS:

No public comments were made.

3. DISCUSSION / ACTION ITEMS:

A. Verbal Discussion on the Emerging Photonics Industry in Norco

Dr. Bryan Reece, President of Norco College, presented an overview of the photonics industry and its potential to stimulate private-sector economic development in the area. He explained that photonics, the study of light, lasers and photons, is an emerging field of study. Norco College is currently working with the U.S. Navy, University of California Riverside (UCR) and California Institute of Technology (Caltech), as well as Congressman Ken Calvert, Congressman Mark Takano and Senator Richard Roth, to attract the industry to Norco. Dr. Reece explained that the photonics industry presents an opportunity for public-private partnerships that could benefit Norco College, the City of Norco and the region. He requested

January 22, 2019

EDAC's assistance in supporting a new economic development corridor master plan and building a coalition of support throughout the community to attract the photonics industry to Norco.

The membership discussed EDAC's role in attracting the photonics industry to Norco College. They recognized that the industry presents notable benefits and opportunities for economic development, specifically in the private sector, including the aerospace and manufacturing industries.

M/S MALONE/LEONARD to develop a plan to support the coalition to attract the photonics industry to Norco. The motion was carried by the following roll call vote:

AYES: COLLINS, DA ROSA, ETCHISON, HANSEN, KAYL, LEONARD, MALONE, OLMSTEAD-BOWEN

NOES: NONE

ABSENT: BARRETO, MULLER, RYAN

ABSTAIN: NONE

4. EDAC / STAFF COMMUNICATIONS:

A. City Manager Update

City Manager Okoro announced that the recruitment period for the Measure R Citizens' Oversight Committee has opened and encouraged EDAC members to spread the information.

B. Economic Development Update

Consultant Grody announced that The Derby Room, a new local restaurant and off-track betting facility, is scheduled to open on Thursday, January 24, 2019.

C. Upcoming Event Announcements

Member Olmstead-Bowen announced that Horseweek activities will be held April 12-21, 2019.

D. Request for Items on Future Agendas (within the purview of the EDAC)

No items were requested.

E. Next Regular Meeting Scheduled: February 26, 2019

Chair da Rosa announced that the next regular meeting is scheduled on February 26, 2019.

ADJOURNMENT

Chair da Rosa adjourned the meeting at 9:30 a.m.

CITY OF NORCO STAFF REPORT

TO: Economic Development Advisory Council (EDAC) Members

FROM: Roger Grody, Economic Development Consultant

DATE: February 26, 2019

SUBJECT: Sales Tax Update, 3rd Quarter 2018

RECOMMENDATION: Receive and File.

Staff continues to provide EDAC Members with quarterly City of Norco Sales Tax Updates from HdL Companies, the City's consultant. Sales tax data tends to lag somewhat, so this information is from the 3rd Quarter of 2018, ending September 30, 2018. Attached are the same summaries presented to the City Council. Detailed information on specific businesses is confidential, but the highlights below provide a valuable overview.

As you review this information, please be mindful of the fact that the State is continuing to adjust to a new accounting software program, so missing or late data continues to be an issue. This particular report reflects some catch-up payments that make the quarter appear much more robust than it actually was.

Some major observations gleaned from the most recent HdL report include the following:

- Overall City of Norco receipts in the 3rd Quarter of 2018 were 24.4% higher than the same quarter in 2017. However, most of this increase is attributed to catch-up payments that had been delayed by the State's transition to the new software. The adjusted figures—reflecting the proper timing of receipts—show a healthy but more moderate increase of 5.9% over the comparable quarter in 2017.
- Revenue from auto sales was marginally higher (2.0% adjusted) than the 3rd Quarter of 2017, but analysts at HdL caution that after eight years of nearly unprecedented growth, auto sales will begin leveling off, and a natural decline in this cyclical industry is clearly beginning to occur nationally and across California.
- Adjusted data indicates a significant increase in revenue from restaurants/hotels, edging up 6.0% over the same quarter in 2017.
- The adjusted receipts for fuel and service stations were 18.9% higher than last year's quarter, as petroleum product prices surged over the comparable quarter in 2017.
- Revenue from State and County "pools" increased 26.4% year-over-year, but this appears to be an aberration based on an errant receipt. This revenue represents the City of Norco's proportionate share of tax from transactions that do not have a clearly

defined point-of-sale. The pools include some Internet-generated sales (e.g. Amazon, QVC), as well as tax generated by private sales of motor vehicles, distributed through the DMV.

- Please note that the “Top 25 Producers” are listed in alphabetical order, as their rankings are confidential.
- As indicated on the chart on page 2, sales per capita in Norco was significantly higher than Riverside County or the State of California as a whole, consistent with past performance and a positive indicator for the local economy.

FISCAL IMPACT: None.

RECOMMENDATION: Receive and file.

Attachment: HdL Sales Tax Update

Q3 2018



City of Norco Sales Tax *Update*

Fourth Quarter Receipts for Third Quarter Sales (July - September 2018)

Norco In Brief

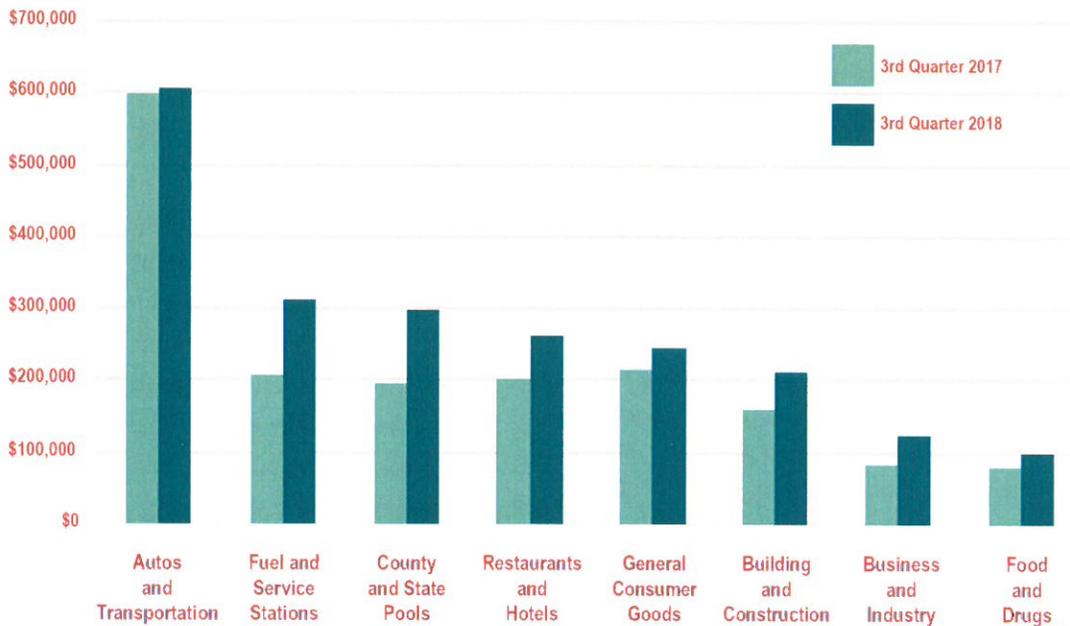
Norco's receipts from July through September were 24.4% above the third sales period in 2017 though results were skewed by catch-up payments owed from last quarter that had been delayed by the State's recent transition to a new software and reporting system. The double-up payments inflated numerous categories, particularly service stations, building materials and casual dining eateries. Double payments and a suspected misallocation also appear to have inflated allocations from the countywide use tax pool. Adjusted for proper payment timing, revenue was up 5.9% overall.

Service station revenue was lifted by the global surge in the price of petroleum products, as well as by the recent opening of a new fuel outlet in town. The price of oil increased in the third quarter from around \$50 per barrel, last year, to \$70.

The opening of a new fast food eatery in Norco also bolstered restaurant-hotel proceeds, though the quick-service category was further inflated by payment anomalies.

Net of aberrations, taxable sales for all of Riverside County grew 6.3% over the comparable time period; the Southern California region was up 4.3%.

SALES TAX BY MAJOR BUSINESS GROUP



TOP 25 PRODUCERS

IN ALPHABETICAL ORDER

7 Eleven	Norco RV Center
All In Auto Sales	Norco Shell
Allied Building Products	Norco Truck Center
Arco AM PM	Paul Blanco's Good Car Company
Browning Dodge Chrysler Jeep Ram	Premium Autos
Chevron Car Spa	Quick Crete Products
Corona Motors Direct	Stater Bros
Floor & Decor	Target
Hemborg Ford	Tilly's Marine
In N. Out Burger	Tonys Hay & Grain
McDonald's	United Oil
Norco Gas	Valero Gas
	Winco Foods

REVENUE COMPARISON

One Quarter – Fiscal Year To Date (Q3)

	2017-18	2018-19
Point-of-Sale	\$1,541,492	\$1,861,035
County Pool	193,713	297,346
State Pool	1,193	975
Gross Receipts	\$1,736,399	\$2,159,357

CITY OF NORCO STAFF REPORT

TO: Economic Development Advisory Council (EDAC) Members

FROM: Roger Grody, Economic Development Consultant
Kelli Newton, Management Analyst

DATE: February 26, 2019

SUBJECT: Business Appreciation Initiative Nominees

RECOMMENDATION: Approve nominees for the Business Appreciation Initiative for March 2019, April 2019, May 2019, and June 2019.

The Business Appreciation Initiative Selection Committee met on February 12, 2019 to nominate Norco businesses to be recognized through the Business Appreciation Initiative. The EDAC-sponsored program recognizes deserving Norco business at the second City Council meeting of every month. A wide range of commercial enterprises, from Fortune 500 corporations to mom-and-pop businesses, are honored for their commitment to the community and contribution to the City's economic vitality.

The Selection Committee nominates businesses on a quarterly basis and forwards its recommendations to EDAC for approval. A variety of criteria (See Attachment A) are considered when making nominations, and to ensure that recommended businesses are in good standing with the City, each nominee is vetted by Financial & Support Services, Planning and any other pertinent City departments.

Nominees for the upcoming four months were viewed as deserving of recognition based on the established criteria, and were successfully vetted by City staff. The following businesses were nominated by the Committee, accompanied by the criteria cited by the Committee:

March: BootBarn, a brand that truly captures the spirit of Horsetown USA, for its investment in the community, Western façade and involvement in local events;

April: Linda's Hay, for its long-term commitment to local equestrians, and its Horsetown USA spirit;

May: In-N-Out Burger—in honor of National Hamburger Month—for its longevity in the community and bringing one of California's most iconic brands to Norco; and

June: Ace Hardware, for serving local homeowners for many years and its involvement in local events.

FISCAL IMPACT: None.

RECOMMENDATION: Approve the businesses nominated by the Selection Committee for Business Appreciation Initiative recognition in March 2019, April 2019, May 2019, and June 2019.

Attachment A: "Criteria for Consideration"

ATTACHMENT A

Criteria for Consideration Business Appreciation Initiative

- How long has the business been located in Norco? Has it become a valued part of the community fabric?
- Do the business owners or employees regularly participate in local community events?
- Does the business make monetary or in-kind donations to local events, nonprofit agencies or programs?
- How well have the owners maintained the business premises? Do they clearly take pride in its appearance? Does it have good “curb appeal”?
- Has the business made a major capital investment in its property, such as a new building, major renovation, tasteful landscaping or signage?
- Has the business embraced the Horsetown USA theme as part of its image, through its architecture, selection of merchandise or marketing?
- Is the business a major employer in the community? And does it make an effort to hire Norco residents?
- Does the business contribute significant revenue to the City, either through sales tax or transient occupancy tax (TOT)?
- Is the business in substantial compliance with City of Norco rules and regulations (e.g. business licenses, permits), current on municipal accounts and not the subject of ongoing Code violations or litigation?