



## Chapter 2 Demographic and Economic Trends

This chapter describes the demographic and economic characteristics of San Benito County and its surrounding region. This analysis uses statistics from/for the Association of Monterey Bay Area Governments (AMBAG) region, neighboring Santa Clara County, and the State for a comparative analysis. These points of reference provide important comparisons and perspectives to highlight important qualities of San Benito County. Regional demographic information is used to identify trends and changes in the makeup, composition, and ultimately, the demands of San Benito County's future population and workforce. Finally, this chapter assesses market demand for future land uses in San Benito County.

This chapter is organized into the following sections:

- Regional Demographics and Economic Trends (Section 2.1)
- San Benito County Demographics (Section 2.2)
- San Benito County Economic Trends (Section 2.3)
- Market Demand for Future Land Uses (Section 2.4)





## CHAPTER 2. DEMOGRAPHIC AND ECONOMIC TRENDS

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*San Benito County General Plan*

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## SECTION 2.1 REGIONAL DEMOGRAPHICS AND ECONOMIC TRENDS

### Introduction

This section summarizes and analyzes past, current, and future population, employment, and households characteristics for the Economic Region that includes the four counties of San Benito, Santa Cruz, Monterey, and Santa Clara. An analysis of population, employment, and household information yields important information about future land use requirements and possible shifts in countywide service demands. This section analyzes U.S. Census, California Department of Finance, Association of Monterey Bay Area Governments (AMBAG), and Association of Bay Area Governments (ABAG) data to identify those trends and conditions that are of importance to the Economic Region and San Benito County's future.

### Key Terms

**Association of Bay Area Governments (ABAG).** Regional planning agency for the Bay Area including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma Counties.

**Association of Monterey Bay Area Governments (AMBAG).** Regional planning agency for the Monterey Bay Area including San Benito, Santa Cruz, and Monterey Counties.

**Census.** The official United States decennial enumeration of the population conducted by the Federal government.

**Estimate.** An approximate judgment or calculation.

**Projection.** A prediction of the future setting based on extrapolations from past observations.

**Economic Region.** Includes all land within the four counties of San Benito, Santa Cruz, Monterey, and Santa Clara.

### Regulatory Setting

There is no regulatory setting for this section.

### Major Findings

- From 1980 to 2008 the Economic Region's population increased from 1.8 million to 2.6 million. During this period San Benito County had the fastest growing population among the four counties and its growth accounted for 4.2 percent of the regional increase.
- According to AMBAG and ABAG projections, the population of the Economic Region between 2010 and 2035 will increase by over 650,000, an average annual rate of 0.9 percent.



- San Benito County population is projected to continue growing at the fastest rate, increasing by 32,000 to nearly 95,000 by 2035, an average annual growth rate of 1.7 percent.
- San Benito County has experienced an employment growth rate of 1.8 percent annually from 1997 to 2007, adding 2,800 new jobs. During this period the Economic Region lost 11,700 jobs due to employment losses in Santa Clara County, which accounted for over 75 percent of total employment in the Economic Region.
- Historically, San Benito County has had some of the the highest unemployment rates in the Economic Region, ranging from 6 percent to 11 percent over the past 10 years. By comparison, Santa Clara County has had the lowest unemployment rates in the Economic Region, ranging from 3 to 8 percent.
- According to AMBAG and ABAG, from 2010 to 2035 employment in the four-county Economic Region is projected to increase by nearly 400,000 new jobs, growing at an average annual rate of 1.4 percent.

### Existing Conditions

#### Population

The population of the four-county Economic Region has grown steadily from 1980 to 2008, increasing by over 830,000 (Table 2-1). During this period the Economic Region's population increased at an average annual rate of 1.4 percent, growing from 1.8 million to 2.6 million. In 2008 Santa Clara County accounted for the largest proportion of this population at over 70 percent and 1.9 million residents. San Benito County accounted for the smallest proportion at just 2.3 percent and 60,000 residents. Because it has the smallest population base number, San Benito County's population grew at a faster rate than that of the region as a whole. From 1980 to 2008 it grew at a rate nearly 2.3 times faster than that of Santa Clara, Monterey and Santa Cruz Counties.

The population of the Economic Region is projected to experience modest growth over the next 25 years, as shown in Table 2-2. According to AMBAG's 2008 Regional Forecast and ABAG's 2007 projections, the population of the Economic Region will increase by over 650,000 from 2010 through 2035. San Benito County population is projected to increase by 32,000, an average annual growth rate of 1.7 percent. San Benito County will also increase its share of the total regional population from 2.3 percent in 2008 to 2.9 percent in 2035. Santa Clara County will add approximately 513,000 new residents at an average annual rate of 1.0 percent. Monterey County's population will increase by 85,000, and Santa Cruz County will have the slowest population growth at an average annual rate of just 0.4 percent and increasing by less than 28,000 residents from 2010 to 2035.

TABLE 2-1 REGIONAL POPULATION GROWTH <sup>1</sup> AMBAG Region and Santa Clara County								
	1980	1990	1995	2000	2005	2008 <sup>2</sup>	1980 - 2008	
							Average Annual Rate of Growth	Absolute Growth
San Benito County	25,005	36,697	43,310	53,234	56,989	60,194	3.2%	35,189
Monterey County	290,444	355,660	360,146	401,762	421,374	445,075	1.5%	154,631
Santa Cruz County	188,141	229,734	239,889	255,602	259,933	274,553	1.4%	86,412
Santa Clara County	1,295,071	1,497,577	1,568,225	1,682,585	1,755,453	1,854,192	1.3%	559,121
<b>TOTAL Four-County-Region</b>	<b>1,798,661</b>	<b>2,119,668</b>	<b>2,211,570</b>	<b>2,393,183</b>	<b>2,493,749</b>	<b>2,634,015</b>	<b>1.4%</b>	<b>835,354</b>
San Benito County Share of Region	1.4%	1.7%	2.0%	2.2%	2.3%	2.3%		4.2%

<sup>1</sup>Data for 1990 and 2000 are as of April of that year. All other data are as of January of that year.

<sup>2</sup>Figures for 2008 are based on AMBAG population projection growth rates.

Sources: U.S. Census Bureau 1990 and 2000, California Department of Finance 2008; AMBAG 2008 Regional Forecast, Adopted June 11, 2008; ABAG Projections 2007, December 2006; ERA|AECOM, July 2009.

TABLE 2-2 REGIONAL POPULATION PROJECTIONS AMBAG Region and Santa Clara County								
	2010	2015	2020	2025	2030	2035	2010 - 2035	
							Average Annual Rate of Growth	Absolute Growth
San Benito County	62,431	68,471	76,140	83,383	89,431	94,731	1.7%	32,300
Monterey County	445,309	466,606	483,733	499,341	515,549	530,362	0.7%	85,053
Santa Cruz County	268,041	273,983	280,493	285,735	290,597	295,621	0.4%	27,580
Santa Clara County	1,867,500	1,971,100	2,085,300	2,177,800	2,279,100	2,380,400	1.0%	512,900
<b>TOTAL Four-County-Region</b>	<b>2,643,281</b>	<b>2,780,160</b>	<b>2,925,666</b>	<b>3,046,259</b>	<b>3,174,677</b>	<b>3,301,114</b>	<b>0.9%</b>	<b>657,833</b>
San Benito County Share of Region	2.4%	2.5%	2.6%	2.7%	2.8%	2.9%		4.9%

Sources: AMBAG 2008 Regional Forecast, Adopted June 11, 2008; ABAG Projections 2007, December 2006.

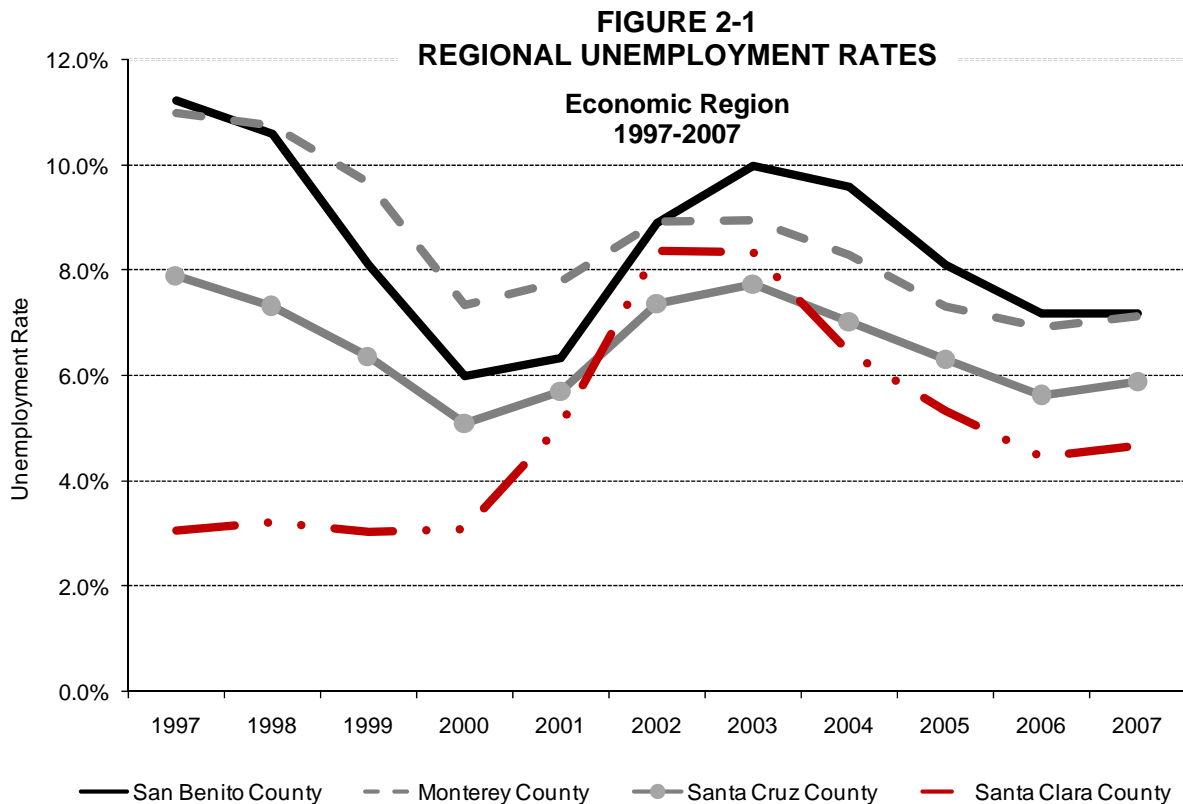


Employment

From 1997 to 2007 total employment in the Economic Region contracted (Table 2-3). This was due to employment trends in Santa Clara County, which accounted for over 75 percent of total employment in the Economic Region. Santa Clara County is known worldwide as Silicon Valley, and its economy has been powered by dramatic cycles of innovation. Wide fluctuations in growth and contraction have been a characteristic of this region's economy.

Of the four counties San Benito County has experienced the steadiest rate of employment growth at 1.8 percent average annually from 1997 to 2007, adding 2,800 new jobs total over 11 years. This is due to the county's low base employment number. From 1997 to 2007 employment in Santa Cruz County grew at an average annual rate of 0.2 percent adding 1,800 jobs. Employment in Santa Cruz County also fell in the early 2000s, although to a much lesser degree than Santa Clara County, and resumed slow growth in 2004. San Benito County and Monterey County's economies are more dependent on agriculture, with farm jobs accounting for 15 percent and 24 percent of total employment in these counties, respectively. The proportion of farm versus nonfarm jobs has remained relatively constant in San Benito County and Monterey County over the last ten years.

Historically, San Benito County has had the highest unemployment rates in the region because of its limited economic diversification (Figure 2-1). Santa Clara County experienced 6 percent employment growth in 2000 just before a major crash in the internet business. Santa Clara County suffered four consecutive years of job losses, from 2001 to 2004, before employment growth resumed in 2005. In 2007 employment in Santa Clara County was just under 900,000, approximately 4 percent less than in 1997. During this 10-year period, Santa Clara County lost approximately 35,600 jobs.



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## San Benito County General Plan



**TABLE 2-3  
REGIONAL EMPLOYMENT GROWTH  
AMBAG Region and Santa Clara County**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997 - 2007	
												AAGR	Absolute Growth
<b>San Benito County Total Employment</b>	<b>14,000</b>	<b>14,000</b>	<b>14,400</b>	<b>14,900</b>	<b>15,400</b>	<b>15,400</b>	<b>15,600</b>	<b>15,700</b>	<b>16,200</b>	<b>17,600</b>	<b>16,800</b>	<b>1.8%</b>	<b>2,800</b>
Farm	16.4%	14.3%	13.9%	12.8%	15.6%	15.6%	15.4%	16.6%	15.4%	13.6%	14.9%	--	--
Non-farm	84.3%	85.7%	86.1%	87.2%	85.1%	84.4%	84.6%	83.4%	84.6%	86.4%	85.1%	--	--
Unemployment Rate	11.2%	10.6%	8.1%	6.0%	6.3%	8.9%	10.0%	9.6%	8.1%	7.2%	7.2%	--	--
<b>Monterey County Total Employment</b>	<b>151,000</b>	<b>154,700</b>	<b>161,100</b>	<b>166,400</b>	<b>166,900</b>	<b>167,700</b>	<b>169,200</b>	<b>168,800</b>	<b>169,800</b>	<b>168,300</b>	<b>170,300</b>	<b>1.2%</b>	<b>19,300</b>
Farm	23.0%	22.8%	23.3%	23.5%	22.1%	22.7%	24.5%	24.8%	25.0%	24.0%	24.4%	--	--
Non-farm	77.0%	77.2%	76.7%	76.5%	78.0%	77.3%	75.5%	75.2%	75.0%	76.0%	75.6%	--	--
Unemployment Rate	11.0%	10.8%	9.7%	7.4%	7.8%	8.9%	9.0%	8.3%	7.3%	6.9%	7.1%	--	--
<b>Santa Cruz County Total Employment</b>	<b>101,600</b>	<b>103,000</b>	<b>103,200</b>	<b>105,600</b>	<b>106,300</b>	<b>102,900</b>	<b>100,300</b>	<b>100,500</b>	<b>101,300</b>	<b>102,400</b>	<b>103,400</b>	<b>0.2%</b>	<b>1,800</b>
Farm	11.0%	10.7%	8.8%	7.9%	7.3%	8.1%	8.5%	7.5%	7.7%	7.2%	7.5%	--	--
Non-farm	89.0%	89.3%	91.2%	92.0%	92.7%	91.9%	91.5%	92.5%	92.2%	92.9%	92.5%	--	--
Unemployment Rate	7.9%	7.3%	6.4%	5.1%	5.7%	7.4%	7.8%	7.0%	6.3%	5.6%	5.9%	--	--
<b>Santa Clara County Total Employment</b>	<b>933,100</b>	<b>962,900</b>	<b>978,000</b>	<b>1,036,400</b>	<b>1,009,500</b>	<b>908,700</b>	<b>861,300</b>	<b>853,000</b>	<b>860,100</b>	<b>879,800</b>	<b>897,500</b>	<b>-0.4%</b>	<b>-35,600</b>
Farm	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.4%	0.4%	0.4%	--	--
Non-farm	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.5%	99.6%	99.6%	99.6%	--	--
Unemployment Rate	3.1%	3.2%	3.1%	3.1%	5.1%	8.4%	8.3%	6.4%	5.4%	4.5%	4.7%	--	--
<b>TOTAL</b>	<b>1,199,700</b>	<b>1,234,600</b>	<b>1,256,700</b>	<b>1,323,300</b>	<b>1,298,100</b>	<b>1,194,700</b>	<b>1,146,400</b>	<b>1,138,000</b>	<b>1,147,400</b>	<b>1,168,100</b>	<b>1,188,000</b>	<b>-0.1%</b>	<b>-11,700</b>
San Benito County Share of Region	1.2%	1.1%	1.1%	1.1%	1.2%	1.3%	1.4%	1.4%	1.4%	1.5%	1.4%	--	--

Sources: California Department of Employment Development, Labor Market Information Division, January 23, 2009; ERA/AECOM, July 2009.



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According to AMBAG and ABAG, employment in the Economic Region is projected to increase by over 500,000 new jobs, growing at an average annual rate of 1.3 percent, from 2010 to 2035 (Table 2-4). During this period employment growth is projected to be the greatest in Santa Clara County, adding 427,000 new jobs at a rate of 1.5 percent annually. This new employment in Santa Clara County would account for 85 percent of total projected employment growth in the Economic Region. From 2010 to 2035 Monterey County and Santa Cruz County are projected to create approximately 39,000 and 32,000 new jobs, respectively. Employment in San Benito County is projected by AMBAG to increase at an average annual rate of 0.9 percent, adding 4,300 new jobs in this 25-year period.

**TABLE 2-4  
REGIONAL EMPLOYMENT PROJECTIONS  
AMBAG Region and Santa Clara County  
1990-2013**

	2010	2015	2020	2025	2030	2035	2010 - 2035	
							AAGR	Absolute Growth
San Benito County	17,380	18,090	19,050	19,970	20,980	21,700	0.9%	4,320
Monterey County	196,430	203,660	211,160	218,830	226,780	235,460	0.7%	39,030
Santa Cruz County	115,070	120,800	126,870	133,350	140,160	147,460	1.0%	32,390
Santa Clara County	938,330	1,017,060	1,098,290	1,183,840	1,272,950	1,365,810	1.5%	427,480
<b>TOTAL</b>	<b>1,267,210</b>	<b>1,359,610</b>	<b>1,455,370</b>	<b>1,555,990</b>	<b>1,660,870</b>	<b>1,770,430</b>	<b>1.3%</b>	<b>503,220</b>
San Benito County Share of Region	1.4%	1.3%	1.3%	1.3%	1.3%	1.2%	--	0.9%

Sources: AMBAG 2008 Regional Forecast, Adopted June 11, 2008; ABAG Projections 2007, December 2006.

Santa Clara County has the highest median household and per capita incomes in the Economic Region. Median household income in San Benito County was the second highest and has kept pace with income growth in Santa Clara County. The lower per capita income in San Benito County is in large part due to a larger average household size in San Benito County. Median household and per capita incomes in Monterey County are the lowest in the Economic Region and Santa Cruz County has the smallest average household size (Table 2-5).



**TABLE 2-5  
INCOME TRENDS AND HOUSEHOLD SIZE  
AMBAG Region and Santa Clara County  
1990-2013**

	1990	2000	2009	2014	1990-2014	
					AAGR	Absolute Growth
<b>San Benito County</b>						
Median Household Income	\$36,473	\$58,021	\$75,791	\$80,304	3.3%	\$43,831
Per Capita Income	\$13,933	\$20,932	\$26,529	\$27,670	2.9%	\$13,737
Average Household Size	--	3.3	3.4	3.4	--	--
<b>Monterey County</b>						
Median Household Income	\$33,520	\$48,204	\$63,239	\$65,871	2.9%	\$32,351
Per Capita Income	\$14,578	\$20,166	\$24,934	\$25,974	2.4%	\$11,396
Average Household Size	--	3.1	3.2	3.2	--	--
<b>Santa Cruz County</b>						
Median Household Income	\$37,112	\$54,019	\$72,804	\$75,587	3.0%	\$38,475
Per Capita Income	\$17,347	\$26,397	\$36,451	\$45,187	3.2%	\$19,907
Average Household Size	--	2.7	2.7	2.7	--	--
<b>Santa Clara County</b>						
Median Household Income	\$48,115	\$74,419	\$100,089	\$105,486	3.3%	\$57,371
Per Capita Income	\$20,423	\$32,796	\$44,997	\$47,832	3.6%	\$27,409
Average Household Size	--	2.9	3.0	3.0	--	--

Source: ERA/AECOM, GIS Analysis, ESRI Business Analyst 2009, May 2010; US Census Bureau 1990 and 2000.



### SECTION 2.2 SAN BENITO COUNTY DEMOGRAPHIC TRENDS

#### Introduction

This section summarizes and analyzes more detailed past, current, and future demographic information for San Benito County. Analyzing demographic information, such as income and ethnic demographics shift over time, yields important information about possible shifts in county service demand and changes in future land use requirements. This section analyzes U.S. Census, California Department of Finance, AMBAG, and ABAG data, to identify those trends and conditions that are of importance to San Benito County's future.

#### Key Terms

**Association of Monterey Bay Area Governments (AMBAG).** Regional planning agency for the Monterey Bay Area including San Benito, Santa Cruz, and Monterey Counties.

**Census.** The official United States decennial enumeration of the population conducted by the Federal government.

**Estimate.** An approximate judgment or calculation.

**Educational Attainment.** The measure of the highest grade level or year of post-secondary study an individual or population of individuals completed.

**Projection.** A prediction of future setting based on extrapolations from past observations.

**Unincorporated.** The portion of county territory that is not part of any incorporated municipality such as a city.

#### Regulatory Setting

There is no regulatory setting for this section.

#### Major Findings

- From 1990 to 2008 the population of San Benito County grew from 39,697 to 58,000 or at an average annual rate of 2.6 percent.
- The population of the city of Hollister was 37,000 in 2008, accounting for approximately 64 percent of the county's total population. The population growth in Hollister was faster than that of the county as a whole.
- According to AMBAG projections, the population of San Benito County is expected to grow to 95,000 from 2010 to 2035, an average annual rate of 1.8 percent.

- Based on the State Department of Finance’s (DOF) population projections by race and ethnicity, the proportion of Hispanic residents in San Benito County will increase to 75 percent by 2030 from approximately 59 percent currently (2009).
- From 1990 to 2000 the average level of education attainment of San Benito County’s population rose for all levels above high school graduate.
- Historically, household incomes in San Benito County have been slightly higher than the state average. In both 1990 and 2000 San Benito County had a smaller percentage of households with annual incomes in the lower ranges and a higher percentage at the upper ranges.

## Existing Conditions

### Population

The city of Hollister is the largest and fastest growing area in the county. The population of the city of Hollister, the county seat, was 39,000 in 2008, accounting for approximately 65 percent of the county’s population (Table 2-6). Hollister added 19,600 residents between 1990 and 2008. The city of San Juan Bautista had a population of less than 2,000 in 2008, accounting for 3.1 percent of the county’s population. The population of San Benito County’s unincorporated area accounted for the balance of the population, approximately 19,400 in 2008. From 1990 to 2008 the population in the unincorporated area increased by over 3,600. The population of San Juan Bautista and San Benito County’s unincorporated area grew at an average annual rate of 0.9 and 1.2 percent, respectively, over this 18-year period.

TABLE 2-6 POPULATION GROWTH <sup>1</sup> San Benito County 1980-2008								
	1980	1990	1995	2000	2005	2008 <sup>2</sup>	1990-2008	
							AAGR	Absolute Growth
Hollister	--	19,318	25,602	34,424	36,786	38,922	4.0%	19,604
San Juan Bautista	--	1,570	1,567	1,549	1,714	1,845	0.9%	275
Unincorporated	--	15,809	16,141	17,261	18,489	19,427	1.2%	3,618
<b>TOTAL</b>	<b>25,005</b>	<b>36,697</b>	<b>43,310</b>	<b>53,234</b>	<b>56,989</b>	<b>60,194</b>	<b>2.8%</b>	<b>23,497</b>

<sup>1</sup>Data for 1990 and 2000 are as of April of that year. All other data are as of January of that year.

<sup>2</sup>Figures for 2008 are based on AMBAG population projection growth rates.

Sources: U.S. Census Bureau 1990 and 2000, California Department of Finance, Demographic Research Unit, Population Estimates, May 2009; ERA/AECOM, July 2009.

AMBAG projections indicate that this growth pattern will continue. According to AMBAG’s 2008 Regional Forecast, of the 32,000 new residents projected in San Benito County between 2010 and 2035, over 22,000 residents or 70 percent will be within the city of Hollister. Population growth in San Juan Bautista will account for approximately 1,000 new residents or 3 percent of the county’s growth. The balance of the county’s projected population growth, 9,000 new residents, will be in the unincorporated area, which is more than double the historic growth. The California DOF projects the population of San Benito County to reach 95,000 by 2035 (Table 2-7).



TABLE 2-7 POPULATION PROJECTIONS San Benito County 2010-2035								
	2010	2015	2020	2025	2030	2035	2010 - 2035	
							AAGR	Absolute Growth
Hollister	40,415	44,613	49,064	54,143	59,259	62,756	1.8%	22,341
San Juan Bautista	1,937	2,121	2,356	2,570	2,743	2,907	1.6%	970
Unincorporated	20,079	21,737	24,720	26,671	27,429	29,068	1.5%	8,989
<b>TOTAL</b>	<b>62,431</b>	<b>68,471</b>	<b>76,140</b>	<b>83,383</b>	<b>89,431</b>	<b>94,731</b>	<b>1.7%</b>	<b>32,300</b>

Source: AMBAG 2008 Regional Forecast, Adopted June 11, 2008; California Department of Finance, Demographic Research Unit, Population Projections, May 2009.

**Race/Ethnicity**

In 2000 Hispanic residents accounted for 47 percent of the population and White-non Hispanic residents accounted for 48 percent (Table 2-8). The remainder of the county’s population were mostly either Asian or multiracial/other. Based on DOF projections, the proportion of Hispanic residents in San Benito County is expected to increase to 75 percent by 2030. Meanwhile, the proportion of White-non Hispanic residents will decrease to 21 percent. The proportion of the remaining races and ethnicities represented in the county’s population including Asian, multiracial/other, Black, American Indian, and Pacific Islander, will remain stable through 2030.

TABLE 2-8 POPULATION PROJECTION BY RACE San Benito County 2000-2030				
	2000	2010	2020	2030
White	46.7%	35.5%	26.6%	21.0%
Hispanic	47.9%	59.0%	68.4%	74.5%
Asian	2.3%	2.5%	2.3%	2.0%
Pacific Islander	0.1%	0.1%	0.1%	0.1%
Black	0.9%	0.9%	0.9%	0.8%
American Indian	0.5%	0.5%	0.5%	0.5%
Multiracial/Other	1.5%	1.5%	1.3%	1.2%

Sources: U.S. Census Bureau, 2000; California Department of Finance, Demographic Research Unit, Population Projections, May 2009.

**Age**

On average San Benito County is younger than the state. In 2000 nearly one-third of San Benito County’s population was under 18 years of age. This was slightly higher than the state-wide average of 27 percent. Approximately 8 percent of San Benito County’s population was over the age of 65 in 2000, compared to 11 percent for the state. From 1990 to 2000 the proportion of San Benito County’s population in the 35 to 54 age range increased while those in the 18 to 34 age range decreased (Table 2-9).

TABLE 2-9 POPULATION BY AGE								
1990, 2000								
Age Group	San Benito County				California			
	1990	2000	1990 % of Total	2000 % of Total	1990	2000	1990 % of Total	2000 % of Total
Under 10 years	6,581	9,720	17.9%	18.3%	4,621,697	5,212,861	15.5%	15.4%
10 to 17 years	4,820	7,423	13.1%	13.9%	3,129,028	4,036,968	10.5%	11.9%
18 to 24 years	3,683	4,708	10.0%	8.8%	3,412,257	3,366,030	11.5%	9.9%
25 to 34 years	6,261	7,782	17.1%	14.6%	5,686,371	5,229,062	19.1%	15.4%
35 to 44 years	5,604	8,994	15.3%	16.9%	4,639,321	5,485,341	15.6%	16.2%
45 to 54 years	3,421	6,612	9.3%	12.4%	2,902,569	4,331,635	9.8%	12.8%
55 to 64 years	2,702	3,680	7.4%	6.9%	2,233,226	2,614,093	7.5%	7.7%
65 to 74 years	2,185	2,379	6.0%	4.5%	1,857,221	1,887,823	6.2%	5.6%
75 years and over	1,440	1,936	3.9%	3.6%	1,278,331	1,707,835	4.3%	5.0%
<b>Total</b>	<b>36,697</b>	<b>53,234</b>	<b>100.0%</b>	<b>100.0%</b>	<b>29,760,021</b>	<b>33,871,648</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau 1990 – 2000.

**Educational Attainment**

In 2000 San Benito County had a lower proportion of people aged 25 with a bachelor’s degree or higher (16.1 percent) than the state average (26.6 percent). From 1990 to 2000 the average level of education attainment of San Benito County’s population rose for all levels above high school graduate (Table 2-10).



**TABLE 2-10  
EDUCATIONAL ATTAINMENT OF POPULATION 25 AND OVER  
San Benito County and California  
1990-2000**

Level of Educational Attainment	San Benito County				California			
	1990	2000	1990 % of Total	2000 % of Total	1990	2000	1990 % of Total	2000 % of Total
Less than 9th grade	4,073	4,158	17.0%	12.4%	2,446,324	2,085,905	11.5%	11.2%
9th to 12th grade, no diploma	2,842	3,718	11.9%	11.1%	2,496,419	2,364,623	11.7%	11.7%
High school graduate (includes equivalency)	5,524	7,278	23.1%	21.8%	4,288,452	4,167,897	20.1%	20.1%
Some college, no degree	4,930	8,554	20.6%	25.6%	4,879,336	4,225,911	22.9%	22.9%
Associate degree	1,384	2,322	5.8%	7.0%	1,518,403	1,484,489	7.1%	7.1%
Bachelor's degree	2,246	3,773	9.4%	11.3%	3,640,157	2,858,107	17.1%	17.1%
Graduate or professional degree	906	1,598	3.8%	4.8%	2,029,809	1,508,567	9.5%	9.5%
<b>Total</b>	<b>23,895</b>	<b>33,401</b>	<b>100.0%</b>	<b>100.0%</b>	<b>21,300,890</b>	<b>18,697,499</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau 1990 – 2000.

### Income

Historically, household incomes in San Benito County have been slightly higher than the state average. In both 1990 and 2000 San Benito County had a smaller percentage of households with annual incomes less than \$19,999 per year and a higher percentage making more than \$150,000 per year. In 2000 13 percent of San Benito County households earned less than \$20,000 annually as compared to 20 percent for the state. Approximately one-third of San Benito County households earned less than \$40,000 annually compared to 42 percent statewide. At the upper range of household incomes, over 36 percent of San Benito County households earned over \$75,000 annually, while this figure was only 29 percent statewide (Table 2-11).

**TABLE 2-11  
HOUSEHOLD INCOME**  
San Benito County and California  
1990-2000

Income Range	San Benito County				California			
	1990	2000	1990 % of Total	2000 % of Total	1990	2000	1990 % of Total	2000 % of Total
less than \$19,999	2,678	2,070	23.4%	13.0%	2,743,579	2,261,050	26.4%	19.6%
\$20,000 to \$39,999	3,605	3,240	31.5%	20.4%	3,014,344	2,608,025	29.0%	22.7%
\$40,000 to \$59,999	2,687	2,897	23.5%	18.2%	2,149,381	2,110,884	20.7%	18.3%
\$60,000 to \$74,999	1,061	1,956	9.3%	12.3%	965,926	1,218,075	9.3%	10.6%
\$75,000 to \$99,999	878	2,601	7.7%	16.3%	792,419	1,326,569	7.6%	11.5%
\$100,000 to \$149,999	361	2,240	3.2%	14.1%	475,884	1,192,618	4.6%	10.4%
\$150,000 or more	184	907	1.6%	5.7%	258,167	794,799	2.5%	6.9%
<b>TOTAL</b>	<b>11,454</b>	<b>15,911</b>	<b>100.0%</b>	<b>100.0%</b>	<b>10,399,700</b>	<b>11,512,020</b>	<b>100.0%</b>	<b>100.0%</b>

Source: U.S. Census Bureau 1990 and 2000.

**Commute Patterns**

In 2000 over 91 percent of San Benito residents either carpooled or drove to work compared with 86 percent statewide. Only 1.3 percent of employed residents in the county take transit to work compared with 5 percent statewide. In 2000 a greater proportion of San Benito County’s employed residents had either relatively short or very long commutes compared to the state. Approximately 35 percent had commute times less than 14 minutes, compared to 28 percent statewide, and over 30 percent had commutes times over 45 minutes, compared to 18 percent statewide (Table 2-12).

**TABLE 2-12  
COMMUTE PATTERNS OF EMPLOYED RESIDENTS**  
San Benito County and California  
2000

Means of Transportation	San Benito County	California
Walk to Work	2.6%	2.9%
Take Transit to Work <sup>1</sup>	1.3%	5.0%
Carpool to Work	18.4%	14.5%
Drive	73.1%	71.8%
<b>Travel Time to Work</b>		
14 minutes or less	35.0%	28.2%
15 - 29 minutes	19.9%	34.0%
30 - 45 minutes	14.8%	20.1%
45+ minutes	30.2%	17.7%

<sup>1</sup>Does not include taxicabs

Source: U.S. Census Bureau 2000.



### SECTION 2.3 SAN BENITO COUNTY ECONOMIC CONDITIONS

#### Introduction

The economy of San Benito County is best reflected by its employment trends and composition. This section summarizes and analyzes past, current, and future San Benito County employment information. This section analyzes California Department of Finance, AMBAG, and California Employment Development Department data in order to identify trends and conditions that are important to San Benito County.

#### Key Terms

**Association of Monterey Bay Area Governments (AMBAG).** Regional planning agency for the Monterey Bay Area including San Benito, Santa Cruz, and Monterey Counties.

**Estimate.** An approximate judgment or calculation.

**Projection.** A prediction of future setting based on extrapolations from past observations.

#### Regulatory Setting

There is no regulatory setting for this section.

#### Major Findings

- From 1997 to 2007 increases in non-farming industries accounted for all employment growth in San Benito County.
- The largest employment sectors in the county are the services, manufacturing, and government sectors, which combined accounted for 58 percent of total employment in 2007.
- Construction was the fastest growing industry between 2002 and 2006, increasing by 32 percent. With the housing-led recession since 2006, construction employment is declining.
- AMBAG employment projections suggest a slower rate of economic growth from 2010 through 2035, with an average annual growth rate of 0.9 percent. The annual growth rate from 1997 to 2007 was 2.4 percent.
- The fastest growing sector is projected to be the service sector with 1,500 new jobs created between 2010 and 2035, accounting for over 40 percent of total new employment in the county.



### **Existing Conditions**

#### **Employment**

The San Benito County economy has been expanding steadily. Employment growth has averaged 2.4 percent per year since 1997 (Table 2-13). Employment in farming industries has decreased slightly. Increases in non-farming industries accounted for all employment growth in the county. The largest employment sectors in the county are the services, manufacturing, and government sectors which make up 58 percent of the total employment in 2007. Construction has been the fastest growing industry and has experienced an increase of 32 percent between 2002 and 2006. In 2006 San Benito County held approximately 1,900 construction jobs, accounting for 11 percent of total employment. With the housing-led recession, construction employment is likely declining. Other growing industries include services, retail trade, government, finance, insurance and real estate, and manufacturing.



## CHAPTER 2. DEMOGRAPHIC AND ECONOMIC TRENDS

### San Benito County General Plan

**TABLE 2-13  
EMPLOYMENT GROWTH<sup>1</sup>  
San Benito County  
1997-2007**

Employment Category	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	1997-2007	
												AAGR	Absolute Growth
Labor Force <sup>1</sup>	26,100	26,200	26,200	27,400	27,400	26,400	25,700	25,300	24,800	24,600	25,100	1.1%	-0.4%
Unemployment Rate <sup>1</sup>	11.2%	10.6%	8.1%	6.0%	6.3%	8.9%	10.0%	9.6%	8.1%	7.2%	7.2%	--	--
<b>Total, All Industries<sup>2</sup></b>	<b>14,000</b>	<b>14,000</b>	<b>14,400</b>	<b>14,900</b>	<b>15,400</b>	<b>15,400</b>	<b>15,600</b>	<b>15,700</b>	<b>16,200</b>	<b>17,600</b>	<b>16,800</b>	<b>2.4%</b>	<b>1.8%</b>
Annual Change	700	0	400	500	500	0	200	100	500	1,400	-800	--	--
Annual Percentage Change	5.3%	0.0%	2.9%	3.5%	3.4%	0.0%	1.3%	0.6%	3.2%	8.6%	-4.5%	--	--
<b>Total Farm</b>	<b>2,300</b>	<b>2,000</b>	<b>2,000</b>	<b>1,900</b>	<b>2,400</b>	<b>2,400</b>	<b>2,400</b>	<b>2,600</b>	<b>2,500</b>	<b>2,400</b>	<b>2,500</b>	<b>-0.7%</b>	<b>0.8%</b>
<b>Total Nonfarm</b>	<b>11,800</b>	<b>12,000</b>	<b>12,400</b>	<b>13,000</b>	<b>13,100</b>	<b>13,000</b>	<b>13,200</b>	<b>13,100</b>	<b>13,700</b>	<b>15,200</b>	<b>14,300</b>	<b>3.2%</b>	<b>1.9%</b>
Natural Resources and Mining	100	100	100	100	0	0	0	0	0	0	0	-100.0%	-100.0%
Construction	1,000	1,000	1,200	1,300	1,300	1,300	1,400	1,600	1,800	1,900	1,800	6.7%	6.1%
Manufacturing	2,200	2,100	2,300	2,500	2,500	2,400	2,300	2,400	2,900	3,100	2,500	1.3%	1.3%
Wholesale Trade	400	500	500	500	500	500	400	400	500	500	400	0.0%	0.0%
Retail Trade	1,800	1,900	1,900	2,100	2,200	1,900	1,900	1,900	1,700	1,800	1,800	2.9%	0.0%
Transportation, Warehousing, and Utilities	200	200	300	300	300	200	200	300	200	300	200	0.0%	0.0%
Finance, Insurance, and Real Estate	400	400	400	400	300	400	300	300	300	400	400	1.7%	0.0%
Services <sup>3</sup>	3,300	3,200	3,000	3,000	3,200	3,300	3,600	3,200	3,300	4,400	4,400	5.8%	2.9%
Government	2,400	2,600	2,700	2,800	2,800	3,000	3,100	3,000	3,000	2,800	2,900	2.2%	1.9%

<sup>1</sup>Labor Force and Unemployment Rate figures count the number of San Benito County residents that work, including residents that travel to jobs outside the county.

<sup>2</sup>Employment by industry figures count the number of jobs in San Benito County, including jobs that are held by commuters who live outside the county.

<sup>3</sup>Services category includes Information, Professional and Business Services, Educational and Health Services, Leisure and Hospitality, and Other Services categories.

Sources: California Department of Employment Development, Labor Market Information Division, January 23, 2009; ERA/AECOM, July 2009.

AMBAG’s employment projections show continued economic growth in the county, though at a slower rate compared to the period from 1997 through 2007. Their projections indicate an average annual growth rate of 0.9 percent reaching a total of 21,700 jobs by 2035 (Table 2-14). Of the 3,600 new jobs approximately 70 percent or 2,500 jobs are projected to be located within Hollister, 29 percent or 1,037 jobs are projected to be located in the county’s unincorporated areas, and the remaining 1 percent will be in San Juan Bautista. The fastest growing sector is projected to be the service sector with 1,500 new jobs, accounting for over 40 percent of new employment in the county. Other growing industries include retail and construction, and public which includes employment in education and government.

	2010	2015	2020	2025	2030	2035	2010 - 2035	
							Annual Rate of Growth	Absolute Growth
Hollister	10,898	11,393	12,056	12,698	13,398	13,893	1.0%	2,500
San Juan Bautista	220	233	248	265	283	299	1.3%	63
Unincorporated	6,262	6,465	6,745	7,007	7,299	7,508	0.8%	1,037
<b>TOTAL</b>	<b>17,380</b>	<b>18,090</b>	<b>19,050</b>	<b>19,970</b>	<b>20,980</b>	<b>21,700</b>	<b>0.9%</b>	<b>3,600</b>
Retail	2,910	3,030	3,220	3,360	3,530	3,800	1.0%	620
Service	4,690	5,010	5,350	5,750	6,190	6,500	1.4%	1,500
Industrial	2,870	2,900	3,000	3,070	3,180	3,040	0.5%	310
Public <sup>1</sup>	2,570	2,700	2,840	3,000	3,150	3,290	1.0%	580
Construction	2,400	2,500	2,680	2,820	2,940	3,070	1.0%	540
Agriculture	1,940	1,950	1,960	1,970	1,990	2,000	0.1%	50

<sup>1</sup> Includes employment in education and government.

Source: AMBAG 2008 Regional Forecast, Adopted June 11, 2008.

The largest employers in San Benito County are summarized in Table 2-15. Of the 25 largest employers listed, seven are related to the construction industry, six are engaged in retail or wholesale trade, and three are engaged in manufacturing.



## CHAPTER 2. DEMOGRAPHIC AND ECONOMIC TRENDS

*San Benito County General Plan*

**TABLE 2-15  
LARGEST EMPLOYERS**

**San Benito County  
2009**

<b>Employer Name</b>	<b>Location</b>	<b>Industry</b>
Adept Painting & Plastering	San Juan Bautista	Painters
American Electrical Service	Hollister	Electric Contractors
Resort	Hollister	Full-Service Restaurant
Cedar Valley Shingle Systems	Hollister	Shingles and Shakes
Cimino's Cabinet Doors Inc	Hollister	Cabinet Makers
Corbin Inc	Hollister	Manufacturers
Denise & Filice Packing Co	Hollister	Wholesale
El Modeno Gardens Inc	Hollister	Wholesale
Hazel Hawkins Memorial Hospital	Hollister	Hospitals
Lifesparc Inc	Hollister	Representatives
M C Electronics	Hollister	Supplies-Wholesale
Milgard Manufacturing Inc	Hollister	Windows-Manufacturers
Natural Selection Foods	San Juan Bautista	Food Products-Retail
Nob Hill Foods	Hollister	Grocers-Retail
Pacific Scientific Co	Hollister	Explosives-Manufacturers
R & R Labor	Hollister	Labor Contractors
Club	Hollister	Golf Courses-Public
San Benito County	Hollister	Government
San Benito Foods	Hollister	Canning-Manufacturers
San Benito High School	Hollister	Schools
San Benito Hospital District	Hollister	Hospitals
Target	Hollister	Department Stores
True Leaf Farms	San Juan Bautista	Farm Management Service
West Marine	Hollister	Marine Equipment and Supplies
Woltcom Inc	Hollister	Contractors

*Source: California Employment Development Department, Major Employers in San Benito County, 2009.*

**SECTION 2.4 MARKET DEMAND FOR FUTURE LAND USES**

**Introduction**

This section summarizes and analyzes the likely future demand for the different land uses based on the AMBAG forecasts of future growth. It pays particular attention to the currently unincorporated areas of San Benito County which are the areas of greatest interest to the County General Plan.

**Key Terms**

**Taxable Retail Sales.** Retail sales activity as measured by transactions subject to sales and use tax.

**Floor Area Ratio (FAR).** The ratio of the gross building area on a site, excluding structured parking, to the net developable area of the site. The new developable area is the total area of a site excluding parts that cannot be developed (e.g., rights-of-way, public parks).

**Regulatory Setting**

There is no regulatory setting for this section.

**Major Market Findings**

The first generation General Plan update market forecasts for San Benito County, including both the incorporated cities and the unincorporated areas, are shown in Table 2-16.

- Based on AMBAG forecasts, the county can anticipate 13,456 new housing units between 2010 and 2035.
- San Benito County can also anticipate: 570 new hotel/lodging units; 223,625 new square feet of office; 1.2 million square feet of retail; and 167 acres of industrial.

**Market Outlook by Land Use**

Table 2-16 shows the overall countywide land use demand summary.

TABLE 2-16 ESTIMATED COUNTYWIDE DEMAND SUMMARY							
San Benito County 2010 to 2035							
Countywide Demand	2010-15	2015-20	2020-25	2025-30	2030-35	2010-2035	
						Total	Average Annual
Total Housing Units	2,188	2,774	2,726	2,913	2,856	13,456	538
Total Hotel or Lodging Units	0	158	62	125	225	570	23
Office Square Feet	35,917	42,619	49,959	53,789	41,342	223,625	8,945
Retail Square Feet	178,552	240,745	262,053	254,055	242,984	1,178,388	47,136
Industrial Acreage	21	43	40	42	21	167	7

Source: AMBAG 2008 Regional Forecast, Adopted June 11, 2008; ERA|AECOM, July 2009.



**Office**

San Benito County currently (2009) has very limited office development, most of which is located in Hollister. Using three different scenarios for the office forecast to reflect differing degrees of economic development success, the 25-year demand forecasts range from 175,000 to 300,000 square feet. The most realistic growth and forecast will fall into the 200,000 to 250,000 square feet range when replacement demand for obsolete buildings is included. It is likely that 80 to 90 percent of this office development will take place in the city of Hollister. Table 2-17 shows the overall countywide office demand for the next 25 years.

TABLE 2-17 OFFICE DEMAND San Benito County 2010 to 2035								
Service Sector Employment	2010	2015	2020	2025	2030	2035	2010-2035	
							Rate of Growth	Absolute Growth
Low Projection	4,690	5,010	5,350	5,750	6,190	6,500	1.3%	1,810
Medium Projection	4,698	5,073	5,518	6,040	6,602	7,033	1.6%	2,336
High Projection	4,709	5,167	5,770	6,474	7,219	7,833	2.1%	3,124
<b>Service Sector Office Employment @ 20%</b>								
Low Projection	938	1,002	1,070	1,150	1,238	1,300	1.3%	362
Medium Projection	940	1,015	1,104	1,208	1,320	1,407	1.6%	467
High Projection	942	1,033	1,154	1,295	1,444	1,567	2.1%	625
Square Feet Per Employee	300							
Stabilized Vacancy Rate	94%							
<b>Employment Growth Driven Demand (SF)</b>		<b>2010-15</b>	<b>2015-20</b>	<b>2020-25</b>	<b>2025-30</b>	<b>2030-35</b>	<b>Total SF</b>	<b>Annual SF</b>
Low Projection		20,426	21,702	25,532	28,085	19,787	<b>115,532</b>	4,621
Medium Projection		23,944	28,412	33,306	35,859	27,561	<b>149,083</b>	5,963
High Projection		29,223	38,478	44,967	47,520	39,223	<b>199,411</b>	7,976
<b>Total Demand with Replacement of Obsolete Space (SF)</b>								
Low Projection		30,638	32,553	38,298	42,128	29,681	<b>173,298</b>	6,932
Medium Projection		35,917	42,619	49,959	53,789	41,342	<b>223,625</b>	8,945
High Projection		43,834	57,717	67,451	71,281	58,834	<b>299,116</b>	11,965

Source: ERA/AECOM, July 2009.

**Industrial**

San Benito County is currently home to electrical contractors, shingle and shakes manufacturers, wholesalers, food processors, canneries, and an explosives manufacturer. Over the next 25 years land-intensive manufacturers and wholesale distributors in the south Bay Area will find San Benito County increasingly attractive because of the relative abundance of land in the county near the Silicon Valley and the large Bay Area population. Based on different scenarios of industrial and distribution employment growth, the market forecast range for industrial land is 75 to 300 acres (Table 2-18). These industrial districts or business parks could be located either in the incorporated cities or within the unincorporated areas of the county.

Table 2-18 Industrial Acreage Demand San Benito County 2010 to 2035								
Industrial and Construction Employment	2010	2015	2020	2025	2030	2035	2010-2035	
							Rate of Growth	Absolute Growth
Low Projection	5,270	5,400	5,680	5,890	6,120	6,110	0.6%	840
Medium Projection	5,285	5,526	6,016	6,469	6,943	7,177	1.2%	1,891
High Projection	5,308	5,714	6,520	7,339	8,178	8,777	2.0%	3,468
Square Feet Per Employee	725							
Stabilized Vacancy Rate	94%							
Industrial Space Demand (SF)		2010-15	2015-20	2020-25	2025-30	2030-35	Total SF	Annual SF
Low Projection		100,266	215,957	161,968	177,394	(7,713)	<b>647,872</b>	25,915
Medium Projection		185,304	378,123	349,843	365,269	180,162	<b>1,458,702</b>	58,348
High Projection		312,861	621,372	631,656	647,081	461,975	<b>2,674,945</b>	106,998
Industrial Acreage Demand @ FAR 0.2								
Low Projection		12	25	19	20	-1	<b>74</b>	3
Medium Projection		21	43	40	42	21	<b>167</b>	7
High Projection		36	71	73	74	53	<b>307</b>	12

Source: ERA/AECOM, July 2009.

### Lodging

With six properties and a total of approximately 200 rooms, the hotel or lodging market in San Benito County is currently (2009) very limited. These properties are concentrated in Hollister along either San Felipe Road or Airline Highway. Over the next 25 years there is likely to be three types of demand for lodging growth:

- Business-Related Hotels.** With a projected 21 percent increase in employment growth, there will be expansion of business-related hotel demand. Considering the need to replace older properties over a 25-year time span, the demand is likely 150 to 200 units in three properties, and these new properties will continue to be concentrated in Hollister (Table 2-19).
- Travel-Related Hotels.** Caltrans is planning to construct a new freeway interchange along US 101 in San Benito County very close to the Monterey County border. The completion of this interchange will facilitate commercial development on the relatively flat portion of the land between Highway 101 and the hills to the east with the rock outcroppings on top. Considering this attractive commercial site has potential visibility from Highway 101, and the fact that the Monterey Peninsula has limited hotel capacity during peak periods, there is likely market potential for an 80- to 120-room hotel at this location sometime during the next 25 years. The development will likely take place soon after the completion of the interchange.
- Bed and Breakfast Inns and Boutique Resorts.** As wine acreage increases over the next 25 years and the local wineries continue to gain recognition, the development of a series of bed and breakfast inns and boutique resorts related to wine tasting is an economic development opportunity for San Benito County.



**TABLE 2-19  
ESTIMATED HOTEL OR RESORT LODGING DEMAND**

San Benito County  
2010 to 2035

Estimated Units	2010	2015	2020	2025	2030	2035	2010-2035	
							Rate of Growth	Absolute Growth
Hollister and San Juan Bautista	200	200	250	300	350	400	2.8%	200
Highway 101	0	0	100	100	100	120	NA	120
Resort	0	0	8	20	95	250	NA	250
<b>TOTAL</b>	<b>200</b>	<b>200</b>	<b>358</b>	<b>420</b>	<b>545</b>	<b>770</b>	<b>5.5%</b>	<b>570</b>
Increase in Demand for New Units		2010-2015	2015-2020	2020-2025	2025-2030	2030-2035	Total Units	Average Annual
Hollister and San Juan Bautista		0	50	50	50	50	200	8
Highway 101		0	100	0	0	20	120	5
Resort		0	8	12	75	155	250	10
<b>TOTAL</b>		<b>0</b>	<b>158</b>	<b>62</b>	<b>125</b>	<b>225</b>	<b>570</b>	<b>23</b>

Source: ERA/AECOM, July 2009.

### Residential

Residential development trends show that the housing market has slowed significantly over the last decade. Residential building permit data reveal that San Benito County issued permits at an average of 240 single-family units per year from 1998 to 2008. Residential construction was particularly active from 1998 to 2000 when the average number of permits issued was over 500 units per year (Table 2-20). At the peak in 1998 permits were issued for close to 570 new residential units within the entire county. The pace of residential construction in most parts of the county began to slow in 2001, with the exception of San Juan Bautista which in 2002 increased the number of residential building permits issued by nearly three times that of the previous year. Residential construction has decreased sharply in all jurisdictions since 2006, when permits were issued for just 30 units county wide. The data indicates a trend towards more housing production in the unincorporated area. Between 1998 and 2002 residential building in the unincorporated area accounted for 20 percent of new units in the county. This proportion increased to 86 percent between 2003 and 2008.

Unmet housing needs in the Bay Area is expected to increase the demand for new housing units in San Benito County. Based upon AMBAG population projections and the expected gradually declining household sizes in the county (including cities), the housing demand forecast for the 2010 to 2035 period is between 13,000 and 14,000 units. Approximately 85 to 90 percent of this housing market demand is expected to be for single-family detached homes (Tables 3-21).



TABLE 2-20 ANNUAL NEW PRIVATELY-OWNED RESIDENTIAL BUILDING PERMITS (UNITS)											
San Benito County 1998-2008											
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Hollister</b>											
Single-Family	493	360	358	210	33	2	1	0	1	1	0
Two-Family	12	0	0	0	2	0	0	0	0	0	0
Multi-Family (3+ units)	0	0	0	40	0	0	0	0	0	0	0
<i>Subtotal</i>	505	360	358	250	35	2	1	0	1	1	0
<b>San Juan Bautista</b>											
Single-Family	2	2	1	15	42	4	0	4	0	3	0
Two-Family	0	0	0	0	0	0	0	0	0	0	0
Multi-Family (3+ units)	0	0	0	0	0	0		40	0	0	0
<i>Subtotal</i>	2	2	1	15	42	4	0	44	0	3	0
<b>Unincorporated</b>											
Single-Family	60	60	179	72	67	91	111	79	29	28	19
Two-Family	0	0	0	0	0	0	0	0	0	0	0
Multi-Family (3+ units)	0	0	0	0	0	0	0	0	0	0	0
<i>Subtotal</i>	60	60	179	72	67	91	111	79	29	28	19
<b>San Benito County</b>											
Single-Family	555	422	538	297	142	97	112	83	30	32	19
Two-Family	12	0	0	0	2	0	0	0	0	0	0
Multi-Family (3+ units)	0	0	0	40	0	0	0	40	0	0	0
<b>TOTAL</b>	<b>567</b>	<b>422</b>	<b>538</b>	<b>337</b>	<b>144</b>	<b>97</b>	<b>112</b>	<b>123</b>	<b>30</b>	<b>32</b>	<b>19</b>

Source: US Census Bureau.

TABLE 2-21 ESTIMATED COUNTYWIDE HOUSING DEMAND								
From 2010 to 2035								
Estimated Units	2010	2015	2020	2025	2030	2035	2010-2035	
							Rate of Growth	Absolute Growth
San Benito County Population	62,431	68,471	76,140	83,383	89,431	94,731	1.7%	32,300
Ratio of Population to Units	3.25	3.20	3.15	3.10	3.00	2.90	-0.5%	0
Housing Units Needed	19,210	21,397	24,171	26,898	29,810	32,666	2.1%	13,456
							<b>Total</b>	<b>Average</b>
<b>Increase in Demand for New Units</b>		<b>2010-15</b>	<b>2015-20</b>	<b>2020-25</b>	<b>2025-30</b>	<b>2030-35</b>	<b>Units</b>	<b>Annual</b>
Total Housing Units		2,188	2,774	2,726	2,913	2,856	13,456	538
Single-Family Units		2,078	2,552	2,399	2,476	2,284	11,790	472
Multi-Family Units		109	222	327	437	571	1,666	67
Single-Family Percentage		95%	92%	88%	85%	80%	88%	
Multi-Family Percentage		5%	8%	12%	15%	20%	12%	

Source: AMBAG; ERA/AECOM, July 2009.



### **Retail**

Countywide taxable store sales grew rapidly from 1997 to 2000, but slowed noticeably in 2001. Retail sales growth recovered slightly by 2004, but fell again in 2006 reflecting the slowdown in residential construction. This drop in taxable store sales was primarily due to decreased sales in the furnishing and appliances and auto dealers and supplies retail categories. The building materials and farm equipment retail category slowed significantly in 2006, but did not contract until 2007 when taxable sales fell by 20 percent from the prior year. With evidence of continued slowdown in the rate of residential construction, future growth in building and home-related retail sales is projected to be modest compared to the last decade. Overall, the three fastest growing retail categories by taxable sales were service stations, other retail stores, and building materials and farm equipment. On an average annual basis, taxable retail sales in San Benito County grew at a rate of 4.9 percent from 1997 through 2007. Per capita retail sales from 1997 to 2007 increased at a rate of 2.2 percent annually (Table 2-23).

In preparing the retail market demand forecasts, the following factors were taken into consideration:

- The county's population growth as projected by AMBAG.
- The expected gradual increase in real income as the counties moves out of the recent recession in the short term and becomes more affluent in the longer term.
- The average per capita retail spending expected by county residents.
- The issue of leakage into neighboring county and how that will gradually diminish as the county grows in population and local retail opportunities grow.
- The relationship between future retail sales, as determined by population, income and per capita retail sales growth, and the amount of retail space that can be supported.
- It is likely that over the next 25 years certain retail store formats, buildings, and locations will become obsolete and will be replaced by newer stores at different locations.

**TABLE 2-22  
TAXABLE RETAIL STORE SALES<sup>1</sup>**

San Benito County  
1997-2007

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	
Apparel Stores	\$2,603	\$2,778	\$3,018	\$3,474	\$3,869	\$3,969	\$3,781	\$3,937	\$3,976	\$3,964	\$3,530	3.1%
Gen. Merchandise and Drug	32,140	35,300	38,368	41,044	44,063	42,950	41,511	41,768	45,577	45,018	44,394	3.3%
Food Stores	31,603	35,863	34,405	41,536	40,173	37,536	37,886	36,731	35,529	34,997	35,839	1.3%
Eating and Drinking Places	24,546	26,185	28,798	31,836	34,159	34,169	35,025	35,629	37,475	37,930	40,158	5.0%
Furnishing and Appliances	7,470	9,069	9,846	11,369	10,661	11,093	10,093	9,264	9,652	8,230	6,846	-0.9%
Building Materials and Farm Equipment	20,455	18,804	22,558	26,008	28,421	26,639	28,077	33,653	38,995	41,983	33,627	5.1%
Auto Dealers & Supplies	35,724	38,782	50,273	56,772	64,366	69,975	58,790	63,763	52,503	46,096	44,241	2.2%
Service Stations	12,008	11,919	13,669	16,359	15,631	18,301	24,628	28,771	28,099	36,197	42,970	13.6%
Other Retail Stores	31,929	32,818	38,693	54,646	57,686	57,742	58,913	61,302	69,562	73,083	69,953	8.2%
<b>TOTAL</b>	<b>\$198,478</b>	<b>\$211,518</b>	<b>\$239,628</b>	<b>\$283,044</b>	<b>\$299,029</b>	<b>\$302,374</b>	<b>\$298,704</b>	<b>\$314,818</b>	<b>\$321,368</b>	<b>\$327,498</b>	<b>\$321,558</b>	<b>4.9%</b>
Annual Growth		6.6%	13.3%	18.1%	5.6%	1.1%	-1.2%	5.4%	2.1%	1.9%	-1.8%	--

<sup>1</sup> Figures are shown in thousands of dollars.

Sources: California Department of Finance; California Board of Equalization, Taxable Sales 1997-2007.



## CHAPTER 2. DEMOGRAPHIC AND ECONOMIC TRENDS

### San Benito County General Plan

**TABLE 2-23  
PER CAPITA TAXABLE RETAIL STORE SALES**

San Benito County  
1997 to 2007

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	AAGR
San Benito County Population	47,243	49,334	51,191	53,234	54,485	55,613	56,317	56,730	56,989	57,134	57,296	1.9%
<b>Per Capita Expenditures</b>												
Apparel Stores	\$55	\$56	\$59	\$65	\$71	\$71	\$67	\$69	\$70	\$69	\$62	1.1%
Gen. Merchandise & Drug <sup>1</sup>	\$701	\$737	\$772	\$794	\$833	\$795	\$759	\$758	\$824	\$812	\$798	1.3%
Food Stores <sup>2</sup>	\$2,007	\$2,181	\$2,016	\$2,341	\$2,212	\$2,025	\$2,018	\$1,942	\$1,870	\$1,838	\$1,877	-0.7%
Eating and Drinking Places	\$520	\$531	\$563	\$598	\$627	\$614	\$622	\$628	\$658	\$664	\$701	3.0%
Furnishing and Appliances	\$158	\$184	\$192	\$214	\$196	\$199	\$179	\$163	\$169	\$144	\$119	-2.8%
Building Materials & Farm Equipment	\$433	\$381	\$441	\$489	\$522	\$479	\$499	\$593	\$684	\$735	\$587	3.1%
Auto Dealers & Supplies	\$756	\$786	\$982	\$1,066	\$1,181	\$1,258	\$1,044	\$1,124	\$921	\$807	\$772	0.2%
Service Stations	\$254	\$242	\$267	\$307	\$287	\$329	\$437	\$507	\$493	\$634	\$750	11.4%
Other Retail Stores	\$676	\$665	\$756	\$1,027	\$1,059	\$1,038	\$1,046	\$1,081	\$1,221	\$1,279	\$1,221	6.1%
<b>TOTAL</b>	<b>\$5,560</b>	<b>\$5,763</b>	<b>\$6,048</b>	<b>\$6,901</b>	<b>\$6,987</b>	<b>\$6,810</b>	<b>\$6,672</b>	<b>\$6,866</b>	<b>\$6,910</b>	<b>\$6,981</b>	<b>\$6,886</b>	<b>2.2%</b>
Annual Growth		3.7%	4.9%	14.1%	1.3%	-2.5%	-2.0%	2.9%	0.6%	1.0%	-1.4%	

<sup>1</sup> Adjusted from taxable sales by 3 percent to reflect non-taxable drug sales.

<sup>2</sup> Adjusted taxable sales by 3 times to reflect total food store sales.

Sources: California Department of Finance; California Board of Equalization, Taxable Sales 1997-2007; ERA/AECOM, July 2009.

The results of this market analysis are shown in Table 2-24. It is likely that 80 to 85 percent of the projected retail demand will be housed within the incorporated cities of Hollister or San Juan Bautista. The location of future retail will depend in large part on the settlement and travel patterns of the future population, although with the construction of a new Highway 101 interchange by Caltrans near the Monterey County line, the development of some highway-related commercial near that interchange is a distinct possibility.

	<b>2010-15</b>	<b>2015-20</b>	<b>2020-25</b>	<b>2025-30</b>	<b>2030-35</b>	<b>Total</b>
Apparel Stores	1,920	2,855	4,653	6,460	6,179	22,068
Gen. Merchandise & Drug	24,874	33,786	41,291	41,407	39,603	180,961
Food Stores	41,285	54,701	55,710	51,569	49,322	252,587
Eating & Drinking Places	17,476	24,895	27,660	27,737	26,528	124,297
Furnishing & Appliances	4,063	5,594	7,122	7,534	7,206	31,518
Bldg Materials & Hardware	21,951	29,186	30,599	30,348	29,025	141,109
Auto Dealers & Supplies	8,022	11,370	13,159	12,181	11,650	56,382
Service Stations	4,675	6,704	7,353	6,807	6,510	32,049
Other Retail Stores	38,053	49,766	50,684	46,916	44,872	230,292
<b>Total Retail Stores</b>	<b>162,320</b>	<b>218,859</b>	<b>238,230</b>	<b>230,959</b>	<b>220,894</b>	<b>1,071,262</b>
Services @ 10%	16,232	21,886	23,823	23,096	22,089	107,126
<b>Total Demand</b>	<b>178,552</b>	<b>240,745</b>	<b>262,053</b>	<b>254,055</b>	<b>242,984</b>	<b>1,178,388</b>

Source: ERA/AECOM, July 2009.