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COUNTY OF VENTURA

GOVERNMENT CENTER, HALL OF ADMINISTRATION  
800 SOUTH VICTORIA AVENUE, VENTURA, CALIFORNIA 93009

August 2, 2011

Board of Supervisors  
800 S. Victoria Ave.  
Ventura, CA 93009

**SUBJECT:** BOARD DIRECTION TO CEO AND COUNTY COUNSEL TO REPORT  
BACK TO BOARD REGARDING INCORPORATING LOCAL HIRE  
COMPONENTS IN THE CONSTRUCTION OF THE VCMC  
REPLACEMENT HOSPITAL PROJECT

**RECOMMENDATION:**

Direct the CEO and County Counsel to report back to the Board of Supervisors after the August recess on the options available to the County to implement local hire components in the construction of the VCMC Replacement Hospital Project.

**DISCUSSION:**

The Ventura County unemployment rate stood at 10.3% in June. With the downturn in the real estate market, the construction sector and construction employment have been particularly hard hit, with construction employment down over 5% from last year, down approximately 40% since 2008, and down 50% since 2006.

The VCMC Replacement Hospital project will be one of the largest construction projects in Ventura County, with an expected construction cost alone of over \$170-million. This project will provide employment to hundreds of workers, and this work will last for the four to six-year construction period.

In order to support local workers, families, and our local economy, it behooves our Board to consider taking steps to assure that this major public investment maximizes local employment. It makes more sense that the local residents that pay the taxes and

fees that fund the VCMC project receive employment opportunities from its construction, rather than residents of other counties. Local employment in turn supports our local economy, businesses, and tax base.

The \$170-million project will have a payroll in the range of \$100-million dollars. Were these wages to stay local, that would be a \$100-million dollar infusion into the Ventura County economy. This means house and car payments that can be made, local goods and services that can be purchased, increased local taxes receipts, and an increase in the security and quality of life for many county residents. Economists estimate that a dollar is re-spent approximately five times over the course of a year. The economic multiplier effect of keeping these wages local will be significant for Ventura County.

Were these jobs to go to an out-of-county workforce, the result would be higher unemployment in Ventura County, increased economic stress on local families already contending with a depressed construction sector, a certain amount of loss of homes, and consequent increased demand for County services.

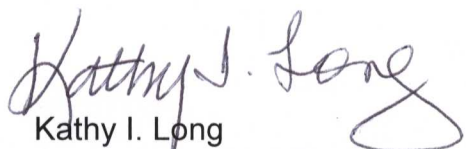
Further, the EDD estimates that for every California construction job, 2.12 other jobs are created. It certainly benefits our county if those jobs are created here. It is worth noting that the three firms that have been pre-qualified to bid on the design-build project are all out-of-county firms.

As we move forward with this major commitment of local taxpayer funds, we should seek information on how we might incorporate local hire components in project construction in order to provide maximum local employment and benefit to our citizens. I encourage our Board to direct the CEO and County Counsel to research this issue and report back to us after the August recess on the options that would be available to incorporate local hire components in the construction of the VCMC Replacement Hospital Project.

Cordially,



Steve Bennett  
Supervisor, First District



Kathy I. Long  
Supervisor, Third District