



## SUMMARY REPORT

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**Agenda Date:** 2/27/2024

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**To:** Sonoma County Board of Supervisors  
**Department or Agency Name(s):** Economic Development Board  
**Staff Name and Phone Number:** Ethan Brown (707) 565-7170  
**Vote Requirement:** Informational Only  
**Supervisorial District(s):** Countywide

**Title:**

Recent Business Closures and Response

**Recommended Action:**

- 1) Receive an update on recent business closures/relocations out of Sonoma County
- 2) Provide direction/input to department regarding short and long-term response actions

**Executive Summary:**

Under direction from the Sonoma County Board of Supervisors, the Economic Development Board (EDB), along with its public and private sector partners, endeavors to maintain a strong economy by providing resources to local businesses that help them grow and thrive within Sonoma County. These services include consultation, workforce training and incentives, regulatory assistance, access to capital, and referrals to outside agencies and organizations.

These services are available to business at all stages, from idea, to startup through growth. As a County agency, most outreach efforts occur in the unincorporated area, though partnerships in cities are crucial in expanding reach.

Since 2012, the EDB has operated a Business Retention and Expansion program designed to provide proactive outreach to local employers, and deliver services and resources intended to retain key employers. Over the past year, this and the EDB's other business-facing programs have reached 770 establishments.

**Discussion:**

As of this writing, three high-profile business closures/relocations have recently been announced to take place between three months to a year from now. These include:

- La Tortilla Factory - 132 employees
  - Company acquired by Flagship Brands (Kansas) in January 2021
  - Cited expansion challenges due to not owning local facility
  - Move to Moundridge, Kansas to be complete by March 31, 2024
- CamelBak - 43 employees
  - Owned by Vista Outdoors (Minnesota) since 2021
  - Cited a desire to "increase efficiency and profitability" - North Bay Business Journal 2/6/24
  - Also closing offices in Kansas, Colorado, and Mississippi

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- Consolidating operations to Bozeman, Montana and Irvine, California by July 31, 2024
- Manzana Products - 180 employees
  - Inflation, labor and transportation costs included as factors
  - 80% of apples for processing currently come from out of the area
  - Relocating to Sunnyside, Washington in 2025

**Current Actions:**

- EDB staff are working with staff from Sonoma County Job Link (Human Services) to coordinate resources for displaced employees, including placements, training, and hiring events.
- EDB staff are working to proactively identify other “at-risk” businesses as a focused aspect of its broader retention strategy. Once identified, outreach and site visits will begin. This is proposed to take place in partnership with cities and chambers where applicable.
- EDB staff are in the initial planning stages for a “Professional Services Roundtable” which would assemble professionals from banking, accounting, real estate, legal and land-use sectors to help identify short and long-term trends their business clients are facing.

**Strategic Plan:**

N/A

**Racial Equity:**

**Was this item identified as an opportunity to apply the Racial Equity Toolkit?**

No

**Prior Board Actions:**

N/A

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY23-24 Adopted</b>	<b>FY24-25 Projected</b>	<b>FY25-26 Projected</b>
Budgeted Expenses			
Additional Appropriation Requested			
<b>Total Expenditures</b>			
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance			
General Fund Contingencies			
<b>Total Sources</b>			

**Narrative Explanation of Fiscal Impacts:**

N/A

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**Staffing Impacts:**

<b>Position Title (Payroll Classification)</b>	<b>Monthly Salary Range (A-I Step)</b>	<b>Additions (Number)</b>	<b>Deletions (Number)</b>

**Narrative Explanation of Staffing Impacts (If Required):**

N/A

**Attachments:**

N/A

**Related Items “On File” with the Clerk of the Board:**

N/A