



COUNTY OF SONOMA

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403

SUMMARY REPORT

Agenda Date: 1/28/2025

To: Board of Supervisors

Department or Agency Name(s): Economic Development Collaborative

Staff Name and Phone Number: Ethan Brown 565-7589

Vote Requirement: Majority

Supervisory District(s): All

Title:

Professional Service Agreement with Bay Area Council Economic Institute

Recommended Action:

Delegate authority to the Director of Sonoma County Economic Development Collaborative to execute an agreement, in a form approved by County Counsel, with Bay Area Council Economic Institute, in an amount not to exceed \$160,000 and with a term expiring June 30, 2026, to implement an expanded Economic Research Program.

Executive Summary:

The Sonoma County Economic Development Collaborative (EDC) is expanding its Economic Research program to include more regionally focused economic forecasts and a new pilot program that will provide up to three economic impact analyses on items of significant interest going before the Board of Supervisors in 2025. As such, the EDC is requesting delegated authority to enter into a contract with the Bay Area Council Economic Institute, in an amount not to exceed \$160,000, with a term expiring June 30, 2026.

Discussion:

The Bay Area Council Economic Institute (BACEI) is a local research institute ('think tank') focused on addressing economic and policy issues facing the San Francisco Bay Area. BACEI is associated with the Bay Area Council, which is a separate public advocacy organization. While affiliated, BACEI is separately governed by its own Board of Advisors, comprised of influential leaders in the corporate, academic, non-profit, and government sectors. BACEI has a long history of conducting empirical, data-based analyses for state and local governments as consultants, and importantly, their work products are separate from the Council's policy and advocacy work. Due in part to BACEI's unique experience and ability to provide targeted economic forecasts and analyses focused on Sonoma County, the Purchasing Agent has approved a sole source waiver in lieu of a Request for Proposals.

The scope of work for this contract will include up to three Economic Impact Analyses and three Regional Economic Outlooks. The intention of both forms of reports is to create clear, concise, evidence-based and data-driven tools that can be used to inform regional leaders and policymakers in Sonoma County.

Economic Impact Analyses (Pilot Program)

In recent years, the Board of Supervisors has requested information on the economic impacts of certain County programs and policies, to help inform their decision making. Unfortunately, the Economic

Development Collaborative (EDC) has had limited capacity and resources to undergo the level of analysis needed to support such requests. By leveraging the expertise of BACEI, EDC proposes the launch of a department-funded pilot program to evaluate and report on the economic impacts of up to three significant County policies or programs. The goal of the program is to provide the Board of Supervisors with better decision-making tools, provide County departments with a critical resource, and to provide the public with greater transparency around policy-making and program development.

The Economic Impact Analyses will be designed to understand the implications of proposed or pending County policies or programs that might have a significant impact on the regional economy. They are not intended to provide any policy recommendations or alternatives, but rather quantify the potential economic impact of the proposed policy or program. Each analysis will include background analysis, that includes charts and graphs intended to understand the status quo, a piece-by-piece analysis of the relevant components of the policy or program and how they may or may not affect the regional economy, a final model of the total impact to the County, in dollars, jobs, or any other relevant data points, based on the above pieces, and contextualized takeaways from the analysis.

Regional Economic Outlooks

With a goal of enhancing resources EDC provides to the community at large, Regional Economic Outlooks will highlight the relevant strengths, weaknesses, and unknowns in the regional and sub-regional economy. They will include recent developments in regional markets, shifts in industry and occupational trends, and head or tailwinds that are critical to the performance of the local economy. All Outlook conclusions will be supported with robust data analysis, charts, and graphics. Each Outlook will include current economic, political and social conditions and trends, regional markets assessment, industry sector breakdowns, and contextualized takeaways from the analysis. These reports are designed to fill a current need for forward-looking economic data.

Each Economic Impact Analysis and Regional Economic Outlook report will be charged at \$25,000 per report. As part of that work, BACEI will make in-person presentations with any group, meeting, or event related to their findings, as directed by the County. Each report will take approximately eight weeks to generate, but requests for a report in under four weeks can be made for an additional fee of \$5,000.

In terms of cost comparison, the EDC has previously contracted with Moody's for its Economic Outlooks. While Moody's doesn't charge by report, the approximate cost is \$15,000 per report. However, the Moody's reports are not customizable and are focused on national trend data. BACEI will be able to provide insights and data on local trends and analytics. When looking at Economic Impact Analyses cost comparisons, BACEI offers the lower cost per report when compared to, for example, UCLA Anderson Forecast and Los Angeles County Economic Development Corporation (LAEDC), where reports start at \$30,000.

Strategic Plan:

N/A

Racial Equity:

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

No

Agenda Date: 1/28/2025

Prior Board Actions:

None

FISCAL SUMMARY

Expenditures	FY24-25 Adopted	FY25-26 Projected	FY26-27 Projected
Budgeted Expenses	\$60,000	\$100,000	
Additional Appropriation Requested			
Total Expenditures	\$60,000	\$100,000	
Funding Sources			
General Fund/WA GF			
State/Federal			
Fees/Other	\$60,000	\$100,000	
Use of Fund Balance			
General Fund Contingencies			
Total Sources	\$60,000	\$100,000	

Narrative Explanation of Fiscal Impacts:

The total cost of the contract with BACEI is \$160,000, which will be spent over the next two fiscal years. EDC will be using salary savings to fund the pilot project in the Fiscal Year 2024-25 Budget and has an additional funding source identified for projected costs in Fiscal Year 2025-26.

Narrative Explanation of Staffing Impacts (If Required):

No impact to staff beyond existing contract management duties.

Attachments:

Agreement

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

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