



## SUMMARY REPORT

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**Agenda Date:** 7/12/2022

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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:** Majority  
**Supervisorial District(s):** Countywide

**Title:**

Economic Development Ad-Hoc

**Recommended Action:**

1. Receive Economic Development departmental transition Ad-Hoc update; and
2. Review proposed workplan including ending Ad-Hoc support.

**Executive Summary:**

The ad-hoc was formed in February 2022 and assigned to Supervisors James Gore and Chris Coursey to guide the Department leadership transition, as well as to explore an opportunity to create a sustained vision for multi-jurisdictional and cross-sector collaboration in the execution of local economic development programs.

The Ad-hoc first met in March 2022 and created a two-phase charter to guide its work. The first phase included evaluation of the department's current programming, partnerships, and initiatives, as well as an appraisal of potential opportunities and service gaps.

The second phase will focus on stakeholder engagement to guide a vision for increased collaboration and strengthened multi-jurisdictional/sectoral partnerships that position the Economic Development department as a supportive and innovative nexus for county-wide initiatives. Staff anticipates presenting a plan to the Board of Supervisors for discussion in December 2022.

**Discussion:**

**HISTORY**

Established in 1957 to market business attraction opportunities in Sonoma County, the Economic Development Department (Department) has historically provided support to the local business community, as well as research and marketing in support of a robust local economy. In 2001, the Board of Supervisors approved the establishment of the Economic Development Board Foundation (EDBF) to serve as a supporting organization to expand funding available to department projects. Under a Memorandum of Understanding, a relationship between the department and EDBF was formalized, with the Board of Supervisors overseeing the funding of department projects underwritten with EDBF funds.

The Department has functioned under its current format since 2011, when your Board approved the Economic Development and Jobs Plan (Plan) in response to the Great Recession (see Attachment A). Compared to previous efforts, the Plan was focused less on attraction and marketing, and more on providing resources to local firms. In 2011, the Board provided additional resources to the department, including staffing for Business Retention and Expansion services, Business Marketing, and Business Start-up Guidance. Each of these services are hallmarks of the typical economic development approach in communities around the nation ([CALED.org <https://caled.org/economic-development-basics/>](https://caled.org/economic-development-basics/)).

In the years since, the Department has grown further to include a Business Diversity Program with a focus on Black, Indigenous, and People of Color (BIPOC), women-owned, and other businesses that have traditionally lacked access to resources. In addition, a Workforce Services position was added to help create employer-driven workforce training programs and connect local businesses with incentives and funding to underwrite trainings. Finally, in 2014 and in response to a leadership vacuum in the creative arts community, the department formed Creative Sonoma as a division focused on supporting businesses and individuals in the creative industries. Other well-known department functions include a robust research program and a suite of yearly signature events. Since the Job Plan was approved, more than 5,500 local businesses have accessed programming and assistance offered by the Department. The adopted budget for fiscal year 2022-23 includes 14 permanent full time equivalent (FTE) positions. The Department's organizational chart (Attachment B) reflects two extra help positions not included in the budget, as well as an additional time-limited FTE that is set to expire on June 30, 2022.

Perhaps most importantly, and especially during the COVID-19 pandemic, the Department has served as a "clearinghouse" of resources and information not only to the business community, but also to its partner cities, chambers, and many non-profits county-wide. The EDB's demonstrated leadership as regional convener, and its ability expand the capacity of vital and trusted community institutions also positions the Department well as it seeks to create a new collaborative vision for the future.

#### AD-HOC UPDATE

The Ad-Hoc has met four times. The meeting topics and direction to staff are included below.

**3/28/2022** - *Agenda topics:* Review draft Ad-Hoc charter (see Attachment C), timeline and scope.

*Direction to staff:* Articulate two-phase Ad-Hoc approach for issue identification and plan development. Create a presentation that outlines the functions and scope of current programming, including data showing efficacy.

**4/15/2022** - *Agenda Topics:* Revision of Scope, overview of EDB operations.

*Direction to staff:* 1) Reach out to heads of departments with an economic development nexus and discuss methods of integrating efforts and developing standard operating practices for engaging the EDB when economic development projects are being considered. 2) Reach out to Jim Mayer of California Forward to discuss best practices and potential local avenues.

**5/12/2022** - *Agenda Topics:* Update on actions since last meeting, discuss potential for consultant/facilitator to guide stakeholder engagement.

*Direction to staff:* Invite Jim Mayer to next meeting to discuss models, develop a roadmap to sharpen focus

and objectives for the scope of stakeholder engagement.

In the course of its work, the Ad-Hoc looked at successful models elsewhere, such as Valley Vision in the Sacramento area, Monterey Bay Economic Partnership, and the Inland Empire Economic Development Partnership. Over the past several years, many communities in California and nationwide have begun looking at economic development more broadly - beyond simply providing direct services to businesses - and including initiatives that address persistent economic challenges related to issues and opportunities such as housing, adaptive re-use, education and training, climate change, equity, and others related to economic vitality. As referenced in Natelson-Dale's department program review, completed last year, many of these same communities have also begun to employ more collaborative models in their economic development initiatives, which brings a diverse range of partners and resources to the table to address persistent issues and leverage new opportunities (see Attachment D for the executive summary).

At its **June 10, 2022** meeting, the Ad-Hoc finalized an approach based in part upon best practices employed by the models outlined above. This approach considers three separate tracks to help guide the updated department vision. The initiative areas represented in the list below are examples and would be subject to change as stakeholder input is sought.

- 1. An External track** - Evaluate new and strengthened partnerships (cities, chambers, trade groups, equity -focused organizations) that increase cross-sector and multi-jurisdictional collaboration. Potential outcomes could include new collaborations that:
  - a. Create** a nexus for county-wide/multi-jurisdictional/cross-sector organizations with EDB as innovative lead
  - b. Attract** high-value jobs and employers that compliment countywide goals/needs
  - c. Catalyze** investment from the private sector in large projects (housing, redevelopment, education/training, health and safety)
  - d. Convene** around significant issues, i.e.: housing, climate resiliency, childcare, emergency response, and other areas with an economic development link
- 2. An Internal Track** - Create operating procedures that codify the department's integral role in projects related to economic development and adaptive reuse, as well as in measuring community and economic benefit of development proposals, fees and other areas where government and the economy intersect. This could include:
  - a. Project design** - including the Department at the table to ensure economic development concerns are addressed with respect to adaptive re-use and other County-led development projects (e.g., County Center, Airport, Marina, etc.)
  - b. Issue resolution** - identification of problem areas and/or service gaps that impede sustainable economic development, as well as appropriate avenues to create solutions
  - c. Policy input** - engagement from the business community as new economic development related policy is designed and created
  - d. Evaluation** - imbedded capacity within the Department to evaluate economic impacts of Board of Supervisors/Board of Directors sponsored projects, proposals, fees, etc.
- 3. A Communications Track:** The Ad-Hoc identified a need to "reinvigorate" the Department's

relationship with the business community. Thus a *third track* would include communications and marketing of the above collaborations and efforts. A thorough and effective plan to ensure community awareness and amplify the visibility of successes would not only help to repair perception but would also serve to reinforce community confidence in the institutions and leadership involved.

To guide this approach, as well as ensure outcomes are driven by the needs of community partners and stakeholders, and the County, staff proposes utilizing a qualified consultant to help guide and provide insights, but not lead the process. The actual leadership role is proposed to lie with staff and interested community partners, who would serve on a steering committee. This committee would be selected by the Interim Executive Director to serve in an advisory capacity.

Broader stakeholder engagement would span the five supervisorial districts through a series of listening sessions or focus groups. This engagement is also envisioned to be sufficiently inclusive of key and diversified voices, but taut enough to remain nimble.

#### PROPOSED SCOPE FOR OUTREACH AND DEVELOPMENT OF A WORK PLAN

The draft scope of work provides the following primary objectives:

1. **Identification of steering committee members** - This body would guide the outreach process, advise the executive director, and should be directly reflective of the community partners and stakeholders that currently collaborate with and/or are served by the Department.
2. **Identification of key stakeholders for district outreach** - At least 5, and no more than 10 representatives from each Supervisorial district to participate in listening sessions/focus groups.
3. **Refinement of focus** - A broad perspective has been envisioned by County leaders. Stakeholders should identify key priorities and potential additions to strengthen the product and services of the EDB.
4. **Mapping existing efforts** - This process is not happening in a vacuum. Sonoma County is home to ten local governments, over a dozen chambers of commerce, several industry groups, and numerous non-profits. Stakeholders should help identify organizations with a nexus to the focus, as well as existing/planned projects for potential synergy. From this work, staff and consultant would collaborate on a needs assessment.
5. **Develop a goal (or goals)** - Based on the refined focus, partnership map and needs assessment, stakeholders will refine and agree upon goals, priorities, and metrics. Development of these goals must consider how changes in the economic climate effect the Department's focus.
6. **Develop an organizational structure** - Identify operational considerations such as Board/Advisory bodies, staffing and funding requirements for both current and future needs. Is this new mission/vision additive to the EDB's current role? If it is additive, include funding strategies and options. What will the EDB look like in 3, 5 or 10 years?
7. **Formalize commitments from partners (after BOS approval)** - Though it is proposed that the EDB could serve as the backbone organization for this effort, commitments must be secured from partners to ensure adequate dedication to collaboration and where necessary, the resources required to undertake new or strengthened initiatives.

**Timeline/Process**

Upon completion of the above scope, staff plans to bring a proposed work plan to execute a new vision, informed with community and stakeholder input, to your Board for consideration on December 13, 2022. This includes the following suggested targets, with final dates pending a determination on leadership committee selection process, selection of a consultant, and finalization of a scope:

July 2022 - Formally terminate the Ad Hoc and enter into professional services contract with consultant

August - First Leadership Committee meeting

Mid/late August - District listening sessions/focus groups held

Late August - Second Leadership Committee meeting

September - Potential update to Board of Supervisors

October - Draft plan ready for leadership committee review

November - Final draft finished for inclusion in Board item

**Strategic Plan:**

N/A

**Prior Board Actions:**

2/1/2022 - Board of Supervisors established the Economic Development Ad-Hoc Committee

**FISCAL SUMMARY**

<b>Expenditures</b>	<b>FY 22-23 Adopted</b>	<b>FY23-24 Projected</b>	<b>FY 24-25 Projected</b>
Budgeted Expenses	\$50,000		
Additional Appropriation Requested			
<b>Total Expenditures</b>	<b>\$50,000</b>		
<b>Funding Sources</b>			
General Fund/WA GF			
State/Federal			
Fees/Other			
Use of Fund Balance	\$50,000		
Contingencies			
<b>Total Sources</b>	<b>\$50,000</b>		

**Narrative Explanation of Fiscal Impacts:**

Funding necessary for implementation is within existing FY 22-23 Department budget. If additional funding is necessary, Department may request funds at mid-year consolidated budget adjustments.

<b>Staffing Impacts:</b>			
<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:**

Attachment A: Economic Development Strategy and Jobs Plan, November 2011

Attachment B: Department Organizational Chart

Attachment C: Economic Development Ad-Hoc Charter

Attachment D: Natelson-Dale report - *Economic Development Board (EDB) Program Review*

**Related Items "On File" with the Clerk of the Board:**

None