

**County of Mendocino
Professional Advisory Service**

Delivered by

The California Association for Local Economic Development (CALED)

550 Bercut Drive, Suite G
Sacramento, CA 95814

Observations and Recommendations

The California Association for Local Economic Development (CALED) is the premier statewide professional economic development organization, dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs.

To assist in addressing the needs of its members, CALED offers what is referred to as a Professional Advisory Service (PAS). The PAS is accomplished in cooperation with a team of economic development professionals from throughout the region, assembled because of specific expertise and attributes that provide each member with perspective in how similar needs are addressed in other communities.

The County of Mendocino requested CALED provide recommendations with regard to "What Role the County Should Play in Economic Development" that could be reported out as part of the May 17 Board Workshop on economic development. The PAS team members assembled for this assignment consisted of:

Marc Nemanic, Executive Director 3CORE;

Ron Mittelbrunn, CEO, Amador County Economic Development Corporation;

Tonya Dowse, Executive Director Siskiyou County Economic Development Corporation;

Ben Stone, Director Sonoma County Economic Development Board; and

Bill Davis, Consultant for CALED.

Overview:

Because of the similarity in stakeholders, the County PAS was scheduled to complement a separate PAS, scheduled by the Mendocino County Economic Development & Finance Corporation (EDFC) to look at, among other things, that organization's services and capacity in relation to the expectations of the community. The results of the EDFC PAS have been made available to that board.

Over the course of April 28 and April 29, team members held two full days of community interviews. This exercise included approximately 80 community stakeholders, including elected officials, community organizations, local business owners, property owners, and staff (a full list of participants is attached). These discussions allowed the PAS team to collect and document input from a multitude of interests and perspectives.

After all community input was received, the PAS team conferred to compare notes, identify prevalent themes, observations, and findings, and to develop recommendations. The main focus of the deliberation was: What role should the County play in Economic Development to support businesses and the creation of wealth in the county.

Identified Obstacles to Economic Development

- There is no identified, unifying vision for the creation of wealth in the county. When economic development opportunities are evaluated, multiple and often competing public interests create contention.
- The absence of critical long range planning documents hinder the private sector's ability to effectively identify, site, and pursue permitting for appropriate projects. Specific planning documents referenced by the community include the Ukiah Valley Area Plan and the Local Coastal Plan Update.
- Water resources are severely limited and inadequate to support the existing community in several areas of the county. The lack of such a basic necessity is a significant limiting factor in the community's ability to sustain itself or create additional wealth.
- Limited broadband resources are hindering economic opportunity.

Observations

- There is a widely shared appreciation by those interviewed for the unique physical, intellectual and esthetic resources of Mendocino County. There is a broad spectrum between the highly industrious to the highly creative talents in the county. There is broad opportunity to capitalize on these resources to create future jobs and economic opportunity.
- There is an abundance of unique economic development opportunities that can greatly enhance both the wealth and job opportunities of the region including:
 - The added value resulting from the synergy of the “Mendocino Experience”, a unique fusion for visitors of tourism, wine, culinary, agricultural and coastal experiences.
 - Specialty agriculture and horticulture including natural and organic foods
 - Alternative energy
 - Manufacturing
 - The “artisan approach” to a variety of specialties including bread, cheese, niche products etc.
- While the county enjoys a wide variety of organizations and agencies engaged in some aspect of economic development, there could be more coordination of efforts and constructive collaboration.
- The lack of regional economic development vision and organizational cohesion offers a tremendous opportunity for the County to provide leadership.
- Current economic development efforts led by the County Executive Office include the management of an active Community Development Block Grant (CDBG) Program. CDBG funds currently enable the County to fund microenterprise assistance services that are contractually provided by West Company, in addition to a business loan program that will provide a locally based source of funds for the expansion and retention of businesses in the community. A recent highlight of the CDBG program is the successful \$2,000,000 Agwood Mill & Lumber Company grant application approved by the Board of Supervisors and the State, enabling the creation and retention of over 48 jobs.
- Less than one FTE in the County is designated to focused economic development, aimed at ensuring the future economic wellbeing of County.

- The County is recognized as a Sole-County Local Workforce Investment Area. Workforce development and economic development are two sides of the same coin: Jobs. Unless these two are closely linked, both suffer in effectiveness.
- The Mendocino County Lodging Business Improvement District (BID) provides an excellent local model that showcases the power of public private partnerships and the importance of collaboration. The marketing and promotional effort of Visit Mendocino County, funded through the BID, can be seen as the successful result of a collaborative and focused effort which is currently paying dividends.
- The historically resource-based economy of the county has suffered shocks from declining natural resources and environmental regulations; as a result the timber and fishing industries entered the current economic downturn in a weakened state and appear particularly vulnerable. Implementation of the Marine Life Protection Act has the potential to dramatically impact current utilization of existing coastal resources.
- Studies, which include the North Coast's Targets of Opportunity and Mendocino Cluster Analysis, have been completed. These studies identify industry opportunities.
- The community indicates a willingness to invest time and effort in the pursuit of at least two locally identified economic development opportunities; namely the pursuit of woody biomass utilization and the meat processing plant.
- Many community stakeholders call for the expansion of broadband internet access.
- Many community stakeholders call for County investment in securing water resources.
- The community chambers of commerce seem active and cooperative.
- The County has a current (2010) Comprehensive Economic Development Strategy (CEDS) that was accepted by the Board of Supervisors but not adopted.
- 80% of businesses in Mendocino County have five or fewer employees.
- Economic development grant opportunities have been and are being left "on the table".
- There is a healthy non-profit infrastructure, but limited awareness of the resources they provide businesses.
- No entity in the county is regularly convening businesses to encourage collaboration necessary to identify and support their collective needs.
- The County is perceived as unfriendly to business.

- Unknown economic impacts loom from pending state and federal legislation that might affect the legality of marijuana.

Recommendations

Businesses and the private sector drive economic development. One of the primary roles of government is often seen as the ability to do for the private sector that which the private sector is unable to do for itself. This can positively influence the investment of private sector capital. The County plays a critical role in economic development as a convener, a facilitator, a conduit for outside resources, an advocate for its businesses, and a provider of infrastructure. The following strategies are recommended as appropriate components of the County's role in economic development:

- The Board of Supervisors must take leadership in defining and supporting economic development. Board leadership will provide staff and the community with clear direction to facilitate wealth-generating opportunities for the community.
- The Board should adopt an economic development resolution. An economic development resolution should contain a description of the nature of economic development, the importance of economic development to the community as a whole, and the function of economic development particular to Mendocino County.
- The Board should adopt an economic development strategy. This strategy needs to clearly articulate the County's role in economic development and actions for staff that will strategically support the creation of wealth and economic wellbeing of the community. If the 2010 Comprehensive Economic Development Strategy (CEDS) is adopted, the goal of *Sustainability Through Localization* (pages 26 and 27 of that document) seems particularly palatable to various factions in the county and a particularly suitable place to start.
- The County should move the Workforce Investment Board to the County Executive Office, combine it with Redevelopment and establish the Office of Economic Development. Workforce development has been a priority of the ARRA bill; it is probable that the County missed funding opportunities due to a lack of staffing capacity. The capacity to write grants and focus in this arena is critical to access these resources.
- The County should continue to support economic development finance resources for community businesses. The County should expect to see adequate return in terms of economic development benefit to the community. For example the County could expect its investment to be leveraged (say for example 4 to 1 or \$4 dollars of resources are accumulated from other sources to augment every \$1 of County funding).
- The county contains a wealth of financial expertise in local financial institutions. The County needs support services that bring them together to draw on their expertise and resources helping businesses.
- The County needs to help get "boots on the street" out meeting with businesses, identifying their needs, linking them to like businesses and resources and removing barriers that are hindering their well-being. The County needs to support the creation of an "Action Team" or "Synergy Team" made up of the County and existing non-profits

such as EDFC, and the West Company. This team will develop synergy in getting economic and workforce development services to businesses.

- A critically important component of the County's role in economic development must include a collaborative approach to securing additional water resources for the community.
- The completion of long-range planning documents will facilitate investment in the county from the private sector, as projects are identified and pursued that are appropriate to updated and approved zoning codes that accurately reflect good planning principles. This will reduce uncertainty and time to market for private investment encouraging the creation of wealth within the parameters set by the documents.
- Permit streamlining and fast-tracking of job and wealth-generating projects that will further encourage the investment of private capital. This requires adequate staffing of planning and building and safety departments.
- Invest in infrastructure that will support the business community; primarily through increased broadband availability and additional water resources. While the need for this infrastructure is acute in many areas of the County, in this time of revenue shortfalls and budgetary deficits the strategic use of Redevelopment Agency funding can facilitate these goals within the Project Area (subject to ongoing State recapture).
- Leverage the effort and energy of the community wherever possible. County coordination (either via staff or through contract) of a core group of economic development partner organizations will facilitate collaboration and the accomplishment of mutually beneficial goals.

Final Thoughts

All tax revenue originates from the private sector; in the long term the finances of the County can only be as healthy as the businesses within it. While initial business retention and expansion efforts need to focus on projects that are immediately palatable to the community, in the long run the county needs to facilitate a broader and more comprehensive vision that will unite factions and allow the community to move forward in its creation of wealth. A critical role for the County is in helping to coalesce this vision, and assure that all necessary business support components are present and effectively coordinated within the community.

Mendocino County
Professional Advisory Service
April 28–29, 2010

The California Association for Local Economic Development

The California Association for Local Economic Development (CALED) is the premier statewide professional economic development organization dedicated to advancing its members' ability to achieve excellence in delivering economic development services to their communities and business clients. CALED's membership consists of public and private organizations and individuals involved in economic development: the business of creating and retaining jobs

With over 900 members, CALED is one of the largest Economic Development organizations in the country. Our staff and leadership are dedicated to supporting the efforts of economic developers, as well as educating elected officials and the general public about the value of Economic Development. We continuously strive to provide quality services and programs to further those goals.

Here are some of our services and programs:

- **CALED's Annual Conference** is the largest gathering of the economic development network in California. It's a great place to network, learn, and share your feedback and experiences with peers.
- The **Awards of Excellence** program has recognized and rewarded the achievements of California's economic developers for almost three decades.
- The **California Enterprise Development Authority** issues industrial development bonds to help your manufacturers and non-profits. It is also quickly becoming the clearinghouse for where to find Economic Development financing resources.
- The **California Academy for Economic Development** is a 501(c)3 organization created to further Economic Development research and education.
- The **Economic Development Corporation (EDC) Network** is a listing of regional and sub-regional EDCs that cover the state. CALED convenes a meeting of this network once a year.
- **Economic Development Performance Measures** need to be created so economic developers can show their progress and how they compare with other organizations. CALED leaders are working with national and international economic developers to create a standard set of measures that economic developers can use to measure their successes and the effectiveness of their programs.
- **Economic Development incentives** are offered by many of our members. We forward businesses looking for this information to California's Business Investment Services Department.
- The **Professional Advisory Service (PAS)** jump-starts your community's Economic Development program.
- Our **Local Elected Officials training (LEO)** trains your leaders on what you do and why Economic Development is a revenue generator--not just another program.
- **Keys to Successful Economic Development training** teaches the basics of Economic Development and is accredited by the International Economic Development Council as a Basic Course, which is the first step to becoming a Certified Economic Developer (CEcD).
- The **Impact Calculator** gives you reliable, defensible data on the impact of Economic Development projects.
- "Who's Who in ED Directory" promotes California's Economic Developers to over 35,000 recipients.
- California Business Images tells California's positive Economic Development story through the eyes of successful businesses.
- **Our ED Career Center** posts new jobs in Economic Development each week. It is one of the most popular services CALED offers.

- **Tools for Business Success** program is the most comprehensive, one-stop resource for businesses to get find information and resources to get their business growing and keep it thriving.

Professional Advisory Team

Tonya Dowse

Executive Director

Siskiyou County Economic Development Council

Ms. Dowse serves as the Executive Director of Siskiyou County Economic Development Council. Her responsibilities include management of the Shasta Valley Enterprise Zone, Siskiyou County Recycling Market Development Zone, and business retention and expansion services. She brings 15 years of professional economic development experience to her post.

During her professional tenure, Ms. Dowse has overseen a variety of economic development programs including a regional Economic Development District, various revolving loan funds, community development block grant programs, regional housing efforts, and industry marketing initiatives.

Ms. Dowse is very involved in regional and statewide economic development efforts. She currently serves on the Board for California Association of Enterprise Zones as the Chair of the Government Affairs Committee; as Vice-President for Upstate California, a marketing coalition of 20 northern California counties; and is an active member of IEDC, CALED, Team California, and CARMDZ.

Biographical Sketch

BEN STONE

Responsibilities:

Appointed Sonoma County Economic Development Board Director in 1986. Responsible to the Board of Supervisors for various economic development activities:

1. Business Relocation/Retention Services
2. Economic Sector Research, Forecasts, and Program Business Development
3. Film Program
4. Business Environmental Alliance
5. Sonoma County Tourism Bureau Contract Administration/Program Development

Previous Work History:

Private and public sectors in the Pacific Northwest.

Education:

Masters Degree, University of Washington - Seattle, WA

Bachelors Degree, Whitman College - Walla Walla, WA

Community Service:

Chair, Advisory Board, SRJC Business School (1990-2001);
Member of the Board of Directors of the following organizations:
California Local Economic Development Assn. (2007-present)
California Academy for Economic Development, (2006-present)
President's Council, Santa Rosa Junior College (2005-present)
International Diplomacy Council (2000-2003)
North Bay World Trade Association (1987-2006)
Sonoma County YMCA (1989-1998)
Sonoma County Museum (1992-2000)
National Alumni Board of Whitman College (1995-2000)
Swiss-California Foundation (2000-present)

Interests: Antique maps, travel, wine, jazz, cinema, world affairs

Marc Nemanic

3CORE, Inc.

Executive Director

(Rev. 2010)

Marc Nemanic currently serves as the Executive Director of 3CORE, Inc., a Chico-based, California not-for-profit Corporation.

The organization provides “gap” financing to small businesses, support services for small businesses, access funds for infrastructure, technical assistance, feasibility studies and public facilities, and implement special purpose programs for Butte, Glenn, and Tehama counties and the incorporated cities within the tri-county region.

3CORE is a federally-recognized Economic Development District, a State-certified Community Development Institution (CDFI), and a licensed lender authorized by the State Department of Corporations.

Since 1990, the loan portfolio has grown from \$437,696 in 1991 to \$3.13 million in 2010 with a .006% loan loss over the last 10 years.

The organization, in partnership with Butte County, City of Orland, and Tehama County, operates an innovative micro-enterprise mentoring program.

Marc earned his Bachelor of Arts Degree in History with an Economics minor from California State University, Chico in 1976.

He served from 1992-1998 on the Board of Directors of the California Association for Local Economic Development (CALED), and is currently an Investment Committee member and Board member with the \$48.7 million California Economic Development Lending Initiative (CEDLI).

Marc also served as loan committee member with the California Integrated Waste Management Board.

He received the Certified Economic Development Finance Professional (EDFP) Designation from the National Development Council in 1992.

Marc worked as the Deputy Director and Financial Officer for the Shasta County Private Industry Council from 1980-1989.

Marc lives in Chico with his wife, Bettye, who works as a Contract Specialist for Butte College.

Ron Mittelbrunn, EDFP

1990 - Present

Executive Director, Amador Economic Development Corp.

Certified Development Company under the SBA Section 504 loan program

2001 – 2004

Member CALED Board of Directors

1992

Graduate of the Economic Development Council's Economic Development Finance Professional course

1971– 1990

Founded and operated three entrepreneurial endeavors in New York State and California.

1962 – 1970

Employed by a small, privately owned bank in New York City's garment district in the commercial loan dept.

Attended: American Institute of Banking, New York City
 Suffolk County Community College (Accounting)
 C.W. Post College, Long Island (Business Administration)

WILLIAM R. (BILL) DAVIS, MPL, CPF, CToP, Davis is Founder of WRDavis Collaborative--a firm focused on bringing facilitation, tools, techniques, and resources to bear in assisting entities with achieving their goals and objectives. Mr. Davis has extensive facilitation experience and training including the intensive year-long Mastering the Technology of Participation, is certified in public participation by International Association for Public Participation, is a Certified ToP® (Technology of Participation) Trainer and Facilitator, and an IAF Certified Professional Facilitator.

Formerly, Mr. Davis served as the Vice President of Facilitation and Training for the California Association For Local Economic Development (CALED) and Director of the California Academy for Economic Development. His areas of expertise include workforce and economic development partnerships for creating jobs, strategic planning, action planning, and keys to effective plan execution.

At CALED Mr. Davis directed the five-year CALED Welfare-to-Work and Workforce Investment project funded by The US Department of Commerce Economic Development Administration (EDA) and other private and non-profit sponsors. In delivering his duties at CALED, Mr. Davis has trained and facilitated over 1,000 community leaders and elected officials and 500 frontline staff in making the connection between economic development and workforce investment programs. In addition, Mr. Davis is a member of the Economic Development and Small Business Workgroup for the California Workforce Investment Board.

Prior to serving CALED, Mr. Davis served as the Associate Director of the Center for Economic Development at the University of Southern California. At the University, he also served as a lecturer, the Director of the International Resort Research Center, and the Associate Director of the Professional Development Department within the School of Urban Planning and Development. In addition, Mr. Davis brings to his clients eight years of experience in project management and consulting for private industry. Mr. Davis has also served as a Special Projects Analyst for the Los Angeles Community Redevelopment Agency, assisting in the development and adoption of emergency earthquake redevelopment plans following the Northridge earthquake in 1994.

Mr. Davis' research activities have focused on human resource issues pertaining to economic development; the information technology needs of California's local economic development and redevelopment agencies; urban economic analysis; and a National Science Foundation-funded study of the economic impacts of business interruption caused by the Northridge earthquake.

Emphasizing economic development and information technology, Mr. Davis earned a Master of Planning from the USC School of Urban Planning and Development. He earned his Bachelor of Arts in Economics from the University of California, Davis.

Contact Information: Bill Davis works as a principal with the Sacramento Professional Facilitators, at 1129 Firehouse Alley, Sacramento, CA. 95814. You can reach him at (530) 758-1269 or by emailing him at bdavis@wrdcollaborative.com.

PAS Interview Participants

APRIL 28, 2010

1. Lending Community 9:30

Richard Cooper
John Goldsmith
Madelin Holtkamp
John Kuhry
Jeff Lucas

4. South Coast 10:20

Carson Bell
Mike Carpenter
Claudia Hillary
Janet Kukulinski
Lauren Sinnott

2. Business/Manufacturing 9:30

Ken Foster
Jim Goltz
Kristine McKee
Kumar Plocher

5. Biomass 11:10

Mary Anne Landis
Jere Melo

3. Non-Profits 10:20

Jesse Burnett
Ana Mahoney
John Pegan
Larry Restel
Wes Winter

6. Chambers of Commerce 11:10

Debra DeGraw
Lynn Kennelly
Bert Mosier
David Steffen

7. Education 1:00

Dennis Willeford
Katie Wojcieszak

8. Green Economy 1:00

Anna Birkas
Tony Orth
Tim Owen-Kennedy
Roland Sanford
Craig Schlatter
Jay Twigg

9. Business 1:50

Autumn Bremer
Brett Cooperider
John Lazaro
KC Meadows

10. Supervisor 1:50

John McCowen

11. Vineyards/Winery 2:40

Sarah Cahn Bennett
Ed Berry, Jr.

12. EDFC Loan Clients (businesses) 2:40

Debora Kettner
Edith Lucas
Jim Mayfield

13. Workforce Development 3:30

Candy De Los Santos
Debra Donelson

14. North County 3:30

"Kestrel" Kinney
Holly Madrigal
Ron Orenstein
Patty Bruder

APRIL 29, 2010

15. Healthcare 9:00

Terry Burns
Andy Coren
Cathy Frey

16. County CEO 9:00

Carmel Angelo

17. Microenterprise Assistance, SBDC 9:50

Pamela Patterson

18. Community Development 9:50

Alan Falleri
Nash Gonzalez
Jennifer Owen

19. Travel/Tourism 10:40

Jitu Ishwar
Robert Pinoli
Jeff Stanford
Hal Wagenet

20. Broadband Proponents 10:40

Shirley Frericks
Mike Ireton

21. Arts 11:30

Alison Glassey
Anna Kvinsland
Sherrie Smith Ferre

22. Lumber/Milling Business 11:30

Randy Huffman
Mark Sparso

23. Supervisor 1:20

David Colfax

24. Business 1:20

John Bogner
Marty Lombardi
John Mayfield
Tony Shaw

25. Housing 2:10

Bruce Alfano
Steve Gomes
Craig Schlatter
Charley Stump
Brian Yopez

26. General Agriculture 2:10

Cora Gonzalez
John Harper
Devon Jones
Peter Bradford