



## Agenda Submittal

**Agenda #:** 42 **Status:** Regular Calendar  
**Type:** Presentation **Department:** County Administrator  
**File #:** 17-472 **Contact:** James Bezek, 784 6112  
**Agenda date:** 6/27/2017 **Final action:** 6/27/2017  
**Title:** Receive a presentation from Solano Economic Development Corporation (Solano EDC) staff and acknowledge closeout of the Moving Solano Forward Phase II IDEA Project; and Receive a presentation and provide input on the Solano EDC Transition Plan  
**Governing body:** Board of Supervisors  
**District:** All  
**Attachments:** 1. A - EDC Transition Plan, 2. Presentation, 3. Minute Order

| Date      | Ver. | Action By            | Action   | Result |
|-----------|------|----------------------|----------|--------|
| 6/27/2017 | 1    | Board of Supervisors | Received |        |

Published Notice Required? Yes ☐ No ☒  
Public Hearing Required? Yes ☐ No ☒

### DEPARTMENTAL RECOMMENDATION:

The County Administrator's Office recommends that the Board of Supervisors:

1. Receive a presentation from Solano Economic Development Corporation (Solano EDC) staff and acknowledge closeout of the Moving Solano Forward Phase II Implementation of Diversifying Actions Project; and
2. Receive a presentation and provide input on the Solano EDC Transition Plan.

### SUMMARY:

In 2013, the Board of Supervisors accepted a grant from the Office of Economic Adjustment (OEA) to develop a countywide economic strategic approach to further diversify the Solano County economy so that the local economy is less dependent on defense expenditures at Travis Air Force Base. That project, called Moving Solano Forward-Economic Diversification Study Project (MSF I) was completed in 2014.

In August of 2015, Solano County was awarded a second grant from the OEA in the amount of \$453,460. The County and Solano Economic Development Corporation (Solano EDC) provided \$53,208 in match funding to meet the 10% local match requirement. The grant funding allowed the County to undertake the economic diversification project called Moving Solano Forward Phase 2 - Implementation of Diversifying Actions (MSF II) Project. The Board approved a Memorandum of Understanding (MOU) with the Solano EDC to assist with administering the grant, manage the project and to undertake development of the Solano EDC Transition Plan. The MOU was for \$176,625.

In November of 2015, the Board of Supervisors approved a contract with Economic Forensics and Analytics and their team to deliver the Moving Solano Forward Phase II Project, after a Request for Proposal process. The team consists of Economic Forensics and Analytics, Chabin Concepts, DSG Advisors and Keyser Marston Associates. A kick-off meeting was held on November 30, 2015 between the County, EDC and the

consultants.

The grant funded portion of the project was completed by the February 28, 2017 grant deadline, although the portion of the work for the Solano EDC Transition Plan will continue until September 30, 2017. The consultant team and the EDC have been working diligently since the kick-off meeting with the County, cities, business community, and workforce providers in working on the identified tasks and developing tools and strategies.

### **FINANCIAL IMPACT:**

The cost of this presentation is covered by revenues received from the Office of Economic Adjustment grant.

### **DISCUSSION:**

#### *Moving Solano Forward Phase II:*

Moving Solano Forward II (MSF II) is a project focused on developing a strategic approach to sustaining and growing the regional economy that would leverage resources and maximize opportunities. MSF II also developed economic development tools and creative concepts to be used to accomplish this effort. This project builds upon the work of MSF I, which was completed in 2014 (link to the final study can be found at <http://www.solanocounty.com/civicax/filebank/blobdload.aspx?BlobID=22441>). Both projects were funded by grants from the Office of Economic Adjustment, which is part of the Department of Defense, and local funding from Solano County.

Over 178 stakeholders participated in the MSF II project. Numerous presentations were made to the Solano County Board of Supervisors, City-County Coordinating Committee, City Managers Group, Solano EDC Economic Development Task Force, and Solano EDC Board of Directors and Executive Committee. Guidance was also provided by a Project Review Committee, comprised with over 20 representatives of the private and public sector. Meetings and tours were held in each community, businesses were toured and interviewed and discussions were held with those involved in workforce and education.

The purpose of MSF II was to create an action oriented plan focused upon Solano County's unique economic strengths to pursue a unified economic development agenda for job creation, capital investment and increased economic vitality. A three-step process was used to frame this project:

1. Where is Solano County now?
2. Where do the Stakeholders want to be?
3. How will the Solano EDC get there?

MSF II recommended that the Solano EDC serve as the key implementation entity in collaboration with the county, cities, partners and businesses. It also recommended that by the end of June 2017, the Solano EDC restructure to align with the strategy. This will be a significant change and a challenge given that the Solano EDC does not have sufficient funding to fully implement the strategy, particularly business attraction and marketing.

The Final Report and Technical Appendix along with 16 Working Papers which can be found at <http://www.movingolanoforwardii.com/>. These Working Papers contain the detailed research and analysis that served as the base for the development of the strategic plan (Working Paper Task 2.4), around three key areas:

1. Preparing product (sites) to increase competitiveness with surrounding counties. Over 200 industrial sites throughout the County were reviewed and evaluated by DSG Advisors, an international site selection firm, and categorized as Tier 1, 2 or 3 (Tier 1 shovel-ready, Tier 2 short-term and Tier 3 long-term). Working with the cities and county the portfolio was narrowed to 20 featured sites with detailed data worksheets and maps. This information has already proved helpful in responding to companies

- looking for sites in Solano County.
2. Strengthening a shared-purpose economic and research analysis, partnership and tools (further described below).
  3. Creating a consensus based strategic execution plan for countywide economic development efforts. This strategic plan lays the foundation around which strategies and initiatives align for implementation.

MSF II developed tools that are to be used to increase organizational and institutional capacity as well to be used for launching the execution of the initiatives. These tools include:

- A new economic development website (<http://www.solanoedc.org/> or <http://www.solanomeansbusiness.com/>)
- Up to date economic development data base based upon the International Economic Development Council (IEDC) standards.
- City specific site evaluation reports and detailed information developed on over 200 industrial sites throughout the County, and detailed profiles on 20 Featured Sites.
- Provision of business attraction and retention tracking software to all cities and the county. The Workforce Development Board also acquired the same software.
- Economic analysis of economy, gross regional product, traded-sector drivers, and labor force analysis.
- An infrastructure financing guide and specific case study analysis in each city using an Enhanced Infrastructure Financing District model.
- A model for the creation of Significant Industry Groups, which a Manufacturing Industry Group has already been formed and is meeting.
- A marketing campaign style guide was developed to be used by the Solano EDC and all the cities.
- Development of a countywide economic development strategic plan.

The MSF II project was essentially completed in February of this year culminating with a Solano EDC breakfast presentation by the two lead consultants with over 200 people in attendance.

#### *Solano EDC Transition Plan:*

The Solano EDC is now moving forward with its transition, based upon the Solano EDC Transition Plan, which was prepared as a guide of the tasks to move the Solano EDC from its current structure and activities to the Moving Solano Forward Action Plan and Vision. Under this Action Plan and Vision, the Solano EDC will have a major focus on business attraction and marketing. To accomplish this, the Solano EDC has prepared a one-year tactical plan and five-year strategic plan based on this refocus and strategy. A Transition Plan has been developed to guide this process.

This mission focused transformation and restructure will need the collective buy-in, participation, support and investment from both the public and private sectors. To date, presentations and funding requests have been made to city councils in Fairfield, Rio Vista, Vacaville, Benicia, Vallejo and Dixon. Solano County and Suisun City are scheduled for June 27, 2017. The budget request for each city is \$.40 per capita and \$100,000 from Solano County. The Solano EDC has formed an Investment Committee to increase private sector funding. The initial results from both efforts have been positive.

Each city and the County have their own needs and opportunities. The Solano EDC will need to customize some of their services to meet these needs and opportunities. It is proposed that a specific Memorandum of Understanding (MOU) be developed with each city and the County which would include proposed services and performance measures.

It is important that each public and private investor know what the Solano EDC is accomplishing. A new effort that includes weekly emails and increased press releases and social media has already begun.

The Solano EDC and the seven cities will launch the “Solano Business First” program, aimed at existing businesses. It is anticipated, based upon funding, there will be a soft launch of the “Solano Means Business”,

the business attraction and marketing effort. A video has also been prepared to be used in marketing. The Solano EDC has adopted and is using their new marketing image which has a strong business orientation. The new data and image has already been used in responding to a significant prospect lead. A Manufacturing Group has been established and is working on issues key to local manufacturers.

With funding provided by Solano County as part of the MOU for the MSF II project, the Solano EDC is preparing a Comprehensive Economic Development Strategy (CEDS), which is required for the cities and the County to access federal Economic Development Administration funds. Meetings have been held with all the cities, the County and the Solano Transportation Authority to discuss and review their priority economic development and infrastructure projects for the CEDS. The CEDS should be completed by July 2017 and submitted to the Economic Development Administration.

The Solano EDC is transitioning to its new role, based upon the work of MSF II and the significant input provided throughout the process.

The implementation of the strategic plan recommended in MSF II, and the transition of the Solano EDC, requires a shared buy in from the cities, County, partners and businesses. Specifically, the cities and County should accept the final MSF II work product and its strategic plan. Further, to be successful, it is vital that the cities and County support the new direction, the use of the tools developed by MSF II and commit to funding the effort and using and maintaining the tools.

#### **ALTERNATIVES:**

The Board could choose not to receive this presentation. This is not recommended as the Board will miss an opportunity to receive a final update on the Moving Solano Forward Phase II project and an overview of the future direction of Solano EDC and its Transition Plan.

#### **OTHER AGENCY INVOLVEMENT:**

Solano County served as the lead on the MSF II Project and partnered with the Solano EDC to provide additional staff resources and local economic development expertise to the project. Staff from the seven cities, The City County Coordinating Council and the City Managers Group, and the Solano EDC's Board of Directors, Executive Committee and Economic Task Force served as the public policy oversight for the grant deliverables. There were also public and private sector entities that participated in Project Review Committee providing strategic direction and input as the MSF II project evolved and completed its defined tasks. To date over 178 public and private stakeholders have been involved in the various activities required to make this a successful and meaningful project.

#### **CAO RECOMMENDATION:**

**APPROVE DEPARTMENTAL RECOMMENDATION**