



## Legislation Text

File #: 20-581, Version: 1

Support County participation in the Moving Solano Forward Phase III to update the Economic Development strategies in response to the impacts of the COVID-19 pandemic medical emergency to be coordinated by Solano EDC; Affirm support for Solano EDC efforts in seeking EDA grant funds made available by the Federal CARES Act legislation in 2020 for the Moving Solano Forward project update; Approve a County match contribution of \$50,000 from the General Expenditures budget; and Authorize the County Administrator to enter into a funding agreement with Solano EDC for this effort

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

### **DEPARTMENTAL RECOMMENDATION:**

The County Administrator's Office recommends that the Board:

1. Support County participation in the Moving Solano Forward Phase III to update the Economic Development strategies in response to the impacts of COVID-19 pandemic medical emergency to be coordinated by Solano EDC;
2. Affirm support for Solano EDC efforts in seeking EDA grant funds made available by the Federal CARES Act legislation in 2020 for the Moving Solano Forward Project update;
3. Approve a County match contribution of \$50,000 from the General Expenditures budget; and
4. Authorize the County Administrator to enter into a funding agreement with Solano EDC for this effort

### **SUMMARY:**

It has been several years since the Moving Solano Forward Economic Development Strategy (Phase I 2014) and 2017-2022 Implementation and Action Plan (Phase II 2017) were completed. Solano EDC, as the agreed upon lead agency for the ongoing implementation of the strategies and Action Plan provides the support role for the County, the seven cities and the business community. The Solano EDC has suggested that given the potentially significant changes that the COVID-19 Pandemic medical emergency may have on businesses and how business is conducted in the future that it is an opportune time to do a review and update to the Moving Solano Forward documents, assumptions and tools that were developed and are in use today.

Solano EDC has identified a competitive grant opportunity of \$480,000 to help fund the work and is seeking support for them to lead the effort, is asking the cities and the county to provide staff to the technical support group and ask for a financial match and elected official participation if the grant application is successful. The April 2020 Federal Government's CARES Act Recovery Assistance included grant fund opportunities through the US Economic Development Administration which requires a 20% match. The estimated project is approximately 18-months and \$600,000 and the match would be \$120,000. This effort, if funded through the grant, would be led and coordinated by Solano EDC. The County Administrator is recommending that the Board approve a County match of \$50,000 which is being matched by the cities and STA. The draft scope of work is provided in Attachment A

### **FINANCIAL IMPACT:**

Solano EDC estimates that the cost of the Moving Solano Forward Update (Phase III) is \$600,000. Solano EDC is seeking a grant from the US Economic Development Administration for \$480,000, which requires a

match of 20% (\$120,000). Each city and the County have been asked to participate, both financially and with elected and staff support if the grant application is successful. A proposed cost share was developed, and each city and the County were asked to secure approval. Smaller cities (Benicia, Rio Vista, Suisun City) - \$5,000 each; larger cities (Fairfield, Vacaville, Vallejo) \$10,000 each; STA \$10,000; Solano EDC staff in kind \$10,000; and the County \$50,000.

It should be noted that in the Moving Solano Forward Phase 1 & Phase II projects, the County Administrator's Office committed substantial staff time given as in-kind match for the two OEA grants to coordinate with the consultants and prepare the required grant funding financial and programmatic reports that were required by the grants. Those previous efforts resulted in the economic studies, plans and implementation strategies that exist and are in use today which are in need of a review and update given the likely business challenges and changes due to COVID- 19.

## **DISCUSSION:**

### **Background**

The County of Solano in partnership with the seven cities and the business community in 2013 undertook an initial economic study to develop strategies for the local economy to become more diverse following the impacts of the Great Recession during 2007-2009 that impacted the local economy with high unemployment, high numbers of foreclosures, dropping housing values that lingered even after the bay area and Sacramento regions had started to recover. The initial project was funded through a grant from the Federal Office of Economic Assistance (OEA) secured by the County Administrator's Office. The grant funds were matched by county funds and staff time along with staff time provided by each city and the STA. The economic research study and work were coordinated through a contract with Solano EDC and several consultants which resulted in the Moving Solano Forward - Growing the Next Economy report in 2014. This final report was 300 pages of detailed data analyzing the region and the local economy which documented several key findings including:

- The county's economy is much less diverse than the surrounding areas. Four economic sectors comprise most of the employment in the county (government, health care and social assistance, retail trade, accommodations, and food service).
- Strong population and employment growth are anticipated over the next ten years, relative to the previous decade.
- One of the county's strengths is lower cost of living and larger percentage of affordable housing as compared to other communities in the region.
- A significant number of county residents commute out of the Solano County.
- More than 70% of the county businesses have fewer than ten employees and 85% have fewer than 20 employees.
- The report included a recommendation that the county and cities work to diversify away from a government dominated economy by taking actions to diversify and strengthen other clusters of business in the economy.

The initial Moving Solano Forward Report of 2014 included a Strategy that created a framework for the local economy with a vision, objectives, and several goals outlined as phases.

Goals Phase I Economic Diversification Strategies: enhance countywide development capacity, strengthen economic development and workforce development programs and services, and improve quality of life for county residents and businesses.

Goals Phase II Implementation Plan included: 1) Create and sustain a robust business retention and expansion program that addresses the needs of existing businesses; 2) Promote and market Solano County as a location of choice for traded sector businesses; 3) Champion projects that improve the Solano County's

business climate and competitiveness; and 4) Create and maintain a one-stop data source used by business, corporations, site selectors and others to make strategic decisions.

In 2015 the County was able to secure a second OEA grant, which was also managed by the County Administrator's staff, again contracted with Solano EDC and a team of consultants, and supported by the seven cities and the business community. This second effort referred to as Moving Solano Forward Phase II began in 2015 and was completed in April 2017. The focus was on implementing the recommendations proposed in the Moving Solano Forward Phase I report, developing a web presence and data warehouse/repository, establishing a planned capital investment projects outline for the County and the cities' 2017-2022 CEDS Action Plan. It also included an update of the economic data and a review of the changes in the industry clusters.

### **Proposed Moving Solano Forward III project**

Solano EDC is proposing to update the Moving Solano Forward Economic Development Strategy 2017-2022 and to focus on economic retention and expansion in a post COVID-19 pandemic business environment. Attachment A is the proposed scope of work. The focus of the Phase III project will include:

- Economic overview and impact of COVID-19
- Short term recommendations for business support and expansion
- Update on the opportunity sites identified in Phase II including a look at transportation infrastructure needs
- Update on business and industry analysis
- Long term economic resiliency strategies

The update will build on the work completed in 2017 and includes looking at adding additional economic tools, a review and update the site evaluations, expanding the business tracking software and adding to the economic data and marketing materials.

### **OTHER AGENCY INVOLVEMENT:**

The Solano EDC has taken the initial action to make a proposal supported in concept by the Solano EDC Executive Board. Each city was asked to approve a contribution in terms of a cash contribution and staff time. The Solano Transportation Authority Board has approved its participation and contribution. If funded by EDA, the project will include a public process that engages the business community and each community.