

To: Board of Supervisors
From: Supervisor Haschak
Re: Economic Development in the 2023-2024 Budget
Date: June 5, 2023

We have collective agreement on:

1. The current County's budget is very tight our focus should be to use our dollars wisely to increase economic prosperity
2. Building Economic Development capacity will increase revenue, provide jobs, strengthen infrastructure and diversify industries to ensure economic growth

Why build economic development capacity in times of limited resources?

1. We have not had a focused effort on Economic Development until the creation of an Economic resiliency plan (MOVE2030). Since June 2022 through the work of West Business Development Center (West Center), SMEDD has been restructured to advance Mendocino County needs and is now positioned to apply for grants and greater opportunities. The Community Economic Resilience Fund (CERF) has launched and it is critical that we have a voice and plan for applying for the infrastructure money that will be available. In the past 11 month \$8 million of grants have been secured by West Center and movement has been made on economic resiliency implementation
2. West Center has built partnerships with Federal, State, and local agencies to position Mendocino County for future funding opportunities
3. VisitMendocinoCounty has provided services enhancing tourism which provides jobs and Transient Occupancy Tax revenue.

In June of 2022, the BoS signed a contract with West Center to provide ED support and guidance. In the last year, Supervisors McGourty and Haschak have worked as the ED ad hoc committee to guide and collaborate with West Center to ensure that appropriate direction and priorities were established to meet the goals of the BoS. In the last year, West Center has represented the County at SMEDD, CERF, EDA Regional, USDA and State of CA Go-Biz. They have provided support and expertise in grant writing for various successful grants including

- **\$3.2 million** CERF Pilot Implementation Grant- Noyo Harbor
- **\$1M** Noyo Ocean Science Center site business planning grant, Economic Development Administration (EDA), *June 2023*
- **\$1M**, City of Fort Bragg, Wave Powered Desalination Pilot Project, Department of Water Resources, *Jan 2023*
- **\$210K** SMEDD program grant from EDA for continuation *Sept 2023*
- **\$200K** COVID Grant extension for related Economic Projects *Dec 2023*
- **\$5M** (CERF) Community Economic Resiliency Fund *Aug 2022*
 - \$2M went to Mendocino County organization North Coast Opportunities *Jan 2023*

They have convened the business community both inland and coastal in discussions about ways to meet the needs in MC and have created a campaign to ignite investment in Mendocino County. Additionally, West Center provides programs to strengthen our innovative startups (StartUp Mendocino) and our Hispanic Businesses (Centro Latino West)

How to finance economic development capacity?

- Last June the BoS signed a 1 year contract with West Center for \$175,000 for ED.
- We have contributed \$30,000+ annually to EDFC (loans) and West Center (advising/training)
- The County is obligated to provide \$35,000 of in-kind services to the SMEDD Board
- The County contributed a match to the BID of \$659,000 to Visit Mendocino.
- We have a contract with Jeff Lucas for CDBG grant writing and management. Adrienne Thompson has some duties in the Planning and Building Department overseeing CDBG grants. Jeff Tyrrell is contracted for Broadband services at \$25,000 for this year.

Fund VMC at \$150,000 which is acceptable to VMC according to Travis Scott, Executive Director, and allocate \$150,000 to an outside consultant for our representation at SMEDD (costing \$35,000), representation at CERF, facilitation of ED Standing Committee and Technical Advisory Committee meetings, identify and apply for ED infrastructure grants, and collaboration with County and city departments to create greater efficiencies especially where the business community interacts with County services.

Economic Grant opportunities are here now. There is an urgency to have clear priorities set, and a committed cohort of representation and clear vision for growth and “shovel ready” projects prepared for us to take advantage of these opportunities. Hiring a full-time position would cost \$160,000 per year and it takes time to seat someone and prepare them to execute programs to be developed. The transition into in-house capability for an economic development program should be our goal but it will require time and appropriate grant funding.

Overall, with \$300,000, we can meet the challenges of economic development in Mendocino County by supporting programs that have been proven successful and we will be positioned to take advantage of the opportunities ahead.