February 21, 2019

*To:* Board of Directors, Sonoma Mendocino Economic Development District

*From:* Steven Sharpe, Administrator and Calvin Sandeen, Program Coordinator

*Background – The SMEDD JPA* was approved by Sonoma and Mendocino counties to create the Sonoma Mendocino Economic Development District (District) to oversee the collaboration. A 9 member board of directors, representing both counties, manages the District.

The primary administrative benefit of District designation is to become eligible for federal grant funding under the Economic Development Administration’s Planning Program, which provides $70,000 per year to implement the region’s Comprehensive Economic Development Strategy (CEDS).

The Sonoma-Mendocino CEDS was completed prior to the October 2017 fire disaster and focuses on four core themes: (1) economic diversification; (2) human capital; (3) innovation and entrepreneurship; and (4) inclusive economic development, or the idea that true economic development happens only when as many residents as possible are able to fully participate in it.

The CEDS includes three specific goals that will establish targets for CEDS implementation:

1. Exceed the US rate of population in the primary working age group (age 25-64) to achieve healthy and sustainable expansion of the Sonoma-Mendocino labor force.
2. Raise the postsecondary completion rate for the 25-64 age group until Sonoma-Mendocino again exceeds the US rate.
3. Close the postsecondary completion gap between Sonoma County and Mendocino County in the age 25-64 group.

The District also issued a call for projects to solicit ideas for projects and/or programs from members of the public to include in the CEDS, per EDA guidelines which were approved by your Board. These projects and/or programs are included in the District Scope of Work and the basis of EDA grant applications.

*FY 19-20 Scope of Work* - The following “Preliminary” Scope of Work implements the third year of a three year work plan for the District. The Scope was approved as part of 2nd year EDA funding. Due to delays resulting the October 2017 Fire Disaster in Sonoma and Mendocino Counties, tasks include continuation of some initial outreach activities. Tasks include outreach to agencies involved in fire recovery. Consultation with other operating districts will continue as the SMEDD considers successful business and organizational options.

*Goal: District Startup – Develop the organization and determine opportunities to collaborate on economic development issues of the District with agencies and stakeholders.*

1. Economic Development District Administration and Management
2. Work with Mendocino County to replace 2 directors who recently resigned.
3. Work with the Mendocino Economic Development and Financing Corporation (MCEDFC) to develop a coordinated organizational structure, within the Sonoma County Economic Development Board (EDB).
4. Expand District outreach in Mendocino County.
5. Apply for 3rd year EDA Partnership Planning Grant Funding.
6. Conduct up to 2 Board of Director meetings to review work programs, organization, budgets and outreach activities.
7. Report to Board of Directors on outreach activities.

*Goal: Seek opportunities to collaborate on economic development issues of the District with agencies and stakeholders.*

1. District Development and Outreach
2. Continue to meet with stakeholders with the SMEDD its goals and familiarize them with EDA programs.
3. Continue outreach to operating Districts and associations to understand operational and business models.
4. District Projects – Fire Recovery Programs
5. Continue to meet with priority project sponsors and managers. Conduct up to 4 meetings per month.
6. Meet with agencies include city and county explore opportunities and support grant proposal for fire recovery projects.
7. Review projects and funding opportunities.
8. Update Directors on projects, their status and funding prospects.

Progress on the Scope of Work focusses mainly on fire recovery projects including the Dry Creek Broadband Feasibility, Ag/Tech and Town of Windsor Arata Ln.-101 Interchange projects. The District continues to build its relationship with the Mendocino County (EDFC) for District an expanded presence in Mendocino.

*FY 2019-2020 Budget Summary*



The Board approved the FY18-19 SMEDD budget and staff plan at its previous meeting in September 2018. The FY 19-20 District budget is similar to previous year and totals $140,000. Revenue consists of a $70,000 EDA planning grant and $70,000 in kind match from Sonoma County. The match funding is exclusively from Sonoma County as the Economic Development Department (EDB) is currently administering the District. Salaries and Benefits total $95,024. Service and Supply costs total $44,976.

Salaries and Benefit costs totaling include 4 part time positions all staffed by the EDB. These include an Administrator, 2 Administrative Aides and 1 Program Coordinator. Service and Supplies include costs for travel, equipment, supplies, rent, audit and County overhead expenses. The budget also continues expenses for a contract with Mendocino Economic Development Corporation for district programs in Mendocino County.

The Budget has been approved as part of the FY18-19 EDA planning grant approval.

***Recommended Action:*** It is recommended the Board of Directors approve the SMEDD budget and staffing for FY 19-20. It is also recommend the Board authorize director signatures on Sonoma County Auditor’s Budget Summary form.