



Butte County Board of Supervisors Agenda Transmittal

Clerk of the Board Use Only

Meeting Date:

Agenda Item: 5.02

Subject: Butte County Regional Economic Development Strategy - 2014-2017 Update

Department: Administration

Meeting Date Requested: 02/11/2014

Contact: Jennifer Macarthy

Phone: 538-2554

Regular Agenda

Consent Agenda

Department Summary: *(Information provided in this section will be included on the agenda. Attach explanatory memorandum and other background information as necessary).*

Butte County General Plan 2030, adopted by the Board of Supervisors on October 26, 2010, included an Economic Development Element. The Element details the goals, objectives, and action items associated with economic development planning over the next twenty years. Action Items ED.A1.1 calls for the creation of a "bold, powerful, forward-looking countywide Economic Development Strategy that identifies key sectors and sites for business expansions and programs to achieve that expansion".

On January 25, 2011 the Board of Supervisors approved the Butte County Regional Economic Development Strategy. The Strategy provides a three year program of work based on key initiatives including:

1. Grow existing businesses,
2. Ensure Butte County is a competitive location for new investment,
3. Create a sustainable reputation for the county, and
4. Improve the coordination of regional economic development resources and efforts.

The 2014-2017 update continues with the previously set goals and initiatives, and updates the program of work to include various new action items which will further the economic development efforts of the County over the next three years.

Fiscal Impact:

Does not apply. New projects or programs outlined in the Strategy may require additional funds, and will be included in future budgets to be considered by the Board of Supervisors.

Personnel Impact:

Does not apply. The coordination of the implementation of the Strategy is included as an existing function of the Community and Economic Development Manager.

Action Requested:

Approve the 2014-2017 update to the Butte County Regional Economic Development Strategy.

Administrative Office Review: Shari McCracken, Deputy Administrative Officer



BUTTE COUNTY ADMINISTRATION

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PAUL HAHN
Chief Administrative Officer

DATE: January 26, 2014
TO: Members of the Board of Supervisors
FROM: Jennifer Macarthy, Economic and Community Development Manager
RE: Butte County Regional Economic Development Strategy – 2014-2017 Update

BACKGROUND

On October 26, 2010 the Board of Supervisors adopted General Plan 2030. General Plan 2030 includes several items supporting business growth and development in Butte County. Included in the General Plan is an Economic Development Element, which establishes the economic development goals, objectives, and action items through the year 2030. Action Item ED.A1.1 calls for the creation of a *“bold, powerful, forward-looking countywide Economic Development Strategy that identifies key sectors and sites for business expansion and programs to achieve that expansion”*.

Strategic economic development efforts are typically organized around a set of key initiatives. These key initiatives are used as decision making points when determining economic development program and project actions. The planning timeframe for an economic development strategy typically covers a three year timeframe in order to ensure that programs and policies are specific to current economic and workforce conditions.

Taking into consideration the adopted General Plan 2030, comments from local jurisdictions, and economic and workforce development partners, staff developed the Butte County Regional Economic Development Strategy (the Strategy), which was approved by the Board of Supervisors on January 25, 2011. The approved Strategy included goals, initiatives, and program of work items covering the period 2011-2014. The Strategy did not, nor is it intended to, implement land use decisions that are under the authority of the County's General Plan and Zoning Ordinance.

The Land Use Element of the General Plan, by law, describes the characteristics and intensity of each land use designation and contains a map of the application of these designations. It also lists goals, polices, and actions providing guidance to Butte County related to land use decisions. An example of how the County's pro-business approach is reflected in the County's General Plan can be found in Goal LU-5 of the Land Use Element which states: *“Provide adequate land for and promote the development of attractive commercial and industrial areas and uses that provide goods, services, and jobs”*. The Regional Economic Development Strategy's role is then to define the projects and programs that will provide support for business retention, expansion and recruitment.

2014-2017 UPDATE

While much progress has been made over the past three years, there is still work to be done in the areas of business retention, expansion, and recruitment as well as service coordination and business education. In order to develop the 2014-2017 update to the Strategy, staff worked to obtain feedback from economic development and workforce development partners, industry representatives, local

jurisdictions, and Board members. During the update process, the goals and initiatives from the 2011-2014 strategy were validated, and the program of work was updated. The program of work (Attachment A) reflects the continuation of several action items that were seen as creating benefit during the past 3 years, as well as new action items related to each of the 3 initiatives.

Successful implementation of the 2014-2017 update to the Strategy will require coordination and collaboration on two distinct levels: (1) internally between various County departments, and (2) externally with various economic and business development partners, non-profit organizations, and other local jurisdictions. The County's Economic and Community Development Manager will take the lead in assuring that the Program of Work is completed within the anticipated timeframe, and that the tasks are appropriately coordinated with internal and external partners.

ACTION REQUESTED

Approve the 2014-2017 update to the Butte County Regional Economic Development Strategy.

Attachment A

2014-2017 Program of Work

The Program of Work for the 2014-2017 update to the Butte County Regional Economic Development Strategy includes many tasks that are continued from the 2011-2014 Strategy, many that are expanded tasks, and several new tasks. The following list provides information on which tasks are considered new, continued, or expanded. Details on each of the tasks are contained in the 2014-2017 Update to the Butte County Regional Economic Development Strategy.

Year 1

- Provide a Business Ombudsman (*continued*)
- Review and Improve the Economic Development Advisory Committee (EDAC) (*new*)
- Expand and Maintain Available Land/Building Inventory (*expanded*)
- Develop a Butte County Communication Strategy (*new*)
- Monitor Available Incentive Programs & Distribute Information to Businesses (*expanded*)
- Support Sector Strategies (*continued*)
- Support Business Incubation and Innovation (*continued*)
- Support Expansion of Business Financing Programs (*continued*)
- Develop a Funding Mechanism in Support of Regional Tourism (*new*)
- Improve Necessary Infrastructure to Support Business Growth and Development (*new*)
- Develop and Provide Information on Business Resources (*continued*)
- Provide Business Recruitment Assistance (*expanded*)
- Develop and Implement a Business Retention Program (*new*)
- Coordinate Regional Economic Development Programs and Services (*continued*)

Year 2

- Provide a Business Ombudsman (*continued*)
- Provide EDAC Services (*continued*)
- Review the Project Review/Approval Process (*expanded*)
- Expand and Maintain Available Land/Building Inventory (*expanded*)
- Complete Area Branding (*expanded*)
- Implement a Butte County Communication Strategy (*new*)
- Monitor Available Incentive Programs & Distribute Information to Businesses (*expanded*)
- Explore Energy Project/Program Opportunities (*new*)
- Support Sector Strategies (*continued*)
- Support Business Incubation and Innovation (*continued*)
- Support Expansion of Business Financing Programs (*continued*)
- Implement the Butte County Tourism Strategy and Implementation Plan (*new*)
- Improve Necessary Infrastructure to Support Business Growth and Development (*new*)
- Develop and Provide Information on Business Resources (*continued*)
- Provide Business Recruitment Assistance (*expanded*)
- Develop Request for Proposal Template (*new*)
- Coordinate Regional Economic Development Programs and Services (*continued*)

Year 3

- Provide a Business Ombudsman (*continued*)
- Provide EDAC Services (*continued*)
- Initiate Changes to the Project Review/Approval Process (*new*)

- Expand and Maintain Available Land/Building Inventory (**expanded**)
- Implement a Butte County Communication Strategy (**new**)
- Monitor Available Incentive Programs & Distribute Information to Businesses (**expanded**)
- Implement Energy Project/Program Opportunities (**new**)
- Support Sector Strategies (**continued**)
- Support Business Incubation and Innovation (**continued**)
- Support Expansion of Business Financing Programs (**continued**)
- Implement the Butte County Tourism Strategy and Implementation Plan (**new**)
- Improve Necessary Infrastructure to Support Business Growth and Development (**new**)
- Assist Local Jurisdictions with the Expansion of the Regional Retail Market (**new**)
- Develop and Provide Information on Business Resources (**continued**)
- Provide Business Recruitment Assistance (**expanded**)
- Coordinate Regional Economic Development Programs and Services (**continued**)

BUTTE COUNTY REGIONAL ECONOMIC DEVELOPMENT STRATEGY 2014-2017 UPDATE

Introduction

Local economic development is a process by which public, business and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. Strategic economic development efforts are typically organized around a set of key initiatives. Local government utilizes these key initiatives as decision making points when determining program and project actions. The successful implementation of an economic development strategy allows communities to continually improve their investment climate and business enabling environment to enhance their competitiveness, retain jobs, and improve incomes. Successful economic development efforts add to sales tax, transient occupancy tax, and other revenues while contributing to a higher quality of life for residents.

Purpose

Recognizing the importance of economic development, in 2011 the Butte County Board of Supervisors adopted the 2011-2014 *Butte County Regional Economic Development Strategy*. The 2014-2017 revision of the Strategy builds on the success of the action items contained in the original strategy, and incorporates expanded opportunities for special projects, while maintaining the original goals of:

- growing existing businesses,
- ensuring Butte County is a competitive location for new investment,
- creating a sustainable business friendly reputation for the County, and
- improving the coordination of regional economic development resources and efforts.

Economic Development Strategy Key Initiatives

The following details the three initiatives that will continue to guide economic development process and program decisions through the year 2017. Under each initiative are listed projects or programs to be accomplished in support of that initiative. It is understood that additional projects or programs not listed may be undertaken as long as it is determined that they are consistent with the strategy's key initiatives.

Initiative #1 - Ensure Butte County is a competitive location for new investment.

Achieving sustained job growth in Butte County requires the creation of a positive location for business investment. The ability to move a project through from concept to construction in an efficient manner requires the re-evaluation of the interaction with business both internally and externally. In order to accomplish this, the following actions will be taken:

1. **Provide a Business Ombudsman** - Continue to provide business ombudsman services to those businesses looking to relocate or expand within Butte County. This person will be responsible for assisting the business through the project approval process including coordinating with various County departments.
2. **Review and Improve the Economic Development Advisory Committee (EDAC)** - Continue to coordinate project review with all potentially impacted County departments and outside agencies (i.e. Agriculture Department, Butte County Fire, CAL FIRE, Development

Services, Environmental Health, PG&E, etc...). Evaluate the structure and function of the EDAC, and modify the EDAC process as necessary.

3. **Review the Project Review/Approval Process** - Re-evaluate the project review and approval process based on the EDAC review, and comments obtained from staff, public, and the Board of Supervisors. Implement necessary changes to streamline the processes within the parameters of County, state and federal regulations.
4. **Expand and Maintain the Available Land and Building Inventory Tool** - Conduct quarterly outreach to commercial brokers regarding opportunities to participate in the available land and building inventory search tool, a web-based tool for businesses interested in locating or expanding to Butte County. The information in the inventory contains data pertaining to the unincorporated area of the county as well as the other local jurisdictions. The County will take the lead in updating the countywide inventory on a quarterly basis.
5. **Complete Area Branding** - Continue to work to brand Butte County as a business friendly area. Work with local jurisdictions and economic development partners to develop a brand message which will be used as the backbone of the branding campaign. Develop a new county logo and tagline based on the branding message. Provide materials to local jurisdictions, and discuss opportunities for regional marketing as appropriate.
6. **Develop and Implement a Butte County Communication Strategy** - Develop and implement a Communication Strategy. The purpose of the Strategy is to establish Butte County as open, responsive, and innovative when serving employees, the media, and the public. Successful implementation of the Strategy will enhance communication with employees, improve coordination with the media, and increase public access to county information, programs, and services.
7. **Monitor Available Incentive Programs and Distribute Applicable Information to Businesses** - Research available Federal, State, and local business recourses and incentives. Create a single source of information on available incentives. Inform businesses on programs that meet their specific needs. Highlight those incentives that are unique to Butte County.
8. **Explore and Implement Energy Project/Program Opportunities** - Explore opportunities related to increased energy savings for business and residential users, including both projects and programs related to energy efficiency and energy generation.

Initiative #2 - Grow existing key industry sectors – manufacturing/cleantech, agriculture and agriculture related, healthcare, information technology, and visitor attraction.

Strong local economies have thriving businesses and a local workforce with the skills to match the needs of those businesses. Butte County has a number of key industries identified through the General Plan 2030 process that have a strong foundation and have been identified as growth industries. The following actions will enable the County to work with these industries to enhance an environment for growth:

1. **Support Sector Strategies** - Participate in industry-led sector based organizations as appropriate (i.e. Manufacturing Support Readiness Team, LEAN Manufacturing, etc), and help

formulate additional sector organizations as need occurs. Examples of sector based action items could include:

- Business visitation
 - Determination of needs
 - Coordination of industry outreach
 - Talent pool development
2. **Support Business Incubation and Innovation** - Assist in the identification of resources for incubation and innovation, and educate businesses and service providers on resources available in order to assist growth of their business concepts and expand their profitability.
 3. **Support Expansion of Business Financing Programs** - Assist in the identification of business financing programs including traditional sources as well as venture capital and seed funds, and educate businesses and service providers on resources available.
 4. **Develop a Funding Mechanism in Support of Regional Tourism** - Evaluate long-term, regional funding opportunities for the implementation of the Butte County Tourism Strategy and Implementation Plan. Work with each of the local jurisdictions and appropriate tourism stakeholders on the development and implementation of such a fund(s).
 5. **Implement the Butte County Tourism Strategy and Implementation Plan** - Implement tasks associated with Year 1 of the Tourism Strategy. Once a sustainable funding mechanism for implementation of the Tourism Strategy is in place, work with the local jurisdictions and tourism stakeholders on additional tasks. In addition, support the maintenance of existing tourism infrastructure (i.e. trails, roadways, etc.) through increased collaboration with outside lead agencies (i.e. U.S. Forest Services, California Department of Parks and Recreation, etc.).
 6. **Improve Necessary Infrastructure to Support Business Growth and Development** - Identify regional infrastructure development needs related to the support of existing business and the growth of new business. Work with local partners to identify available sources of funding (Federal, State, and other) to support infrastructure development. When identifiable obstacles to funding participation exist, work to determine solutions.
 7. **Assist Local Jurisdictions with the Expansion of the Regional Retail Market** - Work with local jurisdictions and other economic development partners to identify regional opportunities for the expansion of the retail market.

Initiative #3 – Coordinate Business Development Services on a Regional Basis

Butte County is fortunate to have a wide variety of economic development and workforce development partners including local governments, education, for-profit, and non-profit organizations. Unfortunately, the actions of these organizations are often seen as independent. A coordinated approach to economic development will enable a more focused, cost-effective provision of services. In addition, the business community will be well served by a coordinated and results oriented approach to business service. In order to coordinate services, the following actions will be taken:

1. **Provide Business Recruitment Assistance** - Participate in regional and statewide recruitment efforts initiated by the Governor's Office of Economic Development, Upstate California, and TeamCalifornia. Work with local jurisdictions and existing economic

development organizations to develop a single team to respond to leads within Butte County. County to act as lead to follow up on status of inquiries and the coordination of responses. When appropriate, provide targeted marketing to identified industry sector businesses or site selection representatives

2. **Develop a Request for Proposal Template** - Assist in business recruitment through the development of a countywide template for response to business leads and formal Requests for Proposals.
3. **Develop and Implement a Business Retention Program** - Develop a countywide business retention program in cooperation with local jurisdictions and economic development partners. Work with local jurisdictions and economic development partners on program execution.
4. **Coordinate Regional Economic Development Programs and Services** - Meet quarterly with countywide providers of economic development and workforce development programs and services. Discuss need, planning, and implementation of regional programs. Educate each other on available programs/services. Develop opportunities to educate Butte County businesses on available programs/services. Provide updated information of programs/services on the Butte County economic development webpage: www.buttebusinessresources.com.

Program of Work

Effective implementation of the Butte County Economic Development Strategy will require coordination and collaboration on two distinct levels: (1) internally between various County departments, and (2) externally with various economic development and business development partners and other local jurisdictions. With County staff taking the lead in organizing and implementing the action items detailed in the strategy, the following program of work will be accomplished. Many of the tasks are considered continuous tasks, and therefore listed as work items for multiple years.

Year 1

- Provide a Business Ombudsman
- Review and Improve the Economic Development Advisory Committee (EDAC)
- Expand and Maintain Available Land/Building Inventory
- Develop a Butte County Communication Strategy
- Monitor Available Incentive Programs and Distribute Information to Businesses
- Support Sector Strategies
- Support Business Incubation and Innovation
- Support Expansion of Business Financing Programs
- Develop a Funding Mechanism in Support of Regional Tourism
- Improve Necessary Infrastructure to Support Business Growth and Development
- Develop and Provide Information on Business Resources
- Provide Business Recruitment Assistance
- Develop and Implement a Business Retention Program
- Coordinate Regional Economic Development Programs and Services

Year 2

- Provide a Business Ombudsman
- Provide EDAC Services
- Review the Project Review/Approval Process

- Expand and Maintain Available Land/Building Inventory
- Complete Area Branding
- Implement a Butte County Communication Strategy
- Monitor Available Incentive Programs and Distribute Information to Businesses
- Explore Energy Project/Program Opportunities
- Support Sector Strategies
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Year 3

- Provide a Business Ombudsman
- Provide EDAC Services
- Initiate Changes to the Project Review/Approval Process
- Expand and Maintain Available Land/Building Inventory
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Quarterly Outcome Report

In order to identify the level of support provided to Butte County businesses, staff shall provide a quarterly report to the Board of Supervisors and the public. The report shall include information from the various land development departments within the County, and provide details on the following:

1. Permit activity,
2. Economic Development Assistance Committee activity,
3. Number of business contacts,
4. Permit process changes and improvements,
5. Success stories - testimonials and/or other information, and
6. Status of Economic Development Strategy Program of Work.

Conclusion

The Butte County Economic Development Strategy describes a roadmap for the County and its partners to work together to enhance employment, investment, and quality of life opportunities. Successful implementation of the three key initiatives will create a positive business environment, positioning the County for private investment and job growth.