



COUNTY OF HUMBOLDT

For the meeting of: 11/13/2018

File #: 18-1495

To: Board of Supervisors

From: County Administrative Office

SUBJECT:

Prosperity 2018: Comprehensive Economic Development Strategy

RECOMMENDATION(S):

That the Board of Supervisors receive a staff report about the public engagement process to update the county's Comprehensive Economic Development Strategy (CEDS) and the resulting recommended documents for adoption; give the County Administrative Officer authority to direct as necessary the relevant departments and department heads to participate in the implementation of the economic development strategies identified in the CEDS; and adopt Prosperity 2018! as Humboldt County's CEDS for 2018-2023 or until updated.

SOURCE OF FUNDING:

Grant from US-Economic Development Administration (EDA), Headwaters Fund (HWF), Workforce Development Board-High performing Grant (WDB-HPG), County Set-Aside funds (Fund 3842), and Redwood Region Economic Development Commission (RREDC).

DISCUSSION:

The Comprehensive Economic Development Strategy (CEDS) is a local economic development plan meant to help guide investment by federal, state and local resources. CEDS are funded, in part, by the US Economic Development Administration (EDA). A CEDS is required to access many federal grant and loan programs.

The EDA requires that the CEDS process follow a defined approach meant to encourage regional engagement in economic development planning. Primary goals of the CEDS include identifying local projects and developing processes to help local governments recognize strengths, weaknesses, opportunities and threats (SWOT) related to the local economy. EDA expects the CEDS to outline how they will manage through economic shocks to the local economy, including natural disasters and man made changes to the economy.

EDA requires the lead organization to develop a strategy committee to lead the CEDS process. The Humboldt Workforce Development Board (WDB) led the local effort. The WDB assigned the project to an ad-hoc committee that developed the process, defined how data would be collected and then solicited volunteers to assist in the effort.

The Ad-hoc Committee (Leadership Team) first met in April 2017, in the role of the Strategy Committee as defined by EDA. They began in earnest in July 2017 and developed a tentative work plan, budget, process and timeline.

The Committee met again throughout July, September and October to refine and launch the process. During this time, the team was expanded to include representation from the California Employment Development Department, Humboldt State University-California Center for Rural Policy (CCRP), the Redwood Region Economic Development Commission, and an additional industry representative from the WDB. The North

Coast Small Business Development Center Director and a workforce representative from the College of the Redwoods were also asked to join in the effort.

The Committee chose to focus on cross-industry problems and solutions, in contrast to the 2012 CEDS, which focused on industry-specific issues. The Committee chose three primary strategies for gathering Information for a SWOT (strengths, weaknesses, opportunities and threats) analysis.

- Send a community survey to 18,000 PO Box holders.
- Conduct interviews with business and government leaders representing various industry sectors and areas of expertise. This activity replaced the previous approach of forming a large committee- which would take more time to organize and manage.
- Analyze the data to identify three to five priority issues, recognizing that some might take years to adequately address. The committee chose to focus on the 3-P's; Policy changes necessary, Physical infrastructure needed, and Program implementation.

The resulting SWOT analysis highlighted cross-industry issues. In addition, the process highlighted the Arts & Culture industry and Alternative Agriculture as additional areas of special economic interest due to their contribution to the economy and/or major changes occurring in their industries.

As mentioned previously, this report reflects the process of updating the 2012 CEDS, which was an update of the original CEDS, Prosperity! "The North Coast Strategy" completed in 1999.

Funding for the 2018 CEDS came in both cash and in-kind contributions. The US Economic Development Administration (EDA) provided \$30,000 in grant funding to assist the county in updating the current CEDS, Prosperity! 2012. The Headwaters Fund provided match of an additional \$17,800 toward this effort and the county has provided staff time and resources from the Economic Development Division. RREDC contributed \$6,250 of in-kind assistance. The Workforce Development Board (WDB) provided leadership and staff time as well. In all, the county and its partners have more than matched the grant from the EDA.

The total contribution will be reported upon completion of the project.

It should be noted that there have been several staff changes on the project which have affected the original timeline. EDA has been informed and approved a non-financial extension for completion.

With the interviews completed, survey results analyzed and subjects (issues) selected, and with industries of special economic focus having been identified, the Strategy Committee then determined how best to complete the project through organized strategy sessions with broad cross-industry representation to determine specifics on issues, set goals and objectives and develop strategies to overcome problems and to take advantage of available opportunities.

Strategy sessions were also conducted for the two industries of Art & Culture and Alternative Agriculture. The session agendas and notes from the sessions are attached to this agenda item.

Next came the draft document that was presented to the public for comment. The team held a public meeting to share how the draft was derived and to answer questions from the public. The county sent an announcement through the Open Humboldt Network, an online program that allows viewers to receive email notifications, read distributed documents and comment, with the option of being anonymous or registering and even

interacting with other commenters.

Open Humboldt goes out to approximately 5,000 registered users. Seventy-five (75) people viewed the document online and 4 commented; 3 anonymously and one identified. All of the comments were addressed in the Final Draft. Staff also made presentations to the Eureka Rotary, the Arcata Economic Development Corporation, and to the Executive Committee of the Redwood Region Economic Development Commission. The last body is made up of senior elected officials from the county, all cities and special districts in Humboldt County.

In an effort to reach more of the outlying area of Southern Humboldt County, staff participated in an hour-long radio presentation and Q&A period on KMUD radio. Additional written comments were received and lead to more changes to the final document.

Staff received several written comments from individuals and organizations. The written comments and responses are also attached to this agenda item, all of which were incorporated into the Final Draft. Staff spent an abundant amount of time in gathering project information from other county departments, cities, community service districts and Tribes. The result is a much expanded list of projects that were originally shown in the draft CEDS presented to the public for comment. It is one of the recommended strategies that the Strategy Committee define what types of projects should be included as economically.

The Strategy Committee developed a plan to create a sub-committee made up of practitioners in county/city/community/district/Tribal governments who would receive defined problems or issues that need to be resolved for industry.

The sub-committee would be called the Economic Development Action Committee (EDAC). They would determine how to best resolve problems and make recommendations to the Strategy Committee who would in turn go to the elected officials to gain support for funding, including identifying grant and other financing sources. Together, these groups could put ideas into action.

Once the county has adopted the Final Draft CEDS, staff will complete the necessary reports and documentation and submit to EDA. EDA will review, comment and staff will work with them to gain approval of the adopted CEDS.

In the meantime, the Strategy Committee will begin the process of identifying new members representing the various business clusters and Tribal governments. The concept is simple, be inclusive and find ways to improve the economy and prepare for the unknown. Be resilient!

FINANCIAL IMPACT:

Funding was provided by: \$30,000-EDA, \$17,800-HWF, \$6,250-Fund 3842 (Set-aside), approximately \$11,300-WDB-HPG to date, with additional matching funds of in-kind of \$5,000-RREDC.

As a county-wide regional strategy, the implementation of Prosperity! 2018 will be funded with a wide range of resources. The County of Humboldt is only one agency along with cities, community service and special districts, non-profit organizations, education institutions, private businesses and citizens that will secure and provide resources to implement the priorities laid out in Prosperity! 2018. The County of Humboldt Economic Development Division appropriated funds and potentially with new grant funds. The recommendation before the Board support the Board Strategic Framework, Core Roles by providing for and maintaining infrastructure, encouraging new local enterprises and supporting business, workforce development and creation of private sector jobs.

OTHER AGENCY INVOLVEMENT:

All cities, Community Service Districts and Economic Development Organizations in Humboldt County

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ALTERNATIVES TO STAFF RECOMMENDATIONS:

Return to staff for additional revisions.

ATTACHMENTS:

Attachment 1 - Strategy Committee Attachment

Attachment 2 - Strategy Sessions Attachments

Attachment 3 - Public Comment Opening Meeting Attachment

PREVIOUS ACTION/REFERRAL:

Board Order No.: Click or tap here to enter text.

Meeting of: Click or tap here to enter text.