

To: CEDAC Members

From: CEDAC Action Matrix #1 Ad Hoc Group ***“to identify and promote new economic development opportunities that exist now in the General Plan after the TGPA-ZOU changes.”***

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RE: Status Report and Discussion of Next Steps

Date: January 10, 2017

A meeting was held with Charlene Carveth, Agricultural Commissioner, on December 29, 2016 to review economic opportunities resulting from the Targeted General Plan Amendment to the El Dorado General Plan and Zoning Ordinance Update (TGPA-ZOU). The importance of agriculture and associated value-added products was discussed.

The 2015 Annual Crop and Livestock Report reports:

The gross crop value for the County of El Dorado was \$63,917,150 million representing an increase of 8.9% from 2014.

Apples and apple products were the leading crop in El Dorado County with a total value of \$15.7 million.

It is estimated that the impact of agriculture to the County economy totaled approximately \$528 million in 2015.

Apple Hill and value-added products contributed an estimated \$244 million.

The wine industry added \$238 million.

Wine grapes increased in total value by 6.8% to \$8.1 million.

CEDAC 2016 Action Plan Matrix #1 was discussed with the Ag Commissioner which is: ***“to identify and promote new economic development opportunities that exist now in the General Plan after the TGPA-ZOU changes.”*** Of particular note were the new lodging facilities. These are establishments primarily engaged in the provision of commercial lodging on a transient basis (30 days or less) to the general public and will contribute to the County’s Travel Occupancy Taxes (TOT). Lodging may include the incidental provision of food, drink, sales, and services for the convenience of overnight guests.

Types of new lodging include:

Agricultural Homestays. Lodging facilities operated by the resident of the property on which the facility is located that is accessory and subordinate to the on-site, bona fide agricultural or grazing operations.

Guest Ranch. A type of ranch facility engaged in agricultural tourism. The facility may be incidental to a working ranch, and may offer the following amenities and events: lodging and

meals, overnight camping, horseback riding, cattle drives, rodeos, and other similar uses that are incidental to and compatible with ranching.

Health Resort and Retreat Center. Establishments engaged in recreational, educational, therapeutic, and similar activities, with day use or overnight facilities to serve the guests. The use differs from Commercial Recreation by being focused on self-improvement in a natural setting, although indoor facilities such as conference rooms, lodging, and dining facilities for the guests may be included. It includes, but is not limited to conference, retreat, or outdoor education centers, and health spas.

Other new economic development opportunities include ag support services such as veterinary clinics, custom farming services, ag-related building supply, feed and farm supply stores.

The potential for economic development in the industry of outdoor recreation/natural resources warrants attention. El Dorado County excels at outdoor recreation with outstanding natural resources. The county's Strategic Plan suggests '*Continue to develop business clusters and Geographically-Targeted Economic Development Areas*' as well as '*help communities identify economic development opportunities that are appropriate for them*'.

There are communities in El Dorado County which could certainly benefit from outdoor recreation as a means of economic importance. Thus, the value of the outdoor recreation industry should be explored for El Dorado County. As the November 2016 Business Expansion Journal writes: "Often overlooked, the natural resources and entertainment amenities of an area can make or break a local economy....More than 140 million Americans will spend \$646 billion in outdoor recreation...which includes more than \$120 billion in outdoor products such as footwear, apparel, equipment and services."

The new home-based business ordinance can also be of economic benefit. We recommend the County 'implement a strategy to promote home occupation and telecommunicating jobs' as suggested in the Strategic Plan tasks. A home occupation is a business operated out of a residential dwelling or accessory structure or outdoors on a residential parcel, by a resident of the premises, which is compatible with surrounding residential and agricultural uses.

Home occupations may include, but are not limited to, work performed by telephone, mail, internet, or appointment; home offices; Cottage Food Operations (CFO), small scale production and repair, handicrafts, parts assembly; or work or craft that is the activity of creative artists, music teachers, academic tutors, trainers, or similar instructors. Sales on the property are now possible by appointment.

Recommendations:

The El Dorado County General Plan 2011-2015 5 Year Review dated October, 2016, states:

the 'viability of the agriculture industry is critical to the maintenance of the County's customs, culture, and economic stability.'

The new economic development opportunities which can help economically support properties in agriculture and value-added ag and outdoor recreation should be promoted. These new opportunities can 1) help sustain existing ag businesses and revenue, 2) bring new business and revenue into the County, and 3) create more jobs.

Much effort has gone into creating these new land uses which can help sustain existing agriculture business as well as encourage new agriculture and value-added business revenue and jobs. This requires collaborating with associated groups, informing the public of opportunities for economic development, and ensuring County staff are knowledgeable, inviting and responsive. Realtors should also be informed of these new opportunities. County record-keeping systems should be able to properly record the value of these new land uses to our economy.

We support the Strategic Plan objectives to *“Attract, Develop and Retain Businesses that Provide Economic Sustainability and Quality Job Creation”* as well as *“Strengthen the County’s Business Friendly Reputation”*. Funding for new start-ups and support for incubator businesses is important - the Strategic Plan suggests ‘support creation and operation of small business incubators if feasible’ as well as ‘deploy a small business/entrepreneurial development strategy’ and ‘increase access to capital for start-ups’. TOT grants should be funded and the Board should direct staff to review and develop appropriate policies for funding, both through TOT grants as well as others.

As Hallie Ochoa, director of outreach and education at Full Belly Farm in Capay Valley writes in the Sacramento Magazine, March 2016:

“There are so few people who are involved in agriculture. Less than 1 percent of our nation’s population is directly connected to the agriculture industry. So anything that we can do to bridge the gap between the consumer and the farmer is really, really important.”

The County’s 2016 Board approved Strategic Plan reflects the importance to *“Promote and expand agriculture and related businesses and tourism”*. We agree. Agriculture and associated value-added business, as well as outdoor recreation with our phenomenal natural resources, are strengths of our County and should be encouraged and promoted.

Goal 10.1 in the Economic Development Element of the El Dorado County General Plan:

“The County shall work with all levels of government and with the various economic development organizations including the business community to cooperatively identify and promote the County’s positive opportunities and strengths.”

This Draft Report was also sent to Shawna Purvines with Long Range Planning on December 30, 2016 for review. She concurred with the opportunities identified above.

The Ad Hoc Sub Committee for Project #1 met on January 6, 2017 to further consider economic development opportunities in El Dorado County and a name for Project #1. The recommended name for CEDAC 2016 Action Plan Project #1: Promoting Economic Opportunities

Next Steps:

Identify ways to promote the economic opportunities outlined above. How can we tell the 'world' about these opportunities. And who should be involved? These ideas are not new.

Reference:

CEDAC 2016 Action Matrix Projects #1 and #5 as Approved by the Committee on February 25, 2016 and Reviewed October 27, 2016 - Discussion Item 15-1441

CEDAC Letter to Board of Supervisors July 2016 - Discussion Item 16-0788

CEDAC Ad Hoc Committee Status Report dated December 1, 2016 - Discussion Item 16-1247