



County of El Dorado

330 Fair Lane, Building A
Placerville, California
530 621-5390
FAX 622-3645
www.edcgov.us/bos/

Legislation Details (With Text)

File #: 13-0434 **Version:** 2

Type: Agenda Item **Status:** Approved

File created: 4/12/2013 **In control:** Board of Supervisors

On agenda: 2/11/2014 **Final action:** 2/11/2014

Title: Chief Administrative Office, Economic Development Division, recommending the Board consider the following:
 1) Receive a presentation from Barbara Hayes, President and CEO of Sacramento Area Commerce and Trade Organization (SACTO) providing a report on the value of El Dorado County's investment in SACTO; and
 2) Authorize payment of membership fees to SACTO in the budgeted amount of \$6,000 for FY 2013-14 and provide direction to staff regarding continued membership and contribution rates. (Est. Time: 30 Min.)

FUNDING: General Fund/Transient Occupancy Tax (TOT) (No Federal Funds).

Sponsors:

Indexes:

Code sections:

Attachments: 1. 2A - 2014 SACTO Annual Investment Renewal Notice 02-11-14, 2. 2B - SACTO Investment Impacts 02-11-14, 3. 2C - SACTO Presentation 2-11-14, 4. A - SACTO Fee Increase Explanation Letter 4-23-13.pdf, 5. B - SACTO Annual Investment Renewal Invoice.pdf

Date	Ver.	Action By	Action	Result
2/11/2014	2	Board of Supervisors	Failed	Fail
2/11/2014	2	Board of Supervisors	Approved	Pass
4/23/2013	1	Board of Supervisors	Approved	Pass

Chief Administrative Office, Economic Development Division, recommending the Board consider the following:

- 1) Receive a presentation from Barbara Hayes, President and CEO of Sacramento Area Commerce and Trade Organization (SACTO) providing a report on the value of El Dorado County's investment in SACTO; and
- 2) Authorize payment of membership fees to SACTO in the budgeted amount of \$6,000 for FY 2013-14 and provide direction to staff regarding continued membership and contribution rates. (Est. Time: 30 Min.)

FUNDING: General Fund/Transient Occupancy Tax (TOT) (No Federal Funds).

BUDGET SUMMARY:	
Total Estimated Cost.....	\$6,000.00
Budget - Current FY.....	\$6,000.00
Budget - Future FY.....	
New Funding.....	

Savings.....	
Other.....	
Total Funding Available.....	\$6,000.00
Change To Net County Cost.....	\$0

Fiscal Impact/Change to Net County Cost

There is no change to Net County Cost. Funding is available within the FY 2013-14 Economic Development program budget.

Background

The Sacramento Area Commerce and Trade Organization (SACTO) was established 36 years ago as a private, non-profit economic development organization working to bring together organizations, information, and resources in the pursuit of jobs, talent and investment needed to ensure regional prosperity and global competitiveness.

SACTO Key Points:

- SACTO's primary goal and measurement of success is the creation/retention of jobs and investment for the Sacramento Region.
- Every city and county in the six-county Greater Sacramento Area is a member of the organization, as well as nearly 500 of the leading private sector businesses, institutions of higher learning and workforce investment boards.
- SACTO uses partnerships to leverage resources, knowledge and connections to help the regional business community succeed and grow.

El Dorado County has maintained a non-contractual membership with SACTO since September 21, 1984. El Dorado County was allowed to set its membership rate for the first year and SACTO continued to invoice the County at a similar rate from 1985 until 2007. The remaining twenty-eight various cities and counties in the Sacramento Region also entered into memberships with this approach. The membership rate paid by El Dorado County has varied from \$1,500.00/year to \$6,600.00/year as outlined below:

Year Invoiced:	Membership Dues Paid:
1984-1992	\$2,000.00/year
1993-1998	\$1,500.00/year
1999	\$2,500.00
2000	\$3,500.00
2001	\$4,000.00
2002-2007	\$2,500.00/year
2008-2012	\$5,200.00/year (per capita fee of \$0.09 introduced)
2013	\$22,000.00 requested; \$6,600.00 paid per Board direction
2014	\$22,200.00 (requested payment amount)

In 2008, SACTO introduced per-capita funding levels with a \$0.09/per capita public contribution and invoiced all jurisdictions in the Sacramento Region at this rate through 2012.

For the 2013 calendar year, SACTO submitted an "Annual Investment Renewal Invoice" to El Dorado County requesting a \$0.25 per capita investment for the County's unincorporated population of 150,489 people. The per capita rate of \$0.25 was established by SACTO staff after completing a comparison study of rates paid to a regional economic development organization by the cities and counties in the Sacramento Region and similar cities and counties in both California and Arizona. The per capita rates in similar California and Arizona regions range from \$0.39 to \$1.20/per capita.

SACTO requested a 2013 investment of \$22,000.00. This investment request was reduced from \$37,622.25 due to the removal of the unincorporated area of South Lake Tahoe and some eastern slope population from the total unincorporated population of the County. On April 23, 2013, the Board authorized staff to invest \$6,600.00 in SACTO as budgeted for FY 12/13 and hold further discussion during Budget Workshops in June 2013 for consideration of future participation.

El Dorado County has received a 2014 investment notice requesting a contribution of \$22,200.00. The FY 13/14 economic development program budget allows for a payment of \$6,000.00.

Reason for Recommendation

SACTO provided the following plan to utilize the funds requested for 2013:

- **Increase marketing and public relations resulting in stories about the Sacramento Region appearing in national and international media.** To accomplish this goal, SACTO will contract with a public relations facility to focus on new discovery and awareness in the region.
- **Increase opportunities for one-on-one meetings with targeted companies.** Specific to El Dorado County, the County's economic development representatives will be invited to travel with SACTO to call on business prospects.
- **Increase participation in and attendance at targeted industry conferences.** Specific to El Dorado County, the County's economic development representatives will be invited to attend trade fairs and industry conferences where relationships with prospects can be developed.
- **Increase direct contact with site location consultants.** To accomplish this goal, SACTO plans to contract with a leading qualifying firm that would be responsible for cold calling and soliciting businesses interested in relocation.

With the 2014 funds, SACTO is implementing a five-year strategic plan, "Opportunity Realized - Advancing the Next Economy." This plan is designed to capitalize on SACTO's strengths, expertise, and resources and incorporate the key objectives of the Next Economy Capital Region Prosperity Plan. The goal of Opportunity Realized is to bring 80 new company locations/expansion and 18,000 new direct jobs to the Greater Sacramento Region in the next five years.

The Board adopted Resolution 025-2013 in support of the Next Economy Capital Region Prosperity Plan on March 12, 2013 (Refer Agenda File 13-0106, Item 16). Guiding principles of the Resolution in support of the Next Economy include regional jurisdictions working together to improve our region's economy to compete within the state, nation and international economies, developing strategic and synchronized economic development activities and actively engage in shaping and implementing the plan.

Since 1984, El Dorado County has received the benefits of SACTO-assisted corporate locations and expansions, job creation at all levels, property tax revenues, and small business growth highlighted below:

- El Dorado County has specifically benefitted from two key SACTO driven corporate locations. The first was the corporate location of Atlanta Precision Molding (APM) parent company of California Precision Molding (CPM) to El Dorado Hills in the 1990's and the second was the relocation of Blue Shield into El Dorado Hills which now houses an estimated 2,400 employees.
- In April 2012, the Sacramento Region ended fifty-seven months of negative job growth which has only seen continual growth since this time. SACTO's contribution to job growth is estimated at 2,500 jobs per year which is the equivalent of adding 6 to 11 companies to the Region.
- SACTO includes El Dorado County in all marketing materials and continually pitches the County as a potential relocation prospect when working with businesses.

Contact

Jim Claybaugh, Economic and Business Relations Manager
Chief Administrative Office, Economic Development Division