



Legislation Details (With Text)

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On agenda: 8/18/2015 **Final action:** 8/18/2015
Title: Chief Administrative Office, Economic Development Division, recommending the Board approve \$7,572 in 2015/16 membership dues funding for the Sierra Economic Development Corporation. (Cont. 8/11/15, Item 33)

FUNDING: General Fund. (Transient Occupancy Tax)

Sponsors:

Indexes:

Code sections:

Attachments: 1. A - SEDCorp2015Bill 7-21-15

Date	Ver.	Action By	Action	Result
8/18/2015	2	Board of Supervisors	Failed	
8/18/2015	2	Board of Supervisors	Approved	Pass
8/11/2015	1	Board of Supervisors	Continued	Pass

Chief Administrative Office, Economic Development Division, recommending the Board approve \$7,572 in 2015/16 membership dues funding for the Sierra Economic Development Corporation. (Cont. 8/11/15, Item 33)

FUNDING: General Fund. (Transient Occupancy Tax)

DEPARTMENT RECOMMENDATION

Department recommending the Board authorize the expenditure of no more than \$7,572.00 for 2015-2016 dues to Sierra Economic Development Corporation.

DISCUSSION / BACKGROUND

Formed through a joint powers agreement by the counties of El Dorado, Placer, Nevada and Sierra in 1969, the Sierra Economic Development Corporation (SEDCorp) is a private non-profit organization devoted to supporting the economic development of the rural communities north and east of Sacramento.

SEDCorp has three primary functions. First, SEDCorp supports local jurisdictions in their economic development efforts, providing expertise often lacking in small local governments. Second, SEDCorp supports local businesses with a variety of training events ranging from single-subject sessions on such topics as bookkeeping and local business resources, to intensive three-day business "boot camps" to teach the fundamentals of sound business planning from inception to retirement. A "Small Business Accelerator" workshop held in Placerville on June 25th was organized by SEDCorp. Last, SEDCorp is a small business lender who provides a number of loan products sourced from the U.S. Small Business Administration (<http://www.sba.gov/>) and the Department of Agriculture (<http://www.cdca.ca.gov/>) to a service area that extends across all the counties touching the border

with Nevada from Sacramento to Oregon. A synopsis of 2014 lending by SEDCorp is included below.

Currently, SEDCorp is working with Cal.Net, a regional broadband provider, on an application to the State California Public Utilities Commission (CPUC) to fund infrastructure for approximately 2,000 residents in predominately rural locations in El Dorado County deemed as being, “underserved” in broadband capacity. SEDCorp's efforts have led to significant increases in broadband availability in previous projects that have benefited El Dorado and Sierra counties.

Current Activity:

A synopsis of current activities by SEDCorp in El Dorado County are included below.

Lending in El Dorado County

2014 SEDCorp Small Business Loan Profile El Dorado County Portfolio

<u>District</u>	<u>Supervisor</u>	<u>Loans</u>	<u>Number Loans</u>	<u>Total Loan \$ %</u>
1	Mikulako	1	\$20,500	1.2%
2	Frentzen	1	\$50,000	2.9%
3	Veerkamp	3	\$1,180,000	68.6%
4	Ranalli	2	\$405,000	23.5%
<u>5</u>	<u>Novasel</u>	<u>1</u>	<u>\$66,000</u>	<u>3.8%</u>
Totals		8	\$1,721,500	100.0%

Economic Development Leadership Assistance

1. Planning Related

- Presented the Gold Country Broadband Consortium (GCBC) El Dorado County 2014-16 Broadband Strategy & Plan to the County's Community and Economic Development Advisory Committee (CEDAC).
- Participated in a number Placerville Economic Advisory Council (PEAC) Meetings and a Planning Workshop.
- Provided input regarding the recent County Demographic & Economic Profile.
- EDC remained a member of a US Economic Development Administration (EDA) and retained this benefit with regards to potential grant proposals.

Broadband Infrastructure Development Leadership Assistance

1. GCBC actively supported the development of the Tahoe Prosperity Center Broadband initiative, and volunteered to act as the entities fiscal agent and CPUC funding pass through at no cost to the Consortium or EDC.
2. Convened an Internet Service Provider (ISP) strategic planning session to mobilize a “grass roots” effort to serve the most needy of the needy in EDC (e.g. unserved).

3. Identified Cal.NET, Central Valley Broadband and RuralNet as willing GCBC EDC Internet Service Provider (ISP) Strategic Alliance Partners.
4. Hosted 13 Community meetings to determine the location and opportunity to better serve the unserved and underserved.
5. Ground proofed hundreds of EDC residents Broadband service experiences and updated CPUC community mapping. Ground proofing consists of checking actual internet speeds achieved by internet customers in specified areas.
6. Supported the development of two Cal.NET CPUC California Advanced Services Fund (CASF) grant proposals to better serve EDC.
7. To date Cal.NET grant proposals have not been challenged which speaks to the quality for the research and strength of the proposal technical points.

Small Business Development Leadership Assistance

1. Hosted three business startup and small Business Owner Survival Strategy (BOSS) Workshops to help retain businesses and jobs.
2. Hosted a small business owner three day boot camp workshop in Citrus Heights which EDC residents were invited to participate.
3. Boot Camp was filled to capacity at 27; satisfaction scores were consistently above 4.0 on a 5.0 scale (5.0 being the most satisfied).
4. Average BOSS attendance was within the target range of 13-15; and satisfaction was above 4.0 on a 5.0 point scale.
5. The EDC value portion of the SEDCorp startup and small business loan program remained well above 50%.
6. Total loan volume remains the highest of all SEDCorp members (e.g. El Dorado, Nevada, Placer, Sierra, City of Auburn, Citrus Heights, Colfax and Placerville).
7. No loans were foreclosed.
8. Continuing to work closely with City of Placerville staff leadership to help develop and support the "Paint Your Town" downtown redevelopment efforts.
9. Placerville was selected as the site of an experimental Small Business Accelerator workshop designed to take the mystery out of locating sources of Alternative Lending capital, business planning tools and both entrepreneur and small business owner advice, counsel and mentoring services.

Moving forward, the SEDCorp/EDC ***short term opportunities Opportunities*** include the following;

Economic Development Leadership Assistance

1. Continue to assist the new EDC Economic Development leadership to develop a comprehensive strategy and long range plan involving the region.

2. Develop an annual Statement of Work (SOW) contract involving projects, performance metrics, reporting and commensurate EDC funding.
3. Support EDC Economic Development leadership pursuit of US EDA and possibly USDA grant awards for planning and feasibility assistance related to Broadband and possibly specific economic development projects such as the Camino-site.

Broadband Development Leadership Assistance

1. Continue to act as the fiscal agent and “no-cost” pass through facilitation partner for the Tahoe Prosperity Center Broadband Initiative.
2. Continue ground-proofing and exploring additional CPUC CASF grant proposals with Cal.NET and/or other willing ISPs focused on unserved and underserved communities.
3. Investigate development of Valley Vision/Yolo County EDC Broadband Strategy.
4. Investigate the possibility of a county broadband “special district” which would provide a regional benefits.
5. Investigate and deliver an Adoption Program targeted at specific demographics in served locations such as (e.g. El Dorado Hills).

Small Business Development Leadership Assistance

1. Establish a county-wide Small Business Development Ecosystem to help grow businesses and job creation.
2. Establish the new Small Business Administration (SBA) as a twice yearly county-wide event.
3. Investigate hosting a new Internet Commerce & International Trade Small Business Accelerator Workshops.
4. Grow the EDC SEDCorp Loan Portfolio segment by 25%; focusing on small startup loans in economically disadvantaged Census Designated Places (CDP's).
5. Maintain zero foreclosures.

ALTERNATIVES

Not fund SEDCorp for the 2015-2016 Year and invest funds in other economic development activities.

OTHER DEPARTMENT / AGENCY INVOLVEMENT

N/A

CAO RECOMMENDATION

CAO recommending moving staff's recommendation to approve the membership dues of not more than \$7,572 for Fiscal Year 2015-16 if the Board determines that the membership in SEDCorp is a worthwhile economic development investment.

FINANCIAL IMPACT

\$7,500.00 in General Fund/TOT funding has already been budgeted for the 2015-2016 fiscal year.

CLERK OF THE BOARD FOLLOW UP ACTIONS

N/A

STRATEGIC PLAN COMPONENT

Economic Development and Infrastructure (high speed internet)

CONTACT

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