

FREQUENTLY ASKED QUESTIONS

Who makes up the ERC?

ERC is a non-profit corporation - 501(C) 6 with a parallel 501(C) 3) - and a public/private partnership. It is governed by a Board of Directors that includes representatives of the following:

- Sierra Economic Development Corporation
- Nevada County Contractors Association
- Nevada County Business Association
- County of Nevada
- Sierra College
- Nevada County Association of Realtors
- Grass Valley Downtown Association
- Nevada City Chamber of Commerce
- City of Nevada City
- City of Grass Valley
- Grass Valley/Nevada County Chamber of Commerce
- Council of School Superintendents
- Nevada County Farm Bureau
- Nevada Irrigation District
- Nevada County Transportation Commission
- Seven Investor/Partners

What is the Mission of the ERC?

To enhance the economic vitality of Nevada County by supporting the retention, attraction and creation of primary jobs, while preserving our unique environment.

What are the principal goals of the ERC?

ERC works to provide expanded access to jobs for local residents, particularly those who commute out of the community and young people as they finish their education.

In more concrete terms, ERC has adopted two specific job creation goals:

- Support the retention or expansion of five local companies annually, with an average of 50 new jobs created annually.
- Support the attraction of five new employers annually, with an average of 30 new jobs created annually.

Who are the ERC's clients?

ERC works with product and service export employers, those who derive the majority of their revenue by selling a product or service outside the community. This process brings new money into the economy, which supports the retail, professional and services sectors. Without the infusion of these new dollars, the local economy would suffer dramatically.

How is the ERC different from a Chamber of Commerce?

Although the two types of organizations are related, there are distinct differences. An economic development organization:

- is concerned first and foremost about supporting the community's need for job creation
- focuses its efforts on product and service export employers
- serves as a point of contact for businesses looking to relocate to the community
- serves as a point of contact for product and service export employers needing general assistance

A chamber of commerce:

- is a membership organization, focused first on serving the needs of its members. Members will represent all business sectors, whether retail, service, professions or manufacturing.
- takes a greater role in the general promotion of the community for tourism
- serves as a point of contact for individuals looking to relocate to the community

What are the ERC's primary programs?

ERC works with product and service export employers to:

- retain the employment base that we have, through providing assistance with a variety of needs, for example:
 - financial resources
 - government advocacy
 - space needs
 - demographic and economic information
 - labor needs

- attraction of targeted new employers into Nevada County, through:
 - establishing relationships with corporate decision makers
 - attendance at industry-specific trade shows
 - involvement with regional marketing groups like Sacramento Area Commerce and Trade Organization (SACTO)
 - direct mail marketing
 - targeted advertising

ERC operates an extensive Web site designed to serve the needs of both existing industry and prospective industry. This important marketing tool is continually updated with current information and expanded to include new capabilities like the community economic development calendar, which was launched last year.

What are ERC's targeted industries?

- video broadcast equipment design and manufacturing
- medical manufacturing
- renewable energy design and manufacturing
- information technology

What are some of the strengths of Nevada County in terms of job creation?

Nevada County has long enjoyed a high degree of success due to the lifestyle that it offers. There are many examples of individuals who have chosen to build companies here rather than in more “mainstream” locations.

In addition, Nevada County offers:

- one of the highest achievement levels in California K—12 education, second only to Marin County
- historic downtowns, affording distinct community activity centers
- a well-developed arts community, providing extensive access to visual, literary and performing arts
- airport access to facilitate the flow of raw materials and finished goods in and out of the community
- a significant pool of highly trained and innovative technologists
- a community college campus
- Anecdotal data suggesting lower employee turnover rates due to residents’ personal commitment to the area
- quality health care system; full service hospital

What are some of the challenges facing economic development in Nevada County?

- distance—from transportation corridors, international airport, four-year colleges, capital for growing companies
- costs—for industrial space, housing for employees
example: prime Nevada County industrial space leases are more expensive than similar space in Marysville and Yuba City
- no rail service
- topographical limitations to the extent and location of development

What is the ERC’s annual operating budget?

The ERC operates on an annual budget of less than \$180,000.

The ERC has been consistently successful in securing project-specific grants for a wide variety of projects.

Are there examples of ERC's business retention and business attraction successes?

Over the years, ERC has supported the attraction of several local companies, for example:

- Space Control—software for self-storage industry
- Mobius Technology—design and build processing plants for polyurethane foam recycling
- Venezia Manufacturing—stainless steel fabrication
- Water Heaters Only—national dispatch and installation of water heaters
- Principal Resource Group—Executive recruitment
- Linear Technology—integrated circuit design center

The following are examples of ERC's work with retention and/or expansion of local employers:

- Networked Insurance Agents—insurance products and training for independent insurance agents—retention and expansion
- Furniture by Thurston—manufacturer of institutional furniture—retention and expansion
- Best Trailer—manufacturer of industrial trailers for rental market—retention and expansion
- Grass Valley Dialysis —Kidney dialysis services—expansion
- Priority Computer Parts—Reseller of new and refurbished computer parts and peripherals—retention and expansion

In addition to these examples, ERC has referred numerous companies to ERC partners for assistance with general business counseling, business planning, financial assistance, corporate structure, intellectual property protection and other needs.

Perhaps the ERC has been effective in retaining and attracting industry, but what's in it for me?

A 2003 economic impact report commissioned by ERC and completed by Chico State University analyzed the impacts of Networked Insurance Agents' announced expansion of an additional 275 new jobs by 2006.

The analysis identified these expected annual economic impacts once the expansion is complete in 2006:

- Payroll—\$9,440,000
- Indirect business spending—\$1,790,000
- Spending by employees—6,320,000
- Indirect business taxes--\$740,000
- Jobs created by the project in addition to the 275 new jobs at NIA—185
- Annual impacts to selected economic sectors:
 - Banks—480,000
 - Hospitals--\$370,000
 - Auto dealers and service stations--\$280,000
 - Retail eating and drinking places--\$480,000

Will the ERC be satisfied with a one-time contribution?

ERC will be pleased by whatever support is generously provided. Because the needs of the local community are on going however, the need for support of local economic development efforts is also on going. We face an increasingly competitive environment in economic development, demanding that we continue to maintain effectiveness in the marketplace.

Is my investment tax deductible?

As a business, your investment in the ERC qualifies as a tax exemption as a business expense. We do, however, suggest that you consult your tax consultant to verify your own particular situation.