

ERC Presentation to  
Cities/Town/County Joint Meeting  
Friday April 4, 2008

Greetings to all

I'm glad to have this opportunity to address the issues of economic development within Nevada County.

I'm going to talk about a little history, then some of the current structure and mission, then I'll talk about possible structure changes and how we can measure the success of the ERC. I will finish with some of the hurdles, challenges, and opportunities for economic development.

The ERC has a 13 year history in Nevada County, and we ask, "Has the mission changed?"

Going back to the beginning and the original study that set the stage for the ERC, a report from Chabin Concepts and F.J. McLaughlin Associates, wherein the ERC Mission Statement was stated as "The ERC's mission is to ensure the quality of life now and in the future through a balance of business and residences, education and government, to increase the tax base which supports the needed levels of service. To do this the ERC:

1. Promotes business retention and expansion
2. Acts as a government liaison through direct pro-business communication with government leaders;
3. Facilitates public education to promote a positive business attitude.

To that I would add that we are about business attraction and business creation.

A funding level of \$172,000 was targeted in the Chabin report of 1996, to hire staff and produce programs. If we were use an economic growth factor of 2%, that would require a budget today of approximately \$ 218,000. This Public/Private partnership called the ERC has today the same challenges the same tasks and the same mission with an annual budget of \$ 170,000.

So what has the ERC done with that mission statement? A lot. It came from only a handful of volunteers meeting randomly with a vision of hope to sustain a vital economy in Nevada County. Today we have the largest pool of representatives of the economic engine within Nevada County, all pulling the same way. A structure that perhaps need some change, but a dedicated group of believers ready, willing and able to give of their time, their talent and their resources to help insure that Nevada County will be a place worthy to pass on to the next generation.

The structure of the ERC

The ERC has a Board of Directors of 23 persons representing nearly every facet of the economic spectrum that sets policy, guides staff and renders input on issues and challenges.

At present we are a staff of 1.8 persons working to accomplish the goals and objectives under the direction of that 23 person Board and an Executive Committee of seven members

And what are we doing?

We are pursuing economic vitality through business attraction, retention, growth and creation. All of this while being the advocate for business, functioning as primary solicitor for a healthy business climate, producing events that foster better education and partnering among the citizens, the governmental agencies, the business organizations the service sector, the Chambers of Commerce.

Over the past three years the primary focus of the ERC has been on business retention. This model has been under question lately and as evidenced by the recent Seifel report. A new model that does not abandon the retention needs, but expands into attraction, expansion and more importantly to business creation is required. (Just as the original Chabin report indicated back in 1996.)

Therefore the ERC has undertaken a policy of asking three basic questions to every contact that is made by staff.

1. How can the ERC, the cities, the country help grow your business by 10%, 20%, or more?
2. Who in your upstream market or downstream stream supply would make a good neighbor here in Nevada County?
3. Who do you know outside the County that might make a good Neighbor?

Additionally the ERC is working on building a team of highly skilled volunteers to assist in the activities of the Council. Some have questioned the wisdom of such a program, but in the absence of sufficient funding, it represents our best hope to accomplish the variety of tasks for which we are generally charged.

The limitations to economic development fall generally into two categories: external challenges and internal challenges. The external ones are, for the most part, beyond what the ERC can control or change. The internal challenges are the ones that we can undertake to address, correct, modify and turn to an advantage.

The greatest asset of Nevada County is its people. Perhaps nowhere else is there a community with more heart, more intellectual capacity, more benevolence than Nevada County.

The structure of economic development within the county at present is one of the ERC being funded by the County of Nevada, the cities of Grass Valley and Nevada City, by the Chambers of Commerce, service institution such as the Sierra Nevada Memorial Hospital, Nevada Irrigation District, the business associations and private business. The ERC strives to collaborate with all segments of the County business community but little or no correlation is given to how the ERC fits with the other funded organizations. Should the ERC, the Chambers,

the business organizations and private sector business together with the County and the Cities build a unified approach to economic development outreach?

I think so.

At present, the ERC, for the most part works independent of the Cities and the Counties development personnel. The Chambers and the ERC, while having a good relationship do not jointly work on outreach and our collaboration is limited to a few small events and not any strategic outlook

I would like to suggest a change in structure.

Let's retain the current Board of Directors structure of the ERC as the policy watch dog group. This board has broad community involvement and I believe is the correct structure to oversee the broad work of the ERC. But then let's build a more nimble team called the Economic Development Committee. This committee would be made up of one each representative of the cities of Grass Valley, Nevada City, Town of Truckee and Nevada County, one member from the joint Chambers of Commerce and be chaired by the President of the ERC. The program they would be charged with would be business attraction, expansion, creation and retention. This committee could call in outside resources to help with specific technical questions, but the small size of the committee would allow it to function aggressively.

The other committees of the ERC (i.e. Telecommunication, Transportation, Work Force Development) would continue their work on infrastructure needs, such as Broadband, Roads, and work force housing, education, business assistance and events

And there are other frontiers that need work. Green energy and energy independence for our business community is a growing requirement.

Funding for start-ups and expansion can be broadened.

Business education for existing and future business adventures could be expanded. Workshops on the new marketing through the internet might help solve some problems at both the Industrial and Retail levels.

Economic development must be a team effort with contributions from all of the players, the government, the private sector, the service sector, the Chambers, the business associations, the ERC. But how do we unify this effort? The ERC would like to take a larger role in the unification effort, working with all of the entities to solve problems that impact growth of the existing businesses and attracting new businesses.

Part of this unification should include the much talked about "Branding". Looking at a model from by the BID in Nevada City I like there notion "Civilization at the edge of the wilderness" I might like to see that changed a bit. In my surveys of the high tech community there is a real thirst to brand Nevada County as a high tech Mecca with the added feature of the great outdoors. Perhaps a brand such as Civilization and creativity at the edge of nature might be the brand. But

if not this, then what is the brand that all of the county can support? Let's make it happen. We should collect the image and vision of the community from all the stakeholders into a unified look and highlight business clusters that we have, broadcast video, export civil engineering and the like. These businesses desperately need personnel recruitment and are looking for a brand of the life style here.

There were several offers made at the last joint meeting held in Miners Foundry to host a co-operative forum. I would like to take up the Union Newspapers offer of hosting that collaborative and direct it to a look at a universal branding effort.

Next

My suggestion is that the Cities, Town and County collectively consider the value of economic development, look at the costs, the paybacks, who wins, then collectively form a joint funding model perhaps that is administered by a single agency. Agree on the relative burden to each of the entities and then write one check to the ERC tied to program results and a matrix of identifiable outcomes. If a rising tide floats all boats, let's be more collective in our view, rather than fragmented. The Cities, Town and County can draw up a master plan on the programs they want and direct the ERC to accomplish those tasks. Is the task to attract business, or to assist in the need for recruitment?

Measurement

Measurement of the effectiveness of the ERC has never been clearly defined. Is it the change in median income in the county? Is it an absolute number of jobs? Is it an overall increase in export products and services? What is the economic development desired?

We are working on a matrix by which to measure the mission statement along with the goals and objectives, but we need to know what the stakeholders will select as an economic development model. Input from the joint entities of the Cities Town and County as to what they want measured should be made available to the ERC as soon as possible. Then this matrix could be complete by the May ERC Board meeting for their acceptance and/or modification.

Other activities

Part of the task of the ERC should be economic data, with regular reports into the governing bodies that will need this data on which to make decisions.

I believe that the county sees the ERC as the lead in economic development and wants outcomes that are measurable, and as such the ERC will need to grow.

I suggest we expand the ERC over the next two and a half years to 3.5 people. To meet the expectation of the general charge for which we have been given. Then solicit assistance from the development personnel at the cities and county government to aid the ERC staff in terms of research, grant identification, direction and guidance. I have already had the privilege of receiving guidance from Mr. Joe Heckle of the City of Grass Valley and Mr. Steve DeCamp of

Nevada County. This assistance is greatly appreciated and is helping to keep the ERC focus on the target. Further, over that same two-and-a-half years increase the budget to something in the order \$230,000, to \$ 250,000, funding programs that drive to desired outcomes.

In surveying some 35 private sector business in the county over my three months in the position of President I have discovered that one fairly sure way to grow economic health in the community is to put into place a program that assists the current business with employee recruitment. The high tech community that calls Nevada County home; are spending more time, money and energy on this one aspect of their business than on almost any other. By working more closely with the Chambers, the Cities, the County, Sierra College we can help in the recruitment required to grow these existing business. These are clean upscale business that can grow much faster than we could ever attract new businesses. A branding effort that highlights the assets of the community and is made available to the business recruiters could go a long way in expanding the existing businesses.

When I speak of assisting in the recruitment of personnel, I'm not talking about a token appearance at a job fair, but a highly coordinated, focused outreach that is sustained over a period of time. A project that would identify targets, make contact and stay in touch. The high technology businesses within the county are already beginning to looking at co-operative efforts in creating employee inflow. We can and should help them.

Next we need infrastructure.

Grass Valley holds a key role in economic development. The preponderance of land capable of development rests within the City of Grass Valley and their sphere of influence. Bringing that land into shovel ready condition will do a lot to help development. We must continue to measure the quantity of land available to business and industry for expansion and attraction. Without suitable land the business attraction effort will never flourish.

One of the great questions is "where does Truckee feature into the development mix?" A pretty good question. My view of Truckee is a limited one at the moment, but with the assistance of Ms. Judy Hess and Citizens Bank, conversations with Mr. Ted Owens, I'm attempting to correct that limited view. From what I have gathered thus far, there is a lot we can learn from Truckee about a cohesive approach to the economic development outreach and a lot we learn about the courage required to change and grow.

Truckee must sit at the table. While the type of development that is correct for Truckee may be different than Western Nevada County, we need to learn from Truckee and look at some of their model on how we can grow Western Nevada County. Additionally, Truckee must feature into an effort to show off the county as a place of multiple recreation and business possibilities.

The activity to attract conventions and conferences seems to be limited. A joint effort from both ends of the county should be soot, where dollars for outreach can be maximized and incorporated with the collective brand. Who and how will that happen?

The possibilities for development are here, even in spite of some of the hurdles. We are not on a major highway corridor; we are an hour and half from a major airport. We have difficult housing issues.

In five years, what will the County look like? Will we be able to say, yes, we have had growth, and it has been the growth we wanted? Or will we be wrangling over the same set of questions?

Let's not wait for the answer, let's create a will, a plan, and put into action the forces to achieve what we collectively desire. Ladies and Gentlemen of the Joint Meeting, I appeal to you for a unified voice and view for economic development.