



Agenda Item

8

DATE: February 26, 2008
TO: Board of Supervisors
FROM: Bart Bohn, County Administrative Officer *Bart Bohn*
SUBJECT: Progress Report on implementation of Fresno County Economic Development Strategy

RECOMMENDED ACTION:

- 1) Receive Economic Development Progress Report, approve continued implementation of recommended ongoing and new economic development projects and if necessary, provide additional direction to staff; and
- 2) Approve formation of the Fresno County Business and Economic Development Taskforce.

FISCAL IMPACT:

Your Board currently funds the cost of a position of Economic Development Coordinator (also acts as Enterprise Zone Manager) and secretarial support. During the 2007-08 County Budget Hearings, your Board allocated \$200,000 to the Economic Development Corporation serving Fresno County, \$180,000 to the City of San Joaquin to implement economic development programs and \$200,000 to the County Administrative Office for the Department of Public Works and Planning to implement Tourism and Film Commission programs. Your Board has also directed staff to initiate the search process for the acquisition of land to facilitate the creation of a 1,000-acre regional industrial park site. Funds for this purpose will come from a capital funding source currently being researched.

The Enterprise Zone Program (EZIP), if all its goals are achieved and businesses in Fresno County take advantage of wage tax credits and equipment acquisition sales tax credits available through this program, the EZIP program could potentially generate 1.3 billion to the Fresno County local economies over the 15-year life of this program.

ADMINISTRATIVE OFFICE REVIEW *Jac Lem-Bauze* Page 1 of 6
BOARD ACTION: DATE February 26, 2008 APPROVED AS RECOMMENDED X OTHER X



Official Action of
Board of Supervisors

Deputy

RECEIVED; APPROVED FORMATION OF THE FRESNO COUNTY BUSINESS AND ECONOMIC DEVELOPMENT TASKFORCE; AND DIRECTED STAFF TO RETURN TO THE BOARD WITH DETAILS OF THE FORMATION.

UNANIMOUS X ANDERSON _____ CASE _____ LARSON _____ PEREA _____ WATERSTON _____

IMPACTS ON JOB CREATION:

The recommended action to reaffirm Fresno County's commitment to job creation is intended to refocus policy emphasis on activities that support or result in additional high-quality jobs and improving the skills of the workforce in Fresno County.

DISCUSSION:

Background: The foundation of the County's Economic Development Program is the Economic Development Element of the General Plan and the Fresno County Economic Development Strategy approved by the Board of Supervisors on October 3, 2000. Other subregional Economic Development Documents adopted by your Board include the West Side Economic Development Action Plan, the Community Vision for the Golden State Corridor and the Fresno County Regional Enterprise Zone Program approved by your Board, the councils of ten cities and the State of California. The attached Economic Development Progress Report provides an overview of each document and a brief review of the goals and objectives of the Fresno County Economic Development Program and how these goals and objectives are being achieved since the year 2000.

The County's Economic Development Strategy established by your Board, outlines the vision, goals, objectives, policies and strategic initiatives for:

- Achieving the objectives of creating jobs,
- Diversifying the County's economy and
- Improving the skills of the labor force.

Vision: The strategy presents a vision of economic advancement for the County, its residents and its businesses that will accomplish the following:

- By the year 2020 Fresno County will take its place in the Central Valley and California as a center for a wide variety of high value-added firms in a dynamic and growing globally-oriented state economy.
- The growth of basic jobs in the food and fiber industry along with those jobs in emerging industrial clusters will provide all Fresno County residents with employment opportunities in interesting fields with career potential. These jobs will be above average for current wages and bring average incomes in the Fresno Labor Market area in line with other regions of the state. Tourism will also provide jobs related to the area's abundant scenic, recreation and entertainment opportunities.

Board-approved economic development policies for the implementation of the Fresno County Economic Development Strategy are listed on Exhibit A.

Progress Toward Achievement of Economic Development Goals:

Following is an assessment that compares the goals of the Fresno County Economic Development Strategy to actual performance towards the achievement of those goals.

Goal 1 – Job Creation: The job creation goal of the County Economic Development Program calls for the addition of a total of 2,500 jobs annually, including 1,250 jobs in value-added, food processing and agricultural-related support industries and 1,250 non-agricultural jobs from the attraction, expansion and development of businesses under the economic diversification objective.

Goal Achievement: Actual overall performance of the Fresno County economy during the period of year 2000 to 2006 shows on the average the annual creation of 5,616 jobs in all job categories, since this strategy was adopted by your Board. According to the California Employment Development Department, total employment in the Fresno County's economy increased from 347,700 jobs in the year 2000 to 381,400 jobs in the year 2006 – a total increase of 33,700 jobs.

Goal 2 – Diversification of Fresno County's Economy: A second County economic development objective targets to diversify the economic base in the County. This can be accomplished through the expansion of non-agricultural industry clusters and through the development of recreation and visitor-serving attractions and accommodations. The specific objectives for diversification suggest that 50 percent of the total job growth specified in Goal 1 should be in non-agriculturally related industries (or a minimum of 1,250 jobs).

Goal Achievement: Based on the growth demonstrated by non-agricultural jobs, the achievement of the objective to diversify the Fresno County economy is showing very important progress. Between year 2000 and 2006, the number of non-agricultural jobs increased from 292,100 (84.01% of total) to 334,600 jobs (87.87% of total). On the average, non-agricultural jobs grew by 7,083 a year. This amount is much higher than the minimum annual goal of 1,250 jobs targeted for the growth of non-agricultural jobs.

During this same time period, agricultural jobs on the other hand experienced a reduction from 55,600 jobs (15.99% of total) to 46,800 jobs (12.27% of total). However, despite these reductions in employment, agricultural production continues to grow. During this same time period, agricultural production grew from \$3.28 billion in the year 2000 to \$4.84 billion in 2006. Agriculture continues to be an important component of the economy of Fresno County.

It should also be noted that many non-agricultural jobs continue to be supported by the Agricultural Industry. For example, jobs in food processing are considered non-agricultural jobs but many of these jobs are supported by the agricultural sector.

Goal 3 – Improve Skills of the Work Force of Fresno County: This goal requires that training and educational institutions develop a comprehensive system that will produce tangible results in job placement and retention. The process must begin with the K-12 system and continue into appropriate retraining opportunities that will enable all members of the Fresno County labor force to continue on a skill path that will result in steadily increasing wages throughout their career. Specific objectives for labor force preparedness are:

1. Reduction in the unemployment rate equal to the average for the state for employees in the industries targeted for business development over the next 20 years.
2. An increase in wages equal to the average for the state for employees in the industries targeted for business development over the next 20 years.

Goal Achievement: Over the last six years, annual unemployment rates in Fresno County have declined from 10.39% in 2000 to 8.13 in 2006. Over this same time period, seasonal unemployment trends reflect an overall reduction in unemployment. Although some sporadic increases in unemployment may occur, such as the month of December 2007 unemployment increased to 9.9%, overall trends continue to show improvement. In 2006, the State average annual unemployment rate was 4.9%. This is the ultimate County goal for the year 2020.

Average earnings per job in Fresno County have increased from \$31,525 in 2000 to \$41,772 in 2006. In 2006, the State average earnings per job were \$54,500.

Overall, training and education programs provided by private and public training providers are having a positive impact on unemployment and the average earnings per job of Fresno County. Although positive gains are shown, in order to achieve the goal of increasing wages of workers in Fresno County to the State averages, annual gains in Fresno County will need to be greater than the State increases.

Based on the results of employer surveys, employers continue to have difficulties in filling certain jobs. This is a challenge that private and public training providers are working together to address.

Overall Assessment: The success and progress in achieving the County's economic development objectives in the three categories listed above reflects the ongoing support of economic development programs by the Board of Supervisors and the participation of the business community and various economic development partners. Exhibit B provides a review of the most salient economic development projects completed during the last six years. During the last six years, your Board has committed County resources to business retention, expansion attraction programs, funded through the Economic Development Corporation serving Fresno County (EDC) and has funded an economic development unit to coordinate interaction of County departments and private and public agencies in the promotion of economic development and a County Office of Tourism and Film Commission. Your Board's leadership was reflected in recently successfully obtaining State designation of the Fresno County Regional Enterprise Zone with the original participation of ten cities and four more cities that would like to join. The Enterprise Zone has made Fresno County a more attractive place for businesses attraction. More businesses are inquiring about vacant industrial buildings as noted by upcoming announcements about plans to occupy many of those buildings. Your Board also recently received approval of a Fresno County Targeted Employment Area that includes 14 cities in Fresno County making all workers in that area eligible to give State tax benefits to businesses located in the Enterprise Zone. Your board also partnered with Cities of Fresno, Orange Cove and Parlier in obtaining federal designation for important federal tax credits. A list of these and other completed projects is provided on Exhibit B.

Recommendation for ongoing and new economic development projects:

During the next 15 years the County's economic development efforts will need to continue to be directed for the creation, expansion and retention of jobs in industry clusters that provide the highest paying wages and greatest wealth. The following projects will be targeted for implementation in the near future:

- In accordance with Policy 1.1, the County shall continue to provide regional leadership in economic development and coordination of economic development resources. For example, the County of Fresno administers the Enterprise Zone and chairs the Enterprise Zone Board that includes the representation of 10 cities, the EDC and the FCWIB. The recent designation of a Targeted Employment Area for Fresno County and eligible areas in 14 cities has expanded the supply of workers that can give State tax credits to eligible employers in Fresno County.
- In 2008, the representative of the Board of Supervisors has become the Chair of the Five Cities Economic Development Authority Policy and the County's Economic Development Coordinator chairs the Executive Committee.

- Through a performance-based contract with EDC, improve technical assistance, such as finance, marketing, workforce development to businesses in unincorporated areas and the 13 cities for the enhancement of business retention and expansion in Fresno County.
- Through a performance-based contract with EDC, improve business attraction and job creation in Fresno County.
- Support federal legislation to pass a \$150 billion economic package with tax incentives for individuals and businesses.
- Acquire a site to facilitate the creation of a regional industrial park.
- Approve the formation of a new Business and Economic Development Taskforce. Exhibit D identifies the proposed projects that could be addressed by this Taskforce
- Create a sustainable revenue stream and address required County policy changes.
- Continue a business outreach program (including use of various media) to implement the Fresno County Regional Enterprise Zone. The Enterprise Zone is an important economic development tool that can promote business attraction, expansion and retention, reduce the number of vacant industrial buildings and place individuals receiving public assistance in unsubsidized work. The County of Fresno is the lead agency and the County Economic Development Coordinator performs the function of Enterprise Zone Manager. Member cities and other agencies (Exhibit E) provide excellent assistance.
- Implement the business facade improvement program.
- Support efforts of the Fresno County Workforce Investment Board and other training providers to address the skills shortage problem and to obtain increased federal funding.
- Support efforts of the Manufacturing and Food Processing Industry Clusters of the Regional Jobs Initiative to promote the growth of these industries.
- Monitor impact of water shortage on the economy and assist where possible.
- Forge partnerships to address regional waste water treatment solutions to promote development and expansion of value-added and food processing industry.
- Update and evaluate current industry clusters and other areas of the Fresno County Economic Development Strategy and recommend changes.
- Through EDC Contract, promote new entrepreneurship and support efforts of the Central Valley Incubator Program
- Promote alternate energy sources and clean air projects.
- Assist new employers, like a cheese factory that will add 300 jobs on the West Side of Fresno County, to receive training and placement services to hire new workers.
- Support efforts of California State University, Fresno, the Regional Jobs Initiative, the California Partnership for the San Joaquin Valley, and the Federal Taskforce for the San Joaquin Valley in promoting solutions that address economic development needs in the Central Valley. Use the expertise of industry clusters of the RJI.
- Upgrade the position of Economic Development Coordinator to Economic Development Director and authorize the addition of an administrative analyst position.
- Fresno County Office of Tourism. As the regional destination marketing organization, will continue to develop and implement strategies for your Board's consideration to promote Fresno County attractions to increase tourism's economic impact Countywide.
- Fresno County Film Commission. As the designated regional FLICS (Film Liaisons in California Statewide) office for the Fresno County region, will continue to work with film industry professionals to promote and secure locations for filming Countywide, to increase the economic impact of filmmaking throughout the County including the 15 cities.

These items are described in more detail in Exhibit C.

Proposed Business and Economic Development Taskforce:

The recommended formation of a new Business and Economic Development Taskforce would be a useful tool to advise the Board of Supervisors on new ideas and ways to improve the County's economic development efforts. The Taskforce would be staffed by the Economic Development Coordinator. Members of the Taskforce would be appointed by the Board of Supervisors. Each Board member could appoint three members for a total of 15 members. To the extent possible, all targeted business and industry clusters should be represented. Exhibit D identifies some of the projects to be targeted by a new Business and Economic Development Taskforce.

OTHER AGENCY INVOLVEMENT:

The implementation of the County's Economic Development Strategy has involved and will continue to involve various County departments and other economic development partners in Fresno County. Exhibit E provides a partial list of economic development partners.

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BOARD-APPROVED ECONOMIC DEVELOPMENT POLICIES

POLICIES FOR JOB CREATION:

Policy 1.1

The County shall provide regional leadership in economic development and coordination of economic development resources.

Policy 1.2

The County shall support and encourage trends in agricultural production that shift suitable land into higher-value, specialty crops that can support a more diverse processing sector with higher paying and more steadily employment opportunities.

Policy 1.3

The County shall support accelerated development of high value food processing firms.

POLICIES FOR THE DIVERSIFICATION OF THE ECONOMY:

Policy 2.1

The County shall encourage the expansion of non-agricultural business clusters such as information technology, and fabricated metal components manufacturing.

Policy 2.2

The County shall encourage the development of visitor serving attractions and accommodations in County jurisdiction where natural amenities and resources are attractive and would not be diminished by tourist activities.

POLICY FOR IMPROVING THE SKILLS OF THE LABOR FORCE:

Policy 3.1

The County shall support workforce training efforts that will lead to the availability of local workers to meet all the skilled occupational needs of an increasingly diverse business sector.

COMPLETED WORK IN ECONOMIC DEVELOPMENT

The Board of Supervisors has funded and/or participated in the implementation of the following projects:

- Job Creation and Diversification of the Fresno County Economy.
- Achieved State designation of the Fresno County Regional Enterprise Zone which provides important employment and equipment tax benefits to businesses within the zone. Businesses in the targeted industry clusters can take advantage of these tax benefits. The County is the lead agency in the implementation of this program along with ten cities. Exhibit F identifies all the agencies that continue to help in this process.
- Achieved State designation of the Fresno County Targeted Employment Area that includes eligible territory in 14 cities and most of the County's unincorporated areas. The designation of most of the County as a Targeted Employment Area (TEA) has increased the supply of eligible employees that can qualify to give State Tax credits to businesses located in the Enterprise Zone. The only requirement is that they live in the TEA at the time of employment.
- Proclaimed November as "Business Outreach Month" and adopted a business outreach program to ensure the participation of businesses and to generate the economic benefits of the Fresno County Regional Enterprise Zone Program. About 500 businesses have received information on the tax benefits available through the Enterprise Zone. Technical assistance in this area will continue in 2008.
- Adopted High Value-Added Ordinance to facilitate the expansion and development of value added firms in unincorporated areas of Fresno County. For example, a new cheese factory with the addition of 300 new jobs has been approved by the Fresno County Planning Commission for the West Side of Fresno County.
- Contributed \$1.2 million to the Economic Development Corporation serving Fresno County to market Fresno County and fund business expansion, retention and attraction programs.
- Partnered with the City of Fresno to facilitate relocation and expansion of the Lidestri Foods Processing Facility.
- Acquired water rights to promote economic development in Fresno County,
- Provided value added training in Kerman and Selma to about 100 businesses to encourage them to participate in value-added ventures. California State University, Fresno and University of California at Davis assisted in this process.
- Included a new provision in MOUs with cities that streamline the annexation of land for regional commercial and industrial purposes.
- Joined the City of Fresno in obtaining federal Empowerment Zone designation to provide important federal tax credits to businesses. County continues to serve as a member of the Board of Directors of the Empowerment Zone.

- Joined the cities of Orange Cove and Parlier in obtaining federal Community Renewal designation to provide important tax to businesses located in those cities.
- Established a tax-sharing MOU with the City of Kingsburg to facilitate the annexation and creation of an industrial/commercial park.
- Created the Fresno Regional e-Government Taskforce to develop a plan for utilizing electronic information technology to improve delivery of governmental services and improve computer access to rural areas.
- Through the Fresno County Branch Library and the Central Library provides in hard copy and electronic form (internet) market and business research information to businesses.
- Provides land use and building permit process information to businesses seeking to expand or construct new facilities in unincorporated areas of Fresno County.
- Supported County services to the business community through the departments of County Administrative Office, Agriculture, Cooperative Extension, Public Works and Planning, Assessor, Employment and Temporary Assistance, Library and other departments.

Community Development Projects:

- Over past three years, 46 projects have been completed utilizing \$9.9 million in grant funds. 31 projects totaling over \$5.4 million in grant funds are currently in progress. Approximately 15 new grant projects are initiated each year. Your Board funds these facility and infrastructure improvement grant projects in unincorporated area and 8 participating cities, to prepare and enhance communities for subsequent outside capital investment.
- Developed economic development partnership between Self-Help Enterprises, the Economic Opportunities Commission and the Westside Housing and Economic Network to implement federal grant to provide construction workforce training at new housing development in Biola.
- Developed partnership with Housing Authorities and Del Rey Community Services District for receipt of federal grant funds to expand Del Rey's industrial wastewater treatment facility to serve business expansion and job development in Del Rey.
- Worked with the following groups on collaborative efforts to improve the local agricultural economy: the Small Farm Resource Network, the Fresno County Farm Bureau, and the Fresno Agricultural Roundtable.
- Provided analysis and GIS mapping for determining factors for property search for potential new regional industrial park. Collected and analyzed data for each identified site/area regarding suitability for industrial park and types of industry.
- Conducted Interstate 5 interchange study to analyze potential of I-5 interchanges for potential regional or sub-regional industrial park. Completed two 'first impressions' visits, analysis, and presentations to city officials for cities of Kerman and Coalinga, to be used for economic readiness project development as part of the Certified Communities Program. Providing grants to the I-5 BDC for improvements in Tranquillity and Coalinga.
- Completed strategic analysis of economic impact on farmworker housing for

Westlands land retirement proposal; developed and implemented new program strategies to address impacts.

- Provided analysis of commercial development proposals in Friant community for consistency with existing Friant Redevelopment Plan, and provides redevelopment analysis for Board of Supervisors' consideration regarding proposed Redevelopment Plan extension and revisions.
- Implemented HUD Section 8 loan program for economic development capital loans (i.e. Mi Rancho Tortilla, Kerman Community/Teen Center).
- Participates as a partner in the Yosemite/Sequoia Resource, Conservation and Development area (RC&D) and its efforts to preserve the environment while increasing opportunities for economic development. Co-hosted with the Y/S RC&D an agritourism workshop in Reedley. Additional collaborative efforts include watershed protection and creation of literature about the central Sierra Nevada. Also continues to be an active member of the committee working to be approved as a regional RC&D for the San Joaquin Valley.

Tourism – Adopted Fresno County Tourism Master Plan and created Fresno County Tourism Committee along with the Fresno County Office of Tourism and Film Commission. Over the last six years, funded Tourism and Film Commission Programs at cost higher than \$1 million. Promoted tourism to attract visitors to Fresno County to benefit businesses that provide accommodations like restaurants and hotel/motel facilities and served as Film Commissioner. Results show record breaking tourism economic development impacts -- Fresno County annual tourism spending up a record \$72.6 million according to State's most recent tourism report. First three years since Office of Tourism was created, tourism spending countywide increased over \$176 million which outpaced the State's average for the same period. Additionally, during the same three year period, tourism employment in Fresno County increased by 790 jobs.

Film Commission – Results show film production in Fresno County continues to grow. Filming in 2006 was up 25% over 2005, when the County hosted 14 projects resulting in 85 film days with an economic impact of \$1.2 million, including a scene in the Sony Pictures feature film *Click*. In 2006, the Fresno County Film Commission hosted 25 productions for 101 film days with an economic impact of \$1.5 million, including 10 episodes of the Emmy-nominated children's reality show *Endurance High Sierras*. Already for 2007 (through mid-October), the County has hosted 22 productions for 127 film days with an estimated economic impact of \$1.3 million, including a montage for Paramount Pictures' upcoming new *Indiana Jones* feature film.

Improving the Skills of the Workforce of Fresno County.

- Sought and obtained federal earmarked funds for the creation of a regional vocational training facility for the west side of Fresno County in the City of Mendota.
- During the last six years, the Board of Supervisors has participated in the appointment of the Fresno County Workforce Investment Board (FCWIB). Two

members of the Board of Supervisors also serve on the FCWIB and directly participate in the adoption of workforce programs, policies and procedures.

- The FCWIB is funded by the U. S. Department of Labor and seeks other available State and Federal grants. During recent years the FCWIB's funding resources have been reduced from \$68 million to \$23 million. Despite these funding reductions the FCWIB continues to streamline operations and maximizing the use of available training and placement funds.
- The FCWIB continues to play an important role in improving the average earnings per job in Fresno reported above. For example, in 2006, the FCWIB placed 1363 adults and 286 job seekers. Of the 1,649, enrolled job seekers, the FCWIB assisted 1,363 adults in gaining employment. Of those placed, 694 went into high demand growth industries that offered better wages, including: Health Care 261, Agile Manufacturing 186, Logistics/Distribution 168, Construction/Trades 60, and Automobile Technology 19. Workers were also placed in Business (180). Finance 32 and Computer Technology 28.
- There are six Workforce Connection One –Stop Center locations. Two Fresno locations are at the Manchester Mall and at the Executive Plaza. There are also locations in Firebaugh, Reedley, Coalinga and the Kerman Resource center.
- The FCWIB, with the support of the Regional Jobs Initiative and other economic development partners, conducted the Fresno County Employment Study to determine the current and future workforce needs in Fresno County. The results of this study served to heighten awareness of the widespread workforce shortage across multiple sectors in Fresno County. That report also concludes that the current workforce shortage will intensify as the “baby boomer” and qualified worker population age.
- Last year, the State Center Community College District hosted a districtwide workforce development summit to solicit input from businesses, industry and public service stakeholders to determine how the community colleges can best serve the needs of business and how to reduce the gap of lack of qualified workers and jobs available.
- The Employment and Temporary Assistance Department (E&TA) also plays an important role in the training and placement of individuals receiving public assistance. In calendar year 2007, E&TA placed 7,391 clients in employment. On the average, 9,624 enrollees are served each month.

RECOMMENDED ONGOING AND NEW ECONOMIC DEVELOPMENT PROJECTS

New and Continued Strategic Initiatives:

- In accordance with Policy 1.1, the County shall continue to provide regional leadership in economic development and coordination of economic development resources.
- In 2008, the representative of the Board of Supervisors has become the Chair of the Five Cities Economic Development Authority Policy and the County's Economic Development Coordinator chairs the Executive Committee.
- Create a Business and Economic Development Taskforce to evaluate current programs and to advise the Board of Supervisors about the development of new economic development initiatives. The Taskforce should include representation from all industry clusters identified in the Fresno County Economic Development Strategy.
- Create a sustainable County Revenue Stream (This item is listed under THRIVING ECONOMY: One of Ten Key Strategic Initiatives/key Results Area Aligned with Board Priorities).
- Acquire a site to facilitate the creation of a regional industrial park (This item is listed under THRIVING ECONOMY. One of Ten Key Strategic Initiatives/Key Results Area Aligned with Board Priorities) Your Board has initiated a site selection process for a 1,000 acre or more industrial site for resale as a shovel-ready site with primary land use entitlements in place. Lack of available large-scale industrial sites has been a persistent problem in the area.
- Continue to support efforts of cities to create city industrial parks and support legislation for State and Federal funding of local infrastructure projects. A new Memoranda of Understanding with cities provides for the streamlining of annexations of regional commercial and industrial sites proposed by cities. The cities on the East side and West side of Fresno County also point out the potential and strategic locations of the I-5 and the Golden State Corridors to accommodate new commercial and industrial sites.
- Targeted businesses in the industry clusters identified in the Fresno County Economic Development Strategy participate in Fresno County Enterprise Zone to receive a maximum of \$36,600 in State tax credits for each employee hired after June 27, 2007 and for Sales Tax credit on equipment acquisitions on purchases of up to \$20 million for corporations and \$1 million for individuals. The EDC, the FCWIB and the Employment and Temporary Assistance Department, Proteus, and other agencies are assisting in this process.
- Implement the business facade improvement program.
- The County shall actively continue to develop, adopt and implement measures to ensure an adequate water supply for municipal, industrial use and agricultural production. The County shall explore and implement where feasible innovative new arrangements for providing additional water.

- Certain critical requirements of food processing industries, such as waste water treatment, may require innovative regional solutions. The County shall support and encourage technology development programs through collaboration with research institutions such as the Food Technology Institute at California State University, Fresno and industry associations for use by industries to support the expansion of value-added industries.
- Continue to support County culture making economic development and job creation an overarching goal throughout Departments.
- As permitted by budgetary constraints, provide resources to facilitate economic development activities (e.g., enterprise zone administration, permit assistance and streamlining, agricultural services support).
- The County has commissioned the firm of Mintier and Associates (\$600,000) to review the various elements of the General Plan and to update the Fresno County Zoning Ordinance Code.
- Ensure success of Fresno County Regional Enterprise Zone. This program can potentially improve Fresno County's Economy by \$1.3 Billion. Provide technical assistance to businesses to promote the issuance of EZ Vouchers.
- Continue to assist businesses seeking to obtain industrial and commercial building permits to explain county land use policies and procedures.
- As permitted by budgetary constraints, expand and upgrade the Office of Economic Development. Add economic development staff. As a high-profile office to focus exclusively on Economic Development and represent the County as a leader in all regional ED efforts. Increase the staff to 2.3 persons (originally 3; currently 1.3). At some point an administrative analyst position should be restored. As fiscal resources will allow it, upgrade the position of Economic Development Coordinator to Director of Economic Development.
- Support efforts of California State University, Fresno, the Regional Jobs Initiative, the California Partnership for the San Joaquin Valley, the Federal Taskforce for the San Joaquin Valley and the San Joaquin Valley Regional Association of Counties in promoting solutions that address economic development needs in the Central Valley.
- Fresno County Office of Tourism. As the regional destination marketing organization, will continue to develop and implement strategies for your Board's consideration to promote Fresno County attractions to increase tourism's economic impact Countywide. Includes cooperative public/private marketing of unique attractions, calendar of festivals and events, itinerary coordination, advertising, website/internet, travel media, marketing missions, farm trips, product development, and collaborative marketing partnerships locally, valleywide, statewide and national/international. Created identity for Fresno County tourism focusing on cultural and heritage tourism (including agritourism), and nature recreation.
- Fresno County Film Commission. As the designated regional FLICS (Film Liaisons in California Statewide) office for the Fresno County region, will continue to work with film industry professionals to promote and secure locations for filming Countywide, to increase the economic impact of filmmaking throughout the County including the 15 cities.

- Improve the Skills of the Workforce in Fresno County. Support efforts of Fresno County Workforce Investment Board in seeking State and Federal funding for training and placement.

As a result of the Fresno County Employment Study and the State Center Community College Business Summit, the FCWIB, the State Center Community College District, West Hills Community College District, California State University, Fresno and other private and public training providers will continue to work together to determine how to fill the gaps in training availability, quality of training and creating programs that address broad skill development. These joint efforts will ultimately provide better support of business needs and education of job seekers in order to meet employer requirements. The County of Fresno will continue to support those efforts.

**PROPOSED FUNCTIONS OF A NEW FRESNO COUNTY BUSINESS AND
ECONOMIC DEVELOPMENT TASKFORCE**

Provide advice to the Board of Supervisors and County staff in the following areas:

- Review Fresno County's Economic Development Strategy and recommend the update, and improvement of the vision, goals and objectives and targeted business clusters.
- Review County programs and policies that have an impact on the businesses community in Fresno County and recommend improvements.
- Assess current business retention and expansion programs and recommend improvements.
- Identify in the most effective methods in the implementation of business attraction programs
- Identify opportunities in private/public partnerships for regional infrastructure for certain industries like food processing.
- Evaluate feasibility of a business license fee and identify programs to businesses that could be funded with the proceeds of such a fee.
- Advise on how to make County services more business friendly.
- Assist in the identification of industries to be targeted in the Regional Industrial Site search process
- Advise on new approaches to increase the participation of business in County programs provided by various county departments. (For example, Enterprise Zone, Employment and Temporary Assistance, Community Development)

EXHIBIT E

(Matrix of economic development partners, provided as a separate attachment)

	Activities													
	Business Development	Access to Technology	Land Use	Training and Education	Access to Capital	Surface Transportation	Air Transportation	Air Quality	Water Quality and Availability	Housing	Support Services	Recreation/Tourism	Participation	Evaluation
Partners*														
County Government	O	O	X	O	O	O	O	O	O	X	X	X	O	X
City Government			X			O	O		O	X			O	
Economic Development Corporation	X	O	O		O			O	O			O		
Fresno Business Council	O	O	O		X		X	O					O	
Metropolitan Chamber	O			O	O		O					O	O	
Hispanic Chamber and Community Chambers	O			O	O		O							
University Business Center	O	X		O	O	O								
County Agricultural Commissioner	O		O						O					
Agricultural Extension Services		O	O	O										
County Farm Bureau	O	O	O	O					O				O	
California Agricultural Technology Institute	O	X		O										
Workforce Development Board				X										
West Hills Community College				X										
Fresno City College, Training Institute				X										
County Superintendent of Schools		O		O										
Council of Fresno County Governments						X	O							
San Joaquin Valley Unified Air Pollution Control District						O	O	X						
Regional Water Quality Control Board									X					
New United Way											O		X	X
Central Valley Futures Institute														X
Economic Opportunities Commission				O							O		X	
Building Industry Association	O		O						O	O				
American Farmland Trust	O		O						O	O				
Visitor and Convention Bureau	O											O		
Center for Advanced Research and Technology		X		O										
Central Valley Business Incubator		O		O	O									
Five Cities Economic Development Authority	O											O		
I-5 Business Development Corridor, Inc.	O			O	O									

Partial List

X = Lead

O = Support

FRESNO COUNTY ECONOMIC DEVELOPMENT PROGRESS REPORT

February 26, 2008

Bart Bohn,
County Administrative Officer

Jose Leon-Barraza,
Fresno County Economic Development Coordinator/
Enterprise Zone Manager

INTRODUCTION:

The foundation of the County's Economic Development Program is the Economic Development Element of the General Plan and the Fresno County Economic Development Strategy approved by the Board of Supervisors on October 3, 2000. Other subregional Economic Development Policy Documents adopted by your Board include the West Side Economic Development Action Plan, the Community Vision for the Golden State Corridor and the Fresno County Regional Enterprise Zone Program approved by the State of California.

Following is an overview of the various documents that establish Board of Supervisors Policies on Economic Development for Fresno County:

A. ECONOMIC DEVELOPMENT ELEMENT OF THE GENERAL PLAN

The primary short-term and long-term objective of the County's Economic Development efforts is to create good jobs at a faster rate than population growth to bring Fresno County in line with the rest of California in terms of employment rates and wages. The Economic Development Element is divided in three sections: Job Creation, Economic Base Diversification, and Labor Force Preparedness.

Job Creation: The Goal here is to increase job creation through regional leadership, agricultural productivity, and development of high-value-added processing firms.

Economic Base Diversification: In order to improve economic stability, accelerate the pace of job growth, and maintain the quality of life for County residents, it is important to diversify the job base in the County. This can be accomplished through the expansion of nonagricultural industry clusters and a through the development of recreation and visitor-serving attractions and accommodations.

Labor Force Preparedness: Training and education must be expanded to build a base of skills that would be attractive to firms locating or seeking to expand.

B. FRESNO COUNTY ECONOMIC DEVELOPMENT STRATEGY

In adopting the Economic Development Strategy in 2000, the Board of Supervisors recognized Economic Development as the necessary underpinning for thriving and healthy communities with a high quality of life for all residents, and to overcome decades of high unemployment, concentrated poverty, an undereducated workforce, and limited resources for vital public services, including those vital to support business and industry.

The County's Economic Development Strategy outlines the vision, goals, objectives, policies and strategic initiatives for:

- Achieving the objectives of creating jobs,
- Diversifying the County's economy and
- Improving the skills of the labor force.

Following are excerpts of the Fresno County Economic Development Vision:

Vision

- By the year 2020 Fresno County will take its place in the Central Valley and California as a center for a wide variety of high value-added firms in a dynamic and growing globally-oriented state economy. The County and all its local jurisdictions will have experienced significant employment growth in full-time well-paying jobs in industries that are creating new wealth in the region. These jobs will cover the full range of opportunities for all members of the labor force.
- The growth of basic jobs in the food and fiber industry along with those jobs in emerging industrial clusters, such as information technology, biotechnology and environmental technology, will provide all Fresno County residents with employment opportunities in interesting fields with career potential. These jobs will be above average for current wages and bring average incomes in the Fresno Labor Market area in line with other regions of the state. Tourism will also provide jobs related to the area's abundant scenic, recreation and entertainment opportunities.
- Full-time, lower-paying jobs will be available for the less skilled in the expanding of commercial sector due to an increasingly profitable market for retail goods and services triggered by higher incomes and population growth in the incorporated cities and unincorporated communities throughout the County.
- Growth in basic jobs and local serving jobs, coupled with a sharp reduction in the cost of services to formerly unemployed residents will also provide increased revenues to public sector institutions for building and maintaining the infrastructure necessary for sustaining economic and personal growth.
- The potential negative impacts of economic and population growth will have been mitigated through the careful location of industrial, commercial and residential development in areas appropriately zoned within the spheres of influence of cities or established communities in the unincorporated area.
- In bringing about this result all public entities will have searched for, and found, new and innovative ways to carry out their public responsibilities, including providing a sound foundation for economic growth while maintaining an impressive quality of life for all its residents.

Role of the County of Fresno: The Economic Development Strategy (Policy 1.1) identifies the need for the County of Fresno to play a regional leadership role in economic development and coordination of economic development resources. The strategy identifies regional areas that offer the County of Fresno the opportunity to play a regional role. The Strategy states: "The County can assist by coordinating regional land use and infrastructure planning, supporting initiatives to develop regional solutions

to economic constraints such as transportation systems, water supply, strategies for waste management, workforce preparation, global and national marketing and business attraction and many more." As later shown in this report, the Board of Supervisors continues to play a leadership role in many of those areas. As an example, the Board of Supervisors played a leadership role in the recent formation of Fresno County Regional Enterprise Zone that offers state tax credits to businesses located within the zone. Ten cities are participating in this project and four more cities are asking to join the enterprise zone. Additional examples of County leadership are provided in this report.

Organizational Framework: The Economic Development Strategy acknowledges that implementation of this strategy requires the continued participation of various public and private sector agencies to attract new businesses to the County and encourage existing businesses to expand and nurture entrepreneurs to start new enterprises.

Under the direction of the County Administrative Officer, the County's Economic Development Coordinator, who also serves as the Fresno County Regional Enterprise Zone Manager, interacts with all cities, outside agencies and County Departments in the implementation of the Economic Development Strategy and economic development programs approved by the Board of Supervisors.

Agencies from outside the County structure that play an important role in support of the Board's economic development policies include: The Fresno County Workforce Investment Board, the Workforce Connection, Proteus, the California Employment Development Department, the Economic Development Corporation serving Fresno County, the Five Cities Economic Development Authority, the I-5 Business Development Corporation, West Hills and State Center Community College Districts, California State University Fresno, cities in Fresno County, chambers of commerce and other business organizations like the Business Council, the Central Valley Business Incubator and the Regional Jobs Initiative.

The implementation of the County's Economic Development Strategy has also involved and will continue to involve various County departments and other economic development partners in Fresno County. County departments that play a key role in the implementation of the County's Economic Development Strategy include the County Administrative Office, the Department of Public Works and Planning (Divisions of Development Services, Community Development, and GIS), the Agriculture Department, the Cooperative Extension, the Employment and Temporary Assistance Department, the Fresno County Library and other departments that directly and indirectly support the Board of Supervisors policies in economic development.

(Exhibit A includes a matrix that identifies a partial list of economic development partners and the economic development performed by each agency).

Outside Fresno County, County staff and the Board of Supervisors stay in contact with legislative issues at the State and Federal level to continue to promote legislation that can improve economic conditions in Fresno County. The County of Fresno is a member

of the California State Association of Counties, and the San Joaquin Valley Regional Association of Counties. County staff and individual Board members participate in activities of the Federal Taskforce for the San Joaquin Valley, California Partnership for the San Joaquin Valley and the California Association for Economic Development.

Targeted Business Clusters:

The Strategy targets the following industry clusters:

- **Agricultural Infrastructure** (high value-added firms in the processing, packaging and distribution of agricultural products)
- **Metalwork and Machinery** (farm machinery, pumping equipment and metal structures)
- **Information Processing** (insurance claims processing, centralized payroll processing, and telecommunications)
- **Tourism Cluster**

Additional clusters were added when the West Side Action Plan was approved. Those clusters are identified in the next section.

C. WESTSIDE ECONOMIC DEVELOPMENT ACTION PLAN

This Plan was approved by the Board of Supervisors on November 30, 2004. This Plan contains a series of initiatives designed to address the unique economic development challenges of the West Side of Fresno County. Economic conditions of the West Side were worsening due to the proposed retirement of agricultural land by the Westland's Water District. This document was developed with the participation of all the cities located in this subregion of Fresno County and other regional economic development organizations such as the I-5 Business Development Corridor, the Fresno County Workforce Investment Board, the Economic Development Corporation serving Fresno County, and the West Hills Community College District.

The West Side Economic Development Action Plan added the following industry clusters to be targeted:

- Light Industrial/Agile Manufacturing,
- Warehousing, Advanced Logistics and Distribution
- Biomass Production/Renewable Energy,
- Specialty Medical and Health Care Services
- High Tech Equipment and Repair
- Water Technology
- Smart Commerce
- Construction

These industry clusters are consistent with those industry clusters being targeted by the Regional Jobs Initiative and the Economic Development Corporation serving Fresno County.

D. COMMUNITY VISION FOR THE GOLDEN STATE CORRIDOR

The Golden State Corridor Community Vision was developed by the cities of Fowler, Selma, and Kingsburg and the County to identify the opportunities for economic development available along the Golden State Corridor. This document was approved by the Board of Supervisors on April 2003. The Golden State Corridor is a 13.5 mile stretch corridor of old Highway 99 running from the City of Fowler to the City of Kingsburg and through the City of Selma and portions of Fresno County. Recognizing that this expanse of highway has great unmet potential for commercial, industrial and community development, the Cities of Fowler, Kingsburg, and Selma and the County of Fresno-Golden State Corridor Partners came together to conduct joint economic development planning.

E. FRESNO COUNTY REGIONAL ENTERPRISE ZONE:

Under the leadership of the Fresno County Board of Supervisors, on June 27, 2007 the State of California designated ten cities and eight unincorporated communities as the Fresno County Regional Enterprise Zone. This State designation is a very positive economic development tool that can improve economic conditions in the areas by offering State tax credits to businesses that hire eligible employees and for the acquisition of eligible equipment. The addition of four cities is currently being processed with the California Department of Housing and Community Development. It is very possible that the total number of cities can be increased from 10 to 14. The Enterprise Zone Application is a comprehensive Economic Development Strategic Plan that identifies the role of various agencies in an interagency cooperation process, specific goals for a 15-year period and a self-evaluation and ongoing reporting process.

The Economic Development Corporation serving Fresno County is assisting in marketing the Enterprise Zone. The Fresno County Workforce Investment Board is the Vouchering Agent for the program. The County's Economic Development Office has overall management responsibilities for the Enterprise Zone and coordinates this program with all participating agencies and the business community. This program targets the issuance of 400 vouchers each year and periodic reports are prepared to monitor progress in the implementation of this program.

The Enterprise Zone program is an important tool being used for the attraction, retention and expansion of businesses. Many vacant industrial sites are in the process of being occupied because of the tax incentives this program provides.

Prior to the adoption of the Economic Development Element of the General Plan, the Economic Development Strategy, The Golden State Vision, the West Side Action Plan, the Fresno County Enterprise Zone Application by the Board of Supervisors, these documents were developed with the input and participation of various economic

development partners like the Fresno County Workforce Investment Board, the Economic Development Corporation serving Fresno County, the Five Cities Economic Development Authority, the I-5 Business Development Corporation, West Hills and State Center Community College Districts, cities in Fresno County, chambers of commerce and other business organizations.

ECONOMIC GOALS AND OBJECTIVES:

The purpose of the Economic Development Strategy is to provide a framework for achieving the Vision of the County. This section sets out the initial economic goals and objectives for achieving the Vision of the Economic Development Strategy, followed by a set of business development and supporting initiatives to implement the strategy.

Goal 1: Increase Job Creation

The first goal of the Economic Strategy is to increase the number of jobs available to Fresno County residents equal to or above growth in the labor force. Achievement of this goal will provide the personal income, profits and tax revenues necessary for continued investment in sustainable economic growth. This growth will provide for continued improvement in the standard of living and quality of life consistent with the achievement of the vision for the County by the year 2020. It will also help decrease the historically high unemployment rates for the County. The objectives for increasing employment opportunity are:

1. An expansion of local high value-added businesses in the County by 1,000 net new employees per year greater than growth in the labor force over the twenty-year period measured in five-year increments.
2. The attraction of new high value-added businesses to the County by 1,000 net new employees per year greater than growth in the labor force over the twenty-year period measured in five-year increments.
3. The development of new high value-added enterprises in the County by 500 net new employees greater than growth in the labor force over the twenty-year period measured in five-year increments.

(At least 50% of the 2,500 jobs to be created under goal 1, [1,250 jobs] should be in non-agriculturally related industries)

Goal 2: Diversify the Economic Base.

A second goal of the Economic Development Strategy is diversification of the economic base to reduce dependency on agriculturally-related businesses for employment and wealth creation. Economic diversification will not only create added stability for the economy but will also help to increase average wages and total income in the County.

Achievement of this goal will require that the increases in employment associated with achievement of Goal 1 include a mix of industries that provide for steady and deliberate diversification toward emerging clusters and industries that are unrelated to agriculture. Therefore, the targets for business development should include businesses in the information and metals and metal working clusters. Also included should be those non-agricultural industries that have been targeted by the EDC and the cities. The specific objectives for diversification of the economic base outlined below suggest that 50 percent of the total job growth specified in Goal 1 should be in non-agriculturally related industries.

1. An expansion of the number of jobs currently available in targeted clusters and industries other than agriculture by 500 net new jobs annually over the 20-year period measured in five-year increments.
2. Attraction of a minimum of 500 net new jobs annually in firms in targeted clusters and industries other than agriculture over the next 20 years measured in five-year increments.
3. Development of 250 net new jobs annually in new enterprises in targeted clusters and industries other than agriculture over the next 20 years based on five-year increments.

Goal 3: Improve Labor Force Preparedness

Achievement of this goal requires that training and education institutions develop a comprehensive system that will produce tangible results in job placement and retention. The process must begin with the K-12 system and continue into appropriate retraining opportunities that will enable all members of the Fresno County labor force to continue on a skill path that will result in steadily increasing wages throughout their career. Specific objectives for labor force preparedness are:

1. Reduction in the unemployment rate equal to the average for the state for employees in the industries targeted for business development over the next 20 years.
2. An increase in wages equal to the average for the state for employees in the industries targeted for business development over the next 20 years.

PROGRESS TOWARD ACHIEVEMENT OF ECONOMIC DEVELOPMENT GOALS:

The Economic Development Element of the General Plan calls for the periodic evaluation of progress being made in achieving the economic development goals and objectives of the County's Economic Development Program. This progress report provides a review of the economic development achievements and projects that have been implemented in accordance with the programs and policies approved by your Board. Recommended ongoing and new economic development program activities are also being identified to give your Board the opportunity to reaffirm the County's

Economic Development Program priorities and/or provide staff additional direction on this important program.

Goal 1 – Job Creation:

The job creation objectives of the Economic Development Strategy targets the annual creation of 2,500 jobs related to the attraction, expansion and development of value-added businesses and the agriculture infrastructure. At least 50% of these jobs (or 1,250 jobs) include non-agricultural jobs from the attraction, expansion and development of businesses under the economic diversification objective.

Overall Job Creation Performance of the Economy of Fresno County.

Actual overall performance of the Fresno County economy during the 2000-2006 time period shows, on the average, the annual creation of 5,616 jobs in all job categories, since this strategy was adopted by your Board. According to the California Employment Development Department, total employment in the Fresno County's economy during that time period increased from 347,700 to 381,400 jobs (a total increase of 33,700 jobs over this 6-year period).

Goal 1 of the Economic Development Strategy targets the annual creation of 2,500 jobs. Overall during the first six years, the number of jobs created in the County's economy has more than doubled. (Graph 1 compares actual performance of the economy to the County's job creation goal of adding 2,500 jobs annually to the economy.) This achievement speaks very highly of role of the private sector in Fresno County and the outstanding support provided by the County of Fresno, the 15 cities, and all the economic development partners/agencies that have a role in the job creation effort previously listed. This in part has been an important factor in reducing the unemployment rate and increasing the average earnings per job in Fresno County. (This topic is addressed in Section 3). Job creation efforts should continue in industries with the highest potential for growth and for improving the earnings and employment benefits of workers in Fresno County.

Graph 2 depicts total employment growth trends in Fresno County in the last 6 years. Employment growth in Fresno has followed similar trends when compared to an average of eight San Joaquin Valley counties. Fresno County, with 381,400 workers has the highest number of workers of the economies of those valley counties; followed by Kern County with 312,800 jobs, San Joaquin County with 266,400 jobs and Stanislaus County with 209,000 jobs.

Graph 3 also shows that the rate of employment growth in Fresno County follows similar growth patterns than the eight-SJV counties average and the State.

POLICIES: The following economic development policies have been approved by the Board of Supervisors for the achievement of the objectives of Goal 1:

Policy 1.1: The County shall provide regional leadership in economic development and coordination of economic development resources.

Policy 1.2: The County shall support and encourage trends in agricultural

production that shift suitable land into higher-value, specialty crops that can support a more diverse processing sector with higher paying and more steady employment opportunities.

Policy 1.3: The County shall support accelerated development of high value-added food processing firms

Completed Projects:

- Achieved State designation of the Fresno County Regional Enterprise Zone which provides important employment and equipment tax benefits to businesses within the zone. Funded 50% (\$125,000) of the cost. Businesses being targeted by the Economic Development Strategy can take advantage of these tax benefits. The County is the lead agency in the administration of this program along with ten cities.
- Adopted High Value-Added Ordinance to facilitate the expansion and development of value added firms in unincorporated areas of Fresno County.
- Contributed \$1.2 million to the Economic Development Corporation serving Fresno County to market Fresno County and fund business expansion, retention and attraction programs.
- Partnered with the City of Fresno to facilitate relocation and expansion of the LiDestri Foods Processing Facility.
- Acquired water rights to promote economic development in Fresno County.
- Provided value added training in Kerman and Selma to about 100 businesses to encourage them to participate in value-added ventures. California State University, Fresno and University of California at Davis assisted in this process.

Recommended New and Continued Strategic Initiatives:

- Target businesses in County industry clusters to participate in Fresno County Enterprise Zone to receive a maximum of \$36,600 in State tax credits for each employee hired after June 27, 2007 and for Sales Tax credit on equipment acquisitions on purchases of up to \$20 million for corporations and \$1 million for individuals.
- The County shall continue to actively develop, adopt and implement measures to ensure an adequate water supply for municipal, industrial use and agricultural production. The County shall explore and implement where feasible innovative new arrangements for providing additional water.
- Certain critical requirements of food processing industries, such as waste water treatment, may require innovative regional solutions. The County shall support and encourage technology development programs through collaboration with research institutions such as the Food Technology Institute at California State University, Fresno and industry associations for use by industries to support the expansion of agricultural industries.

The recommendation to form a Business and Economic Development Taskforce is intended to promote the participation of the business sector in the implementation of the Fresno County Economic Development Strategy and make improvements where necessary.

Goal 2 – Diversification of the County’s Economy

A second objective of the County’s Economic Development Strategy is to diversify the economy of Fresno County. Graph 4 compares employment growth in agricultural jobs to employment growth in non-agricultural jobs. Agricultural jobs show a declining trend, overall growth has been limited. Non-Agricultural jobs on the other hand show a higher growth trend.

The following table shows that in the year 2,000, agricultural jobs represented 15.99% of total employment in Fresno County; in 2006 agricultural jobs represent 12.27% of total jobs in Fresno County. Non-agricultural jobs on the other hand in the year 2000 represented 84.01% of total jobs in Fresno County and in the year 2006 this percentage increased to 87.73%.

	<u>Employment Growth</u>			
	Ag jobs vs. Non-ag Jobs			
	<u>2000</u>		<u>2006</u>	
Ag Jobs	55,600	15.99%	46,800	12.27%
Non-Ag Jobs	292,100	84.01%	334,600	87.73%
Total Jobs	347,700	100%	381,400	100%

Overall Progress to Diversify the Economy of Fresno County

Based on the growth demonstrated by Non–agricultural jobs, the achievement of the objective to diversify the Fresno County economy is showing very important progress. However, in order to achieve other economic development objectives of the County’s Economic Development Strategy, employment growth should continue to target industries that have the most positive economic impact on the economy.

Following is a review of the employment growth within industry categories between year 2000 and 2006. Table 1 shows employment growth within each industry as provided by the California Employment Development Department.

Jobs in construction and mining experienced the highest growth during this time period (from 15,500 jobs to 23,300 jobs). This represents a 50.3% growth. Since these jobs represent employment in private facilities and public works projects highway construction was boosted by Measure C and the recent surge in the housing market that now appears to be more stable.

Other industries that have experience a positive growth include Education/Health (20.06%), Leisure/Hospitality (16.0%), Business Services (13.39%), Transportation/Warehousing (10.53%), Retail Trade (10.38%), Wholesale Trade (9.92%) and Food Processing (9.1%).

Industries that experience a loss during this time period include: Agricultural Employment (15.83%), Durable Goods-Manufacturing (15.83%), and Utilities/Information (-13.8%).

POLICIES:

The following County economic development policies have been in place for the achievement of the objectives of Goal 2:

Policy 2.1: The County shall encourage the expansion of non-agricultural business clusters such as information technology and fabricated metal components manufacturing.

Policy 2.2: The County shall encourage the development of visitor serving attractions and accommodation in County jurisdiction where natural amenities and resources are attractive and would not be diminished by tourist activities.

Completed Projects:

- Included a new provision in MOUs with cities that streamline the annexation of land for regional commercial and industrial purposes.
- Joined the City of Fresno in obtaining federal Empowerment Zone designation to provide important tax credits to businesses. County continues to serve as a member of the Board of Directors
- Joined the cities of Orange Cove and Parlier in obtaining federal Community Renewal designation to provide important tax credits to businesses located in those cities.
- Established a tax-sharing MOU with the City of Kingsburg to facilitate the annexation and creation of an industrial/commercial park.

Community Development Projects:

- Over past three years, 46 projects have been completed utilizing \$9.9 million in grant funds. 31 projects totaling over \$5.4 million in grant funds are currently in progress. Approximately 15 new grant projects are initiated each year. Your Board funds these facility and infrastructure improvement grant projects in unincorporated area and 8 participating cities, to prepare and enhance communities for subsequent outside capital investment.
- Developed economic development partnership between Self-Help Enterprises, the Economic Opportunities Commission and the Westside Housing and Economic Network to implement federal grant to provide construction workforce training at new housing development in Biola.
- Developed economic development partnership with Housing Authorities and Del Rey Community Services District for receipt of federal grant funds to expand Del Rey's industrial wastewater treatment facility to serve business expansion and job development in Del Rey.
- Worked with the following groups on collaborative efforts to improve the local agricultural economy: the Small Farm Resource Network, the Fresno County Farm Bureau, and the Fresno Agricultural Roundtable.

- Provided analysis and GIS mapping for determining factors for property search for potential new regional industrial park. Collected and analyzed data for each identified site/area regarding suitability for industrial park and types of industry.
- Conducted Interstate 5 interchange study to analyze I-5 interchanges for potential regional or sub-regional industrial park. Completed two 'first impressions' visits, analysis, and presentations to city officials for cities of Kerman and Coalinga, to be used for economic readiness project development as part of the Certified Communities Program. Providing grants to the I-5 BDC for improvements in Tranquillity and Coalinga.
- Participates as a partner in the Yosemite/Sequoia Resource, Conservation and Development area (RC&D) and its efforts to preserve the environment while increasing opportunities for economic development. Co-hosted with the Y/S RC&D an agritourism workshop in Reedley. Additional collaborative efforts include watershed protection and creation of literature about the central Sierra Nevada. Also continues to be an active member of the committee working to be approved as a regional RC&D for the San Joaquin Valley.

Tourism: Results show record breaking tourism economic development impacts. Fresno County annual tourism spending is up a record \$72.6 million according to State's most recent tourism report. First three years since Office of Tourism was created, tourism spending Countywide increased over \$176 million which outpaced the State's average for the same period. Additionally, during the same three-year period, tourism employment in Fresno County increased by 790 jobs.

Film Commission: Results show film production in Fresno County continues to grow. Filming in 2006 was up 25% over 2005, when the County hosted 14 projects resulting in 85 film days with an economic impact of \$1.2 million, including a scene in the Sony Pictures feature film *Click*. In 2006, the Fresno County Film Commission hosted 25 productions for 101 film days with an economic impact of \$1.5 million, including 10 episodes of the Emmy-nominated children's reality show *Endurance High Sierras*. Already for 2007 (through mid-October), the County has hosted 22 productions for 127 film days with an estimated economic impact of \$1.3 million, including a montage for Paramount Pictures' upcoming new *Indiana Jones* feature film.

Recommended New and Continued Strategic Initiatives:

- Create a Business and Economic Development Taskforce. The primary objective of this Taskforce will be to advise the Board of Supervisors on new initiatives to promote the expansion, development and attraction of businesses in Fresno County.
- Through the Fresno County Branch Library and the Central Library provides in hard copy and electronic form (internet) market and business research information to businesses.
- Provides land use and building permit process information to businesses seeking to expand or construct new facilities in unincorporated areas of Fresno County
- Fresno County Office of Tourism. As the regional destination marketing organization, will continue to develop and implement strategies to promote

Fresno County attractions to increase tourism's economic impact Countywide. Includes cooperative public/private marketing of unique attractions, calendar of festivals and events, itinerary coordination, advertising, website/internet, travel media, marketing missions, farm trips, product development, and collaborative marketing partnerships locally, valleywide, statewide and national/international. Created identity for Fresno County tourism focusing on cultural and heritage tourism (including agritourism), and nature recreation.

- Fresno County Film Commission. As the designated regional FLICS (Film Liaisons in California Statewide) office for the Fresno County region, will continue to work with film industry professionals to promote and secure locations for filming Countywide, to increase the economic impact of filmmaking throughout the County including the 15 cities.

Goal 3 – Improve Labor Force Preparedness:

This goal requires that training and education institutions develop a comprehensive system that will produce tangible results in job placement and retention. Training and education institutions must address the needs of the business community. Specific objectives for labor force preparedness are reduction in unemployment rate and increase wages equal to the average for the State over the next 20 years (by the year 2020).

Overall Progress to Achieve Workforce Goal 3:

Over the last six years, annual unemployment rate in Fresno County has declined from 10.39% in 2000 to 8.13 in 2006. Seasonal unemployment has also been reduced. Graph 5 depicts historical seasonal unemployment trends reductions. The State annual unemployment rate for 2006 was 4.9%.

Average earnings per job in Fresno County have increased from \$31,525 in 2000 to \$41,772 in 2006. (The State average earnings per job for 2006 were \$54,500.) This growth pattern is shown on Graph 6.

This indicates that training and education programs in Fresno County are having a positive impact on unemployment and the average earning per job of Fresno County. However, there is still a shortage of skilled workers to fill available jobs in Fresno County.

In order to achieve the goal of increasing wages of workers in Fresno County to the State averages, annual gains in Fresno County will need to be greater than the State increases.

POLICIES: The following County economic development policies have been in place for the achievement of the objectives of Goal 3:

Policy 3.1. The County shall support workforce training efforts that will lead to the availability of local workers to meet all the skilled occupational needs of an increasingly diverse business sector.

Completed Projects:

- Sought and obtained federal earmarked funds for the creation of a regional vocational training facility for the west side of Fresno County in the City of Mendota.
- During the last six years, the Board of Supervisors has participated in the appointment of the Fresno County Workforce Investment Board (FCWIB). Two members of the Board of Supervisors also serve on the FCWIB and directly participate in the adoption of workforce programs, policies and procedures.
- The FCWIB is funded by the U. S. Department of Labor and seeks other available State and Federal grants. During recent years the FCWIB's funding resources have been reduced from \$68 million to \$23 million. Despite these funding reductions the FCWIB continues to streamline operations and maximizing the use of available training and placement funds.
- The FCWIB continues to play an important role in improving the average earnings per job in Fresno reported above. For example, in 2006, the FCWIB placed 1,363 adults and 286 job seekers. Of the 1,649, enrolled job seekers, the FCWIB assisted 1,363 adults in gaining employment. Of those placed, 694 went into high demand growth industries that offered better wages, including: Health Care 261, Agile Manufacturing 186, Logistics/Distribution 168, Construction/Trades 60, and Automobile Technology 19. Workers were also placed in Business 180, Finance 32, and Computer Technology 28.
- There are six Workforce Connection One-Stop Centers locations. Two Fresno locations are at the Manchester Mall and at the Executive Plaza. There are also locations in Firebaugh, Reedley, Coalinga and the Kerman Resource Center.
- The FCWIB, with the support of the Regional Jobs Initiative and other economic development partners, including Fresno County, conducted the Fresno County Employment Study to determine the current and future workforce needs in Fresno County. The results of this study served to heighten awareness of the widespread workforce shortage across multiple sectors in Fresno County. That report also concludes that the current workforce shortage will intensify as the "baby boomer" and qualified worker population age.
- Last year, the State Center Community College District hosted a districtwide workforce development summit to solicit input from businesses, industry and public service stakeholders to determine how the community colleges can best serve the needs of business and how to reduce the gap of lack of qualified workers and jobs available.
- The Employment and Temporary Assistance Department (E&TA) also plays an important role in the training and placement of individuals receiving public assistance. In calendar year 2007, E&TA placed 7,391 clients in employment. On the average, 9,624 enrollees are served each month.

Recommended New and Continued Strategic Initiatives:

As a result of the Fresno County Employment Study and the State Center Community College Business Summit, the FCWIB, the State Center Community College District, West Hills Community College District, California State University, Fresno and other private and public training providers will continue to work together to determine how to fill the gaps in training availability, quality of training and creating programs that address broad skill development. These joint efforts will ultimately provide better support of business needs and education of job seekers in order to meet employer requirements. The County of Fresno will continue to support those efforts.

Methodology:

Information about other San Joaquin Valley counties and the State was obtained from a 2007 San Joaquin Valley Quality of Life Index Report, prepared by Dr. Antonio Avalos, Director of Research and Dr. Janice Peterson, Director of Education of the Center for Economic Research and Education of Central California (CERECC), Department of Economics, at California State University, Fresno. County staff appreciates the assistance of Dr. Avalos and Dr. Peterson in this project.

Employment and unemployment information was compiled from reports released by the California Employment Development Department. County staff also appreciates the assistance provided by the EDD staff.

FRESNO COUNTY ECONOMIC DEVELOPMENT

PROGRESS REPORT

FEBRUARY 26, 2008

FOUNDATION DOCUMENTS

- Economic Development Element of General Plan and Economic Development Strategy. Approved October 3, 2000.
- West Side Economic Development Action Plan
- Golden State Corridor Vision
- Fresno County Enterprise Zone MOU

VISION

- By the year 2020, Fresno County will be the center for a wide variety of high value-added firms in a dynamic and growing globally-oriented State economy.
- Jobs in Fresno County will be above average for current wages and bring average incomes in the Fresno Labor market area in line with other regions of the State.

Objectives of Fresno County Economic Development Strategy:

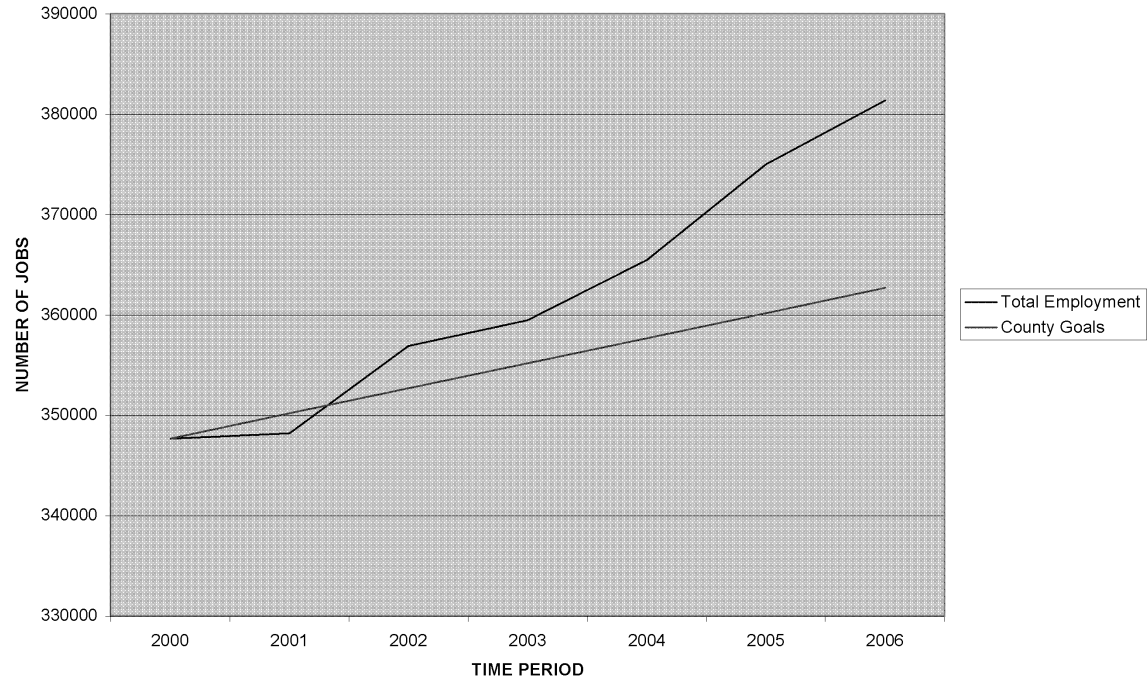
- Create Jobs
- Diversify the County's Economy
- Improve the Skills of the Labor Force

Economic Development Goals

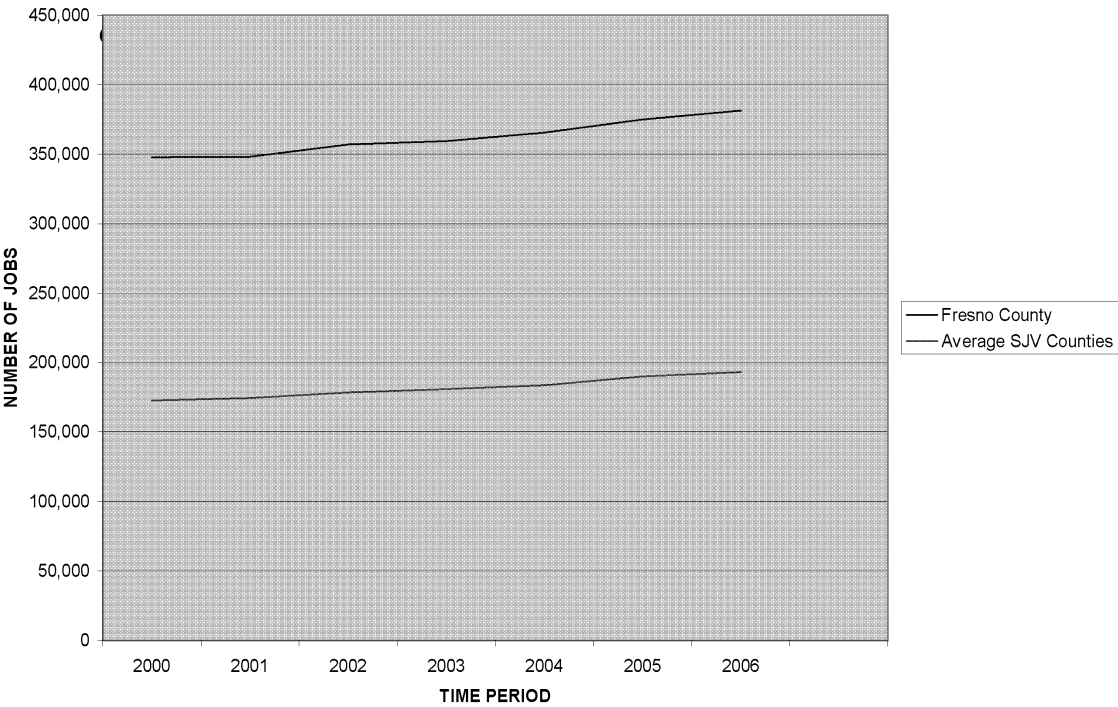
- GOAL 1. Job creation.
- Create 2,500 jobs annually. At least 50% should be in value-added, food processing or agricultural related jobs. The other 50% should be in non-agricultural jobs.

EMPLOYMENT GROWTH IN FRESNO COUNTY

GRAPH 1

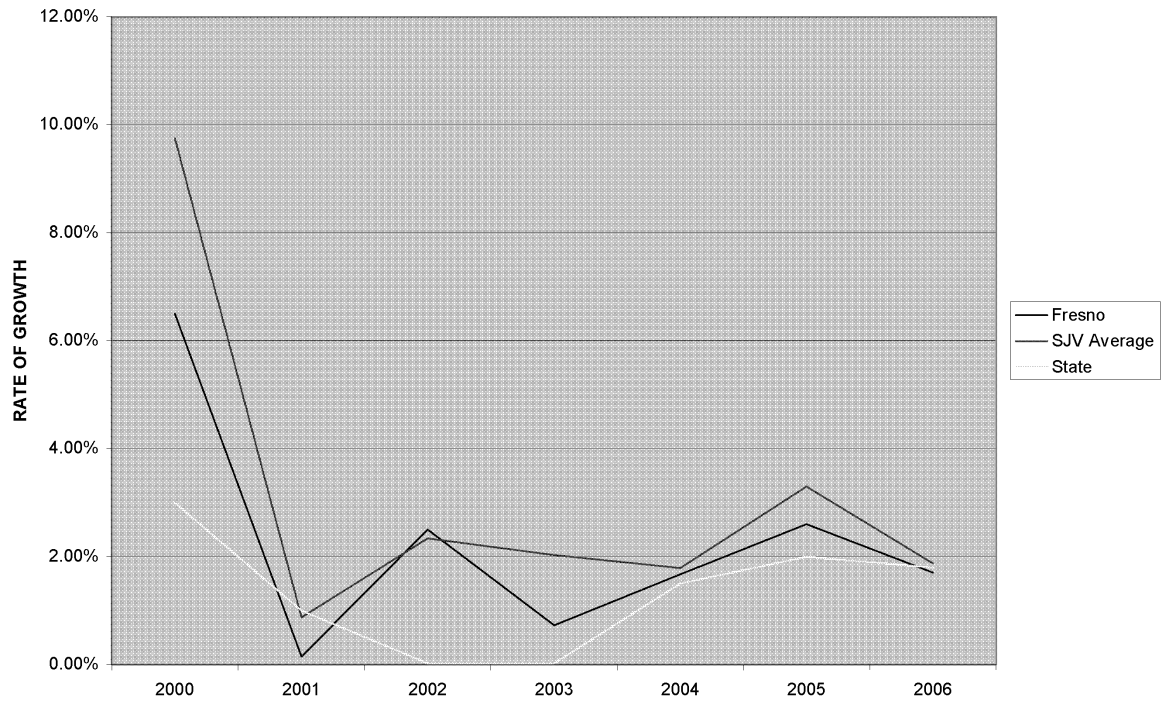


FRESNO COUNTY EMPLOYMENT GROWTH VS AVERAGE SJV COUNTIES



TOTAL EMPLOYMENT ANNUAL GROWTH

GRAPH 3



Board's Contribution to Achieve this Goal

- Adopted an Economic Development Strategy with a vision, policies, goals and objectives.
- Targeted Specific Industry Clusters for growth.
- Funded EDC to implement business attraction, retention and expansion at a cost of \$1.2 million.
- Achieved State designation of Enterprise Zone and Targeted Employment Area.
- Created an ED Unit and successfully brought together various cities and agencies to work together.

Board's Contributions (cont'd)

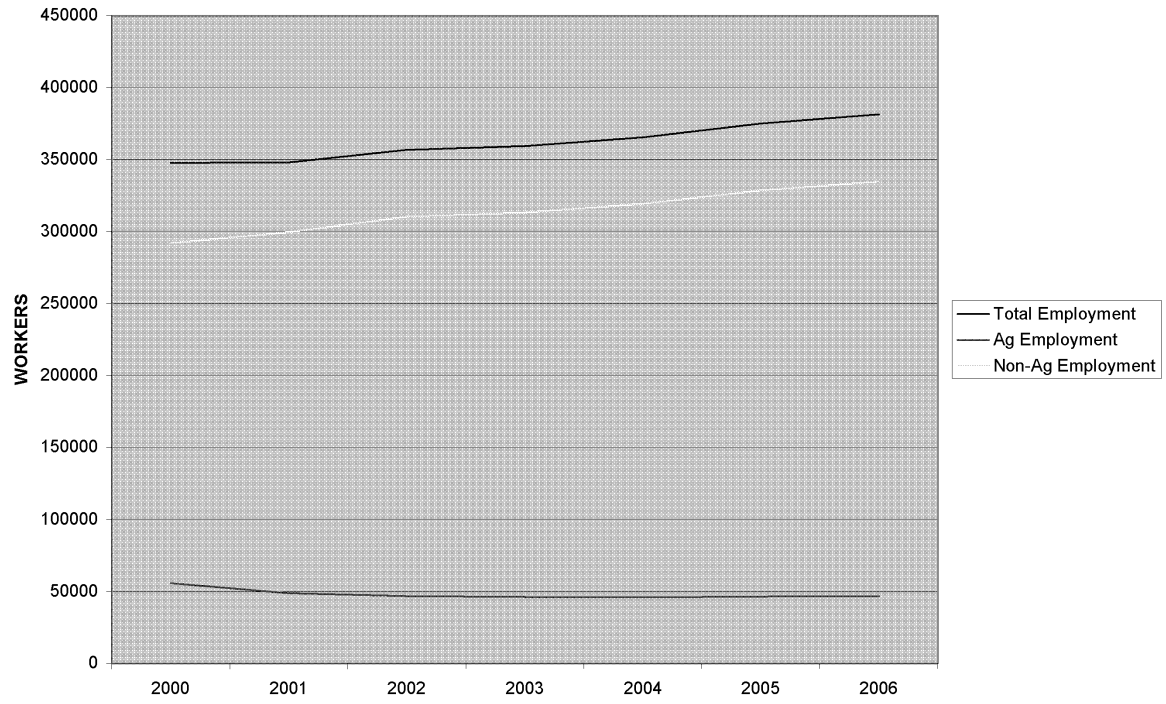
- Created EZ Board (14 cities), EDC, and FCWIB working together
- Funded tourism programs(\$1million)
- Streamlined the annexation of land for regional commercial and industrial sites in cities.
- Other infrastructure projects listed on Exhibit B

Goal 2. Diversify the Economy

- A minimum of 1,250 jobs should be in non-agricultural industries

EMPLOYMENT GROWTH TRENDS-FRESNO COUNTY

GRAPH 4



**TABLE 1- EMPLOYMENT GROWTH WITHIN INDUSTRIES
(2000 and 2006)**

BUSINESS CLUSTER	2000	2006	CHANGE	%CHANGE
Ag Employment	55,600	46,800	-8,800	-15.83%
Manufacturing				
Durable Goods	12,300	10,700	-1,600	-13.01%
Non-Durable Goods	15,300	16,700	1,400	9.15%
Food Manufacturing				
Construction, Mining.....	15,500	23,300	7,800	50.32%
Wholesale Trade	12,100	13,300	1,200	9.92%
Retail Trade	31,800	35,100	3,300	10.38%
Transp. Warehousing	7,600	8,400	800	10.53%
Utilities, Information	6,500	5,600	-900	-13.85%
Business Services	49,300	55,900	6,600	13.39%
Education/Health	30,900	37,100	6,200	20.06%
Leisure and Hospitality	24,300	28,200	3,900	16.05%
Government	65,100	67,600	2,500	3.84%
Other	21,400	32,700	11,300	52.80%
 Total	 349,700	 383,406	 33,706	 9.64%

Source: California Department of Employment Development

Board Contributions

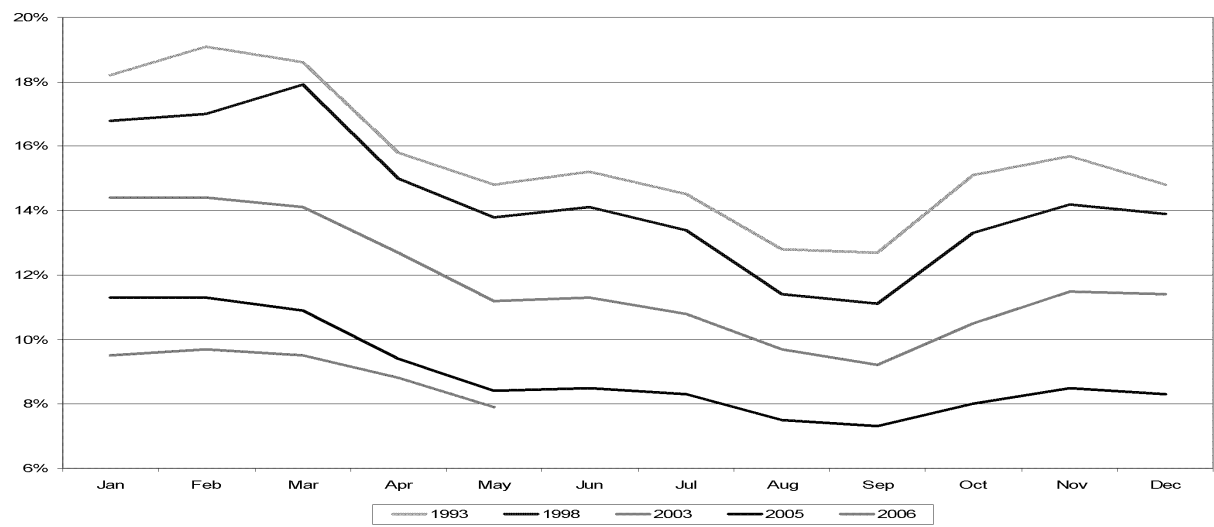
- Adopted a value-added ordinance to facilitate the expansion and development of value added firms in unincorporated areas of Fresno County.
- Adopted a tourism ordinance to promote agro-tourism in rural areas.
- Targeted specific industries for growth

Goal 3. Improve Skills of the Work Force

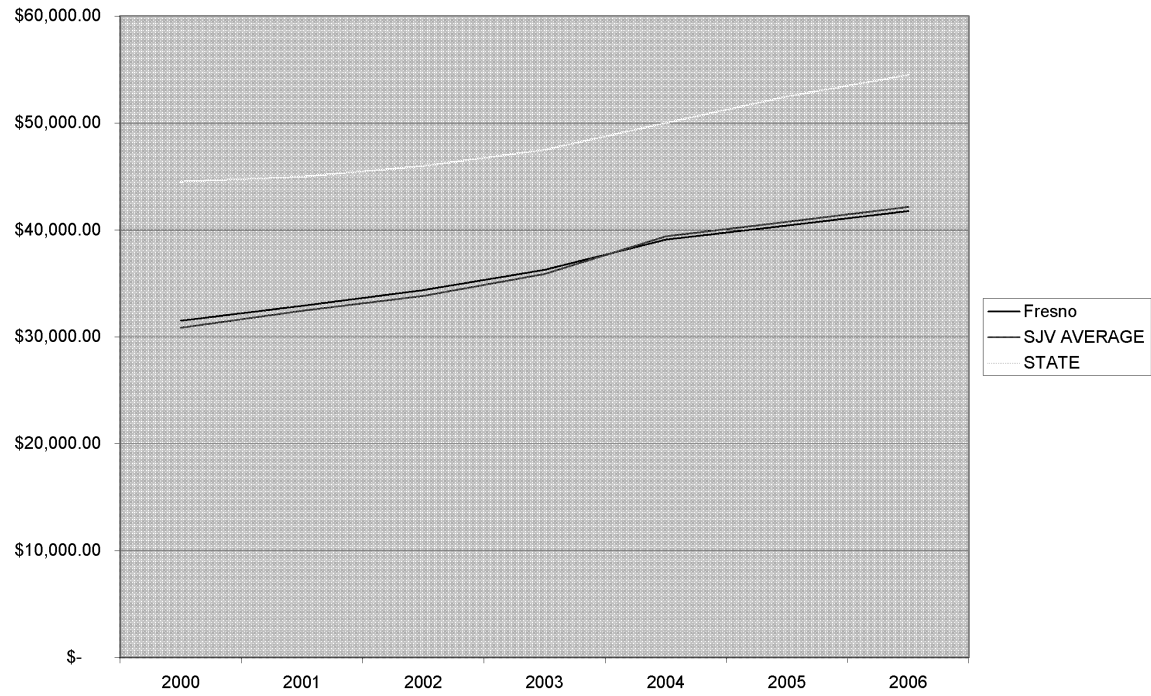
- Reduce Unemployment to be Equal to State Average over the next 20 years.
- Increase in Wages Equal to State Average over the next 20 years.

DECLINING SEASONAL UNEMPLOYMENT

GRAPH 5



GRAPH 6
AVERAGE EARNINGS PER JOB



Board's Contribution

- Participates and supports the work of Fresno County Workforce Investment Board
- There are six Workforce Connection One-Stop locations. Two Fresno locations at the Manchester Center and the Executive Plaza. There are also locations in Firebaugh, Reedley, Coalinga and the Kerman Resource Center.
- Obtained earmark for West Side Regional Vocational Facility in Mendota
- Funds operations of Employment and Temporary Assistance Department

New ED Initiatives

- County leadership. County administers Enterprise Zone with the help of various agencies and 14 cities.
- Ensure success of Fresno County EZ. Could bring into Fresno County Economy \$1.3 billion.
- County chairs Five Cities ED Authority and participates in I-5 Business Development Corridor.
- Improve business attraction, retention and expansion program through performance-based contract with EDC.

New ED Initiatives (cont'd)

- Continue to support county culture making economic development and job creation an overreaching goal throughout departments.
- Expand and upgrade ED Unit. Restore position of Director of Economic Development and add an administrative analyst.

New ED Initiatives (cont'd)

- Acquire a site to facilitate creation of a regional industrial park
- Create a sustainable revenue stream and address required County policy changes.
- Implement business façade improvement program
- Approve the formation of a Business and Economic Development Taskforce

Business and Economic Development Taskforce

- Proposed functions:
- Update County's ED Strategy and industry clusters
- Advise Board on County programs that impact businesses.
- Evaluate feasibility of a business license fee

RECOMMENDATIONS:

- Receive report and approve recommended ongoing and new ED projects and
- Approve formation of a Business and Economic Development Taskforce