



Agenda Date: 6/26/2007
Agenda Placement: 6II

NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

TO: Board of Supervisors
FROM: Britt Ferguson for Watt, Nancy - County Executive Officer
Community Partnership Program
REPORT BY: Bruce Wilson, Community Partnership Analyst , 259-8679
SUBJECT: Amendment No. 2 to Agreement No 4198-1 with Napa Valley Economic Development Corporation

RECOMMENDATION

County Executive Officer requests approval of and authorization for the Chair to sign Amendment No. 2 to Agreement No. 4198-1 with the Napa Valley Economic Development Corporation (NVEDC) for a maximum of \$100,000 for Fiscal Year 2007/2008 for services related to economic development.

EXECUTIVE SUMMARY

The Napa Valley Economic Development Corporation (NVEDC) is a private, non-profit organization. Since 1990, the County has contracted with NVEDC to provide general economic development services. The proposed agreement provides an expanded scope of economic development services with a focus on communication and coordination with the business community.

FISCAL IMPACT

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	Yes
Where is it budgeted?	Fiscal Year 2007/2008 County Contributions and Community and Intergovernmental Affairs budgets
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The proposed agreement provides critical services at low cost, by leveraging the County's contribution of \$100,000 to help NVEDC generate several times that in contributions from the private sector.
Is the general fund affected?	Yes

- Future fiscal impact: The agreement contains an automatic renewal clause. However, funding is subject to reapproval of funding every fiscal year.
- Consequences if not approved: Critical information that the County needs to make land use and other strategic decisions would not be available, except at greater cost. At this particular time, given the County's current involvement in updating its General Plan - including the addition of a new Economic Development Element - the partnership with this type of organization is even more necessary.
- Additional Information:

ENVIRONMENTAL IMPACT

ENVIRONMENTAL DETERMINATION: The proposed action is not a project as defined by 14 California Code of Regulations 15378 (State CEQA Guidelines) and therefore CEQA is not applicable.

BACKGROUND AND DISCUSSION

On July 1, 2005, the Board of Supervisors entered into an agreement with the Napa Valley Economic Development Corporation (No. 4198-1) for \$35,000 to provide certain specialized economic development services, as authorized by Government Code section 31000. The agreement was funded by the County's Housing and Community Development (HCD) grant which was a \$300,000 economic development grant from the State that was originally awarded in 1989 to help fund a local start-up metal fabrication company known as XKT Engineering. Once that loan was repaid, the funds were authorized to be used to capitalize a revolving loan fund (RLF) for small local businesses. This agreement had a provision for automatic renewal.

In 2006, the Board approved the first amendment to agreement 4198-1. The amendment allocated a maximum of \$35,000 for FY 06-07 from the HCD grant to provide slightly revised economic development services. However, it also inadvertently removed the provision for automatic renewal of the agreement.

Today's proposed action represents the second amendment to agreement No. 4198-1. This amendment will do a number of things. First, it will re-insert a provision for automatic renewal of this agreement (No. 4198-1). Second, it will again provide \$35,000 from the HCD economic development grant to utilize and administer grants from the RLF. And finally, it will provide an additional \$65,000 from the General Fund to allow the NVEDC to provide a variety of necessary economic development services including information and data that will assist the County in areas such as the General Plan Update and workforce development and enhanced coordination with the business community. Under the terms of the proposed agreement NVEDC will:

- | serve as a conduit to the business community, using various tools to determine strengths, weaknesses, opportunities and threats faced by County industry;
- | provide real-time data and information about the overall performance of the Napa County economy including its primary industry clusters; provide detailed strategic information regarding the value of existing clusters as well as "clusters of opportunity"; make recommendations regarding the targeting of resources; build community partnerships designed to provide such resources;
- | based on criteria for desirable businesses in Napa County, field inquiries from prospective new businesses and serve as their local guide to Napa County, including introductions to key governmental and business contacts;
- | follow-up with desirable businesses who, after initial expressions of interest, decided not to locate in Napa

- County to determine gaps in Napa County's offering to them;
- | conduct interviews, surveys and focus meetings with current business owners to identify barriers to business growth and prosperity;
- | provide general business advocacy in support of County's state and federal legislative efforts and regional initiatives;
- | represent Napa County in regional business Forums such as the Bay Area Council;
- | place articles on Napa County in business publications and respond to articles on Napa County by other;
- | conduct interviews, surveys and focus meetings with current business owners to identify barriers to business growth and prosperity; and
- | maintain contacts with the business community; use these contacts to assist County in marketing/promoting County services; encourage businesses to access County services as appropriate.

On a quarterly basis, NVEDC will deliver:

- | analysis and reports on various economic data sources (i.e. Moody's, Dun & Bradstreet, etc);
- | using all available sources (i.e. focus groups, surveys, labor market information, etc) deliver industry based assessments to determine strengths, weaknesses, opportunities and threats (SWOT) with recommendations for support; identify business needs and recommend new business services as necessary; (Target: 3 new business services)
- | a narrative description of new Napa County businesses, including what attracted them and a description of the process involved in their moving (or not moving) to Napa County;
- | cases-in-progress, including factors involved in their decision making and possible recommendations to promote their move to Napa County;
- | follow-up with prospects who decided not to come to Napa County including factors involved in their decision making process;
- | reports on various economic data, deliver industry based assessments;
- | report on what business owners in Napa County say about the strengths and weaknesses in the County's business climate; and
- | facilitate and distribute County business service information to the business community.

SUPPORTING DOCUMENTS

None

CEO Recommendation: Approve

Reviewed By: Karen Gratton