

**SIERRA ECONOMIC
DEVELOPMENT CORPORATION**

SEMI-ANNUAL PERFORMANCE REPORT

April 2009 through September 2009

**ECONOMIC DEVELOPMENT ADMINISTRATION PLANNING GRANT
07-83-06356**

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Sierra Economic Development Corporation

ORGANIZATION AND ADMINISTRATION

The Sierra Economic Development Corporation (SEDCorp) operates as a 501 (c)(4) non-profit corporation formed under a Joint Powers Agreement initiated between the Counties of El Dorado, Nevada, Placer, and Sierra in 1969. SEDCorp operates as the designated regional planning district and is partially funded by the US Department of Commerce, Economic Development Planning Grant program.

September 2, 2009 marked SEDCorp's 40th Anniversary. The Celebration was held after a brief Board Meeting at The Ridge in Auburn. SEDCorp was honored to have representatives from EDA, SBA and USDA come and speak at the event. In addition, four SEDCorp loan clients spoke on their experience with obtaining loan funds and how it has changed their businesses. SEDCorp's CEO gave a presentation on where we were, what we have accomplished and where we are headed in the future.

As of the end of the current reporting period, the Board membership includes eight elected officials (including one minority member, Santiago), six private sector representatives and two vacancies. The private sector representatives include two at-large representatives, one for the region's Chambers of Commerce and the other for rural and agricultural business representation. **Table 1** provides a listing of current membership and industry representation.

The current SEDCorp officers and executive committee elected in February 2009 for a one-year term are:

Chair:	Joshua Alpine
Vice-Chair:	Norma Santiago
Secretary-Treasurer:	Patty Hall
Minority Representative:	Norma Santiago

Norma Santiago, El Dorado County Supervisor, serves as Chair of the Sierra Planning Organization (SPO) with Mike Holmes, City of Auburn, serving as Vice-chair. Lee Adams, Sierra County Supervisor, serves as SPO Secretary-Treasurer.

In April, Nevada County private sector Board member Tim McShane resigned due to a change in his priorities; a replacement appointment is still pending.

Table 1
Sierra Economic Development Corporation Board of Directors
September 2009

Board Member	County	Race	Sex	Economic Sector Representation	Elected or Private Citizen
Norma Santiago	El Dorado	Hispanic	F	County Government	Elected
Jerry Birdwell	El Dorado	Caucasian	M	City Government	Elected
Kathie Pacileo-Jenkins	El Dorado	Caucasian	F	Banking	Private
Sid Davis	El Dorado	Caucasian	M	Consulting	Private
Maryann Argyres	At-Large	Caucasian	F	Rural representative	Private
Ed Scofield	Nevada	Caucasian	M	County Government	Elected
Sally Harris	Nevada	Caucasian	F	City Government	Elected
Vacant	Nevada				Private
Vacant	Nevada				Private
Lee Adams	Sierra	Caucasian	M	County Government	Elected
Gary Shelton	Sierra	Caucasian	M	City Government	Elected
Patty Hall	Sierra	Caucasian	F	Banking	Private
Jim Johnston	Sierra	Caucasian	M	Hospitality	Private
Joshua Alpine	Placer	Caucasian	M	Utilities	Elected
Mike Holmes	Placer	Caucasian	M	City Government	Elected
Wendy Gerig	At-Large	Caucasian	F	Chamber of Commerce	Private

Since April, the SEDCorp Board met five times. The Board held their meetings in various parts of the District so as to better understand the regional economic base. Meetings were held in Nevada City and City of Auburn. The remainder of the meetings was held in the SEDCorp office in Auburn.

The following Board committees have been active during the past six months:

- The CEDS Committee: Reviewed and updated the proposed scope of work for the annual CEDS update; provided comments to the full Board for its consideration at the June meeting.
- The Personnel Committee: Reviewed revisions to the Personnel Handbook and brought recommendations to the Board for approval. The Personnel Committee met in closed session (August) to discuss the annual evaluation of the CEO.
- Joint Budget Committee: Deliberated on the financial implications of a potential SEDCorp reorganization and expanded Board membership; discussion is on-going. Worked with the CEO to develop and recommend the draft FY10 Joint Operating Budget that was approved by the full Board at its September meeting.
- Loan Committee: Reviewed loan applications for SBA Microloans and other revolving loan funds (RLFs) and advised on collection issues and re-funding of loan programs.
- Ad Hoc Committee for 40th Anniversary Celebration: The Ad Hoc Committee met numerous times to discuss the planning of SEDCorp's 40th Anniversary. Discussion covered press releases, sponsorships, speakers and presentation by SEDCorp.

An in-house professional staff serves the SEDCorp and SPO Boards of Directors. They include:

Chief Executive Officer	<i>Brent Smith</i>
Operations Manager/Economic Development Planner	<i>Sandy Sindt</i>
Loan Program Supervisor	<i>Colleen Crowden</i>
Administrative Assistant	<i>Maria Chase</i>
Contract Bookkeeper	<i>Laurie Van Groningen</i>

In June 2009, Jerry Huynh resigned from the Loan Program Supervisor position to join the SBA Regional Headquarters in Sacramento. Colleen Crowden, previously the Administrative Assistant for the Loan Program, succeeded to the Loan Supervisor's position and Maria Chase came on board on July 6, 2009 to fill Colleen's position. Colleen had been the runner-up for Jerry's position when he was hired in December 2008. Maria comes to SEDCorp from the private sector with a background in

accounting and law and will be an asset to our loan programs.

In addition to in-house staff, SEDCorp contracts with the following for specific project implementation:

- Patrick Landon assists SEDCorp as on-line Business Counselor at the High Country Business Park website and provides specialized business training and one-on-one business consulting for industry-specific opportunities.
- CSU Chico Research Foundation and Russ Steele, The Insight Works, to collect data on the aggregated demand for high-speed Internet access in the District's rural areas.
- Andrew Johnson, iMED Design, Inc. to provide video services for the Lassen County Business Retention and Revitalization Support workshops.

SEDCorp also contracts with the following for single-subject classroom instruction:

- Coryon Redd, Batteries4Less, Search Engine Optimization
- Christa Peterson, PRODATA RESOURCES, Quick Books accounting basics
- Karen Harvey, Clarity Coaching, personal and business analyses

In August 2009, SEDCorp was contracted a second time by the Alliance for Workforce Development (AFWD) and the Northern Regional Training and Employment Consortium (NoRTEC) to develop and implement a Business Boot Camp in Modoc County. The Boot Camp is an intensive three-day training experience in the fundamentals of business planning and development. The training consists of classroom instruction and homework assignments, and it is complimented with individualized business counseling. For instruction at the Boot Camps, SEDCorp contracts with the following:

- Karen Harvey, Clarity Coaching, personal and business analyses
- Don Olsen, MODgroup, market analysis
- Dave McDougall, San Ramon Carriage Co., Inc., financial analysis
- Christa Peterson, PRODATA RESOURCES, Quick Books accounting basics
- Andy Burton, Full Spectrum Marketing Services, survival marketing
- John Paul, Spiral, web site design
- Coryon Redd, Batteries4Less, search engine optimization
- Panda Morgan, GSSBDC, business plan development
- Matthew Crider, CriderLAW, legal pitfalls
- Dave Frazier, B2B CFA, transition planning
- Bridget Powers, Hicks Pension Services, retirement planning

At its September 2009 meeting, the Board adopted an operating budget for FY10 encompassing grant writing activities, contracted services and the loan program. SEDCorp's FY10 operating budget addresses three major categories of expenditure as follows:

Category	Amount	%
Labor	\$221,540	52%
Fringe	\$ 80,862	19%
Indirect/Overhead	<u>\$126,720</u>	<u>29%</u>
Total	\$429,122	100%

Anticipated funding sources are summarized as follows:

Source	Amount	%
EDA	\$ 86,000	15%
SBA	\$ 71,336	13%
RLF's	\$ 13,500	2%
Projects	\$305,000	54%
Other	<u>\$ 91,500</u>	<u>16%</u>
Total	\$567,336	100%

PLANNING ACTIVITIES AND THE WORK PROGRAM

SEDCORP staff and Board members have been actively involved with several local, regional and national economic development efforts. The following is a brief synopsis of activities fulfilling the EDA Planning grant scope of work during the past six months.

1. Support national, state and local green-tech initiatives to increase competitiveness and create jobs.

As a part of its participation in a rural-urban connections initiative for Sacramento and the surrounding counties, SEDCorp staff supported the concept of promoting the Sacramento area – and south Placer County, in particular – as a focal point for attracting and growing green tech industries. SEDCorp continues to promote the adoption of photo voltaic systems to offset energy costs and is prepared to provide financing for such systems.

2. **Continue to promote the expansion of broadband service availability throughout the region.**

SEDCorp continued to lead a regional effort to promote the acceleration of broadband system expansion plans. In June, SEDCorp also assumed the leadership of a regional consortium of broadband service providers seeking to participate in State and federal stimulus grant funding opportunities. As of the end of this report period, SEDCorp staff is nearing completion of the final report for its efforts over the last two years to quantify the demand for broadband services across the rural, largely unserved portions of the counties of Alpine, El Dorado, Placer, Nevada and Sierra.

3. **Continue to expand programs for outreach to entrepreneurs and would-be entrepreneurs through community workshops.**

SEDCorp conducted Business Boot Camps in Plumas County in April and Sierra County in May. In August, SEDCorp was contracted a second time by the Alliance for Workforce Development (AFWD) and the Northern Regional Training and Employment Consortium (NoRTEC) to conduct a Business Boot Camp in Modoc County. Each Boot Camp is an intensive three-day, two-night (8am-8pm on first two days) training experience in the fundamentals of business planning and development. The training includes classroom time with fourteen highly qualified "BIs" (Business Instructors), homework assignments, and individualized one-on-one business counseling.

SEDCorp is anticipating additional funding to support future Business Boot Camps, two in El Dorado County (Placerville and South Lake Tahoe) and in Placer County (Auburn and North Lake Tahoe).

4. **Continue to work with Nevada County on improvements to Loma Rica Drive Industrial Park infrastructure, especially waste water handling and treatment.**

This project has been "on the books" for the last year, placed on hold for lack of locally available matching funds in the difficult current economic climate. However, the possibility of a reduced matching fund requirement has brought the project to the forefront, and a Planning and Technical Assistance (P&TA) grant application is being prepared to address the project's engineering and financial feasibility questions.

- 5. Support wildfire fuel reduction throughout the region. Continue work with private enterprise and non-profits in the development of value-added products that utilize woody biomass material.**

SEDCorp has contracted with City of Auburn since 2003 to administer grants provided to the City for shaded fuel break projects. Projects are multi-jurisdictional on private/public lands along the interface of the City of Auburn.

SEDCorp's CEO was invited to join a Nevada County task force oriented on the potential for creating business opportunities from the over-supply of highly flammable biomass materials prevalent throughout the County.

- 6. Foster regional entrepreneurship by sponsoring and co-sponsoring business development and financing training programs throughout the region including through the web-based High Country Business Park discussion forum.**

SEDCorp's Business Boot Camps have received uniformly glowing evaluations from both the attendees and the Boot Camps' sponsors. Attendance at each Boot Camp has been approximately evenly split between entrepreneurs considering the startup of a business and owners already in business. Funding for update and continued operation of the High Country Business Park was finally secured in August; the web site is planned to be updated by the end of 2009, and the on-line business counseling is anticipated to resume in January 2010.

- 7. Partner with appropriate job training agencies to ensure economic development is incorporated into employment and training activities and to ensure opportunities that will lead to re-employment of laid-off workers.**

Since appointment of the SEDCorp CEO to the Board of Directors of the Golden Sierra Workforce Investment Board (GSWIB), we have benefited from improved communication and increasingly beneficial mutual support activities. In August, SEDCorp was selected to lead a business outreach activity on behalf of the GSWIB to identify businesses at risk of downsizing and laying off workers and to promote the support services of both the GSWIB and SEDCorp. SEDCorp will meet with at least two hundred businesses per year for two years in the counties of Alpine, El Dorado and Placer.

8. **Continue to support wastewater collection system upgrades and efforts to contain costs for AB885 well and septic system inspections.**

SEDCorp Board member Nevada City hosted a water and wastewater forum in June. The forum addressed regulatory challenges facing small jurisdictions, the increasingly difficult system upgrade standards, and the financial options available to small jurisdictions for operating in the increasingly difficult regulatory environment.

9. **Work with partners to promote cultural, agricultural and eco-tourism with emphasis on activities that include historic preservation, heritage trails and artisan/craft industry promotion.**

SEDCorp led the development of a proposal for implementing a tourism program in Sierra County to be based on a comprehensive inventory of the County's historical and cultural assets, extensive participation by volunteers (especially from the County's art and history organizations), development of packaged theme tours, and promotion of the County's vacation opportunities at the annual Bay Area Tourism Symposium in San Francisco. The proposal is awaiting the next round of funding opportunities.

10. **Maintain SEDCorp web page (<http://www.sedcorp.biz>) that provides a current synopsis of projects and information pertinent to the region.**

SEDCorp continues to update the SEDCorp website. One improvement on the website is access to the on-line loan application. SEDCorp often receives inquiries about small business loans, and the website will allow applicants to review the loan matrix outlining the loan products available and download and prepare an application. The website's calendar is updated as events take place. This month-at-a-glance calendar shows upcoming events, training workshops and Board of Directors' meeting dates.

11. **Assist local jurisdictions in researching funding resources, developing funding strategies, and providing grant assistance for economic development projects, infrastructure needs and historical building renovation.**

In addition to the Loma Rica project with Nevada County noted in item 4, above:

- Staff met with El Dorado County staff for the identification and prioritization of potential infrastructure projects and is now preparing applications for at least two Planning and Technical Assistance (P&TA) grants;

- Staff met with City of Colfax staff on the development of a P&TA grant application for an economic development stimulus infill project; and
- Staff met with City of Nevada City staff on the development of a P&TA grant application for the engineering and financial feasibility of a new parking facility to support its downtown.

12. Facilitate the annual review and update of the District Comprehensive Economic Development Strategic (CEDS) and work with District jurisdictions on their economic development strategies.

After review and recommendation of revisions by the CEDS Committee, the Board of Directors considered the annual update of the CEDS and Scope of Work (SOW) at its June meeting. After spirited discussion of each task in the SOW, it was unanimously adopted by the Board.

13. Coordinate regional economic development activities by maintaining working relationships with the many local economic development entities and providing technical assistance as needed.

SEDCORP staff and Board members routinely coordinate with many local and regional economic development groups, including:

- Alliance for Workforce Development/Northern Regional Training and Employment Consortium
- Colfax Economic Development Commission
- El Dorado County Job One
- El Dorado County Economic Development Advisory Committee
- Foothill Employer Advisory Committee
- Golden Sierra Job Training Agency
- Golden Sierra Workforce Investment Board
- High Sierra Resource Conservation and Development Council
- Nevada County Economic Resource Council
- Sierra College Small Business Development Center
- Sierra County Business and Economic Development Committee
- Sierra Business Council
- Greater Sacramento Small Business Development Center
- Sierra Nevada Conservancy
- City of Lincoln
- City of Auburn
- Town of Loomis
- Town of Truckee

- Lassen County
- Nineteen regional Chambers of Commerce

14. **Serve on regional, statewide, and national task forces, panels and boards that promote and advocate rural development and entrepreneurship.**

SEDCorp's CEO was again a featured speaker at a rural broadband services workshop in May 2009. He is a member of the Golden Sierra Workforce Investment Board and a member of the Board of the Nevada County Economic Resource Council. In September, SEDCorp hosted its semi-annual "Chambers Conclave," a peer meeting between the Executive Directors of the region's Chambers of Commerce for the purpose of sharing lessons learned and best practices and identifying opportunities for closer partnership with or assistance from SEDCorp.