

# **SIERRA ECONOMIC DEVELOPMENT CORPORATION**

## **ANNUAL PERFORMANCE REPORT** **ECONOMIC DEVELOPMENT ADMINISTRATION PLANNING GRANT** **07-83-06356-01**

April 2010 through March 2011



Sierra Economic Development Corporation

*Serving El Dorado, Sierra, Nevada, Placer, Plumas, Lassen, Sacramento, Yolo and Modoc Counties*

**Prepared by:**  
**Brent Smith, Chief Executive Officer**  
**Sandy Sindt, Economic Planner/Operations Manager**

# 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.

As of the end of the current reporting period, the Board membership includes eight elected officials (including two minority members, Santiago and Delfino), five private sector representatives and three 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 2011 for a one-year term are:

Chair:	Mike Holmes
Vice-Chair:	Ken Delfino
Secretary-Treasurer:	Patty Hall

Mike Holmes, Council Member for the City of Auburn, serves as Chair of the Sierra Planning Organization (SPO) with Lee Adams, Sierra County Supervisor, serving as Vice-chair. Terry Lamphier, Nevada County Supervisor, serves as SPO Secretary-Treasurer.

Membership on the Board rotated for Nevada County cities from Nevada City to Grass Valley. Council Member Jason Fouyer, City of Grass Valley, was appointed to the Board in January 2011. Also in January, Nevada County Supervisor, Terry Lamphier was appointed to the Board, replacing Ed Scofield, who was then appointed as Board Alternate. In February 2011, Loyalton City Council member James Beard was appointed to the Board replacing Gary Shelton. In October 2010,

Sid Davis, Private Sector, resigned due to his new job.

**Table 1**  
**Sierra Economic Development Corporation Board of Directors**  
**March 2011**

<b>Board Member</b>	<b>County</b>	<b>Race</b>	<b>Sex</b>	<b>Economic Sector Representation</b>	<b>Elected or Private Citizen</b>
Norma Santiago	El Dorado	Hispanic	F	County Government	Elected
David Machado	El Dorado	Caucasian	M	City Government	Elected
Kathie Pacileo-Jenkins	El Dorado	Caucasian	F	Banking	Private
Vacant	El Dorado				Private
Terry Lamphier	Nevada	Caucasian	M	County Government	Elected
Jason Fouyer	Nevada	Caucasian	M	City Government	Elected
Todd Gildersleeve	Nevada	Caucasian	M	Private Business	Private
Vacant	Nevada				Private
Lee Adams	Sierra	Caucasian	M	County Government	Elected
James Beard	Sierra	Caucasian	M	City Government	Elected
Patty Hall	Sierra	Caucasian	F	Banking	Private
Vacant	Sierra				Private
Ken Delfino	Placer	Pacific Islander*	M	City Government	Elected
Mike Holmes	Placer	Caucasian	M	City Government	Elected
Wendy Gerig	At-Large	Caucasian	F	Chamber of Commerce	Private
Maryann Argyres	At-Large	Caucasian	F	Rural representative	Private

\* Combat-disabled Viet Nam veteran

Since September, the SEDCorp Board met four 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 Auburn (Placer County, November) and Grass Valley (Nevada County, April). The other meetings were held in the SEDCorp office in Auburn.

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

- Joint Budget Committee: Deliberated on the economy's effect on projected revenues, consequential cash flows and impacts on the FY12 budget; discussion is

on-going.

- Loan Committee: Examined several procedural changes and a recommended increase to interest rates, which were approved by the full Board. Reviewed loan applications for SBA Microloans and other revolving loan funds (RLFs) and advised on collection issues and re-funding of loan programs.

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 - Loans	<i>Kelley Selvy</i>
Contract Bookkeeper	<i>Laurie Van Groningen</i>

SEDCorp lost three part-time Administrative Assistants last fall due to the loss of the Placer County Subsidized Wage 80/20 Program. Shortly afterwards, Traci Stevens was hired through the Golden Sierra Job Training Agency Work Experience (WEX) Program for administrative support; however, she received a paying position several weeks later and departed. SEDCorp continues to seek administrative help through volunteer or workforce placement services.

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

- David Nelson manages the Community Development Block Grant (CDBG) Program Support activities within our jurisdiction.

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

- Crosby Allison, VERICOR, Marketing Identity
- Andy Burton, Full Spectrum Marketing, Marketing Alternatives
- Stephanie Craft, Entrepreneur's Source, Franchising as a Career Option
- Matthew Crider, CriderLaw, Business Legalities
- Bill Duthler, Focal Points, Marketing Identity
- Karen Harvey, Clarity Coaching, Communication Skills & Time Management
- Matt Heilmann, Organic Media, Video Marketing
- Brenda Horton, Hware, Social Media Marketing

- Dave Frazier, B2B CFO, Selling Your Business
- Lorraine King, Entrepreneur’s Source, Franchising as a Career Option
- Jean Marc Leininger, Solarecity, Solar in Your Business Plan
- Machen MacDonald, ProBrilliance, Business Planning
- David McDougall, Survival Tools to Manage Your Business Finances
- Jesse Niesen, Learn How to be Debt Free ASAP
- Christa Peterson, PRODATA RESOURCES, QuickBooks (3 levels)
- Coryon Redd, Batteries4Less, Search Engine Optimization (3 levels)
- Cal and Toni Ryan, Lionheart Group, Protect Your Business from Identity Theft
- Kristin York, Sustainametrics, Going Green

At its September 2010 meeting, the Board adopted an operating budget for FY11 summarized as follows:

<b>Category</b>	<b>Amount</b>	<b>%</b>
Personnel & Admin	\$ 410,860	55%
Direct Program Exp.	\$ 191,300	25%
Interest Expense	\$ 50,700	7%
Bad Debt Reserve	<u>\$ 100,000</u>	
<b>Total</b>	<b>\$ 752,860</b>	<b>100%</b>

Anticipated funding sources are summarized as follows:

<b>Source</b>	<b>Amount</b>	<b>%</b>
EDA	\$ 86,000	12%
SBA	\$ 110,688	15%
RLF’s	\$ 9,100	1%
Projects	\$ 295,347	41%
Member Contributions	\$ 14,535	2%
Loan Program Income	\$ 165,000	23%
Other	<u>\$ 35,565</u>	<u>5%</u>
<b>Total</b>	<b>\$716,325</b>	<b>100%</b>

Based on consistent historical performance, additional funding is anticipated but has not yet been identified.

## 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. 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 and a revised copy was forwarded to EDA on June 17, 2010.

2. Initiate the process for becoming a Certified Community Development Financial Institution (CDFI).

Staff undertook the task of preparing SEDCorp's first lengthy and difficult application for CDFI planning assistance funds. The application was submitted in December 2010 and requested an award of \$71,929 for the completion of three tasks intended to position SEDCorp to apply for CDFI certification in 2012. The three tasks included (1) an optimization of SEDCorp's loan program including the addition of new software to support new loan products and credit reporting, (2) a complete infrastructure update, replacing aged computers, phone system and software, and (3) the conduct of a concerted one-year marketing campaign to expand SEDCorp's brand recognition. We have been informed that the December 2010 applications were far more than anticipated and quite competitive; announcement of the response to SEDCorp's application is still pending.

3. Continue to expand business training programs for outreach to entrepreneurs and would-be entrepreneurs.

The depressed economy finally caught up with SEDCorp's training efforts by late 2010. Enrollment and class attendance was only a fraction of what it had been the previous year, and many classes were cancelled due to insufficient attendance to cover instructor costs. However, response to class offerings

appears to be improving in the first quarter of 2011, and SEDCorp continues to offer a broad spectrum of training opportunities taught at three different locations.

4. Continue to facilitate small business access to capital for business retention and expansion.

The decline in both the quantity and quality of loan applications observed over most of 2010 appeared to improve by late 2010 and into the first quarter of 2011. Staff continues to reach out to banks and other potential referral sources as a way to expand the SEDCorp brand. Additionally, SEDCorp is participating as a part of a business resources group organizing a one-day workshop to be held during the second quarter of 2011.

5. Continue to promote both the expansion of broadband infrastructure and the extension and adoption of broadband Internet services.

SEDCorp contributed initial and supplemental responses to proposed rule-making by the California Public Utilities Commission (CPUC) regarding the implementation of legislation approved in September 2010 designed to promote both the expansion of broadband infrastructure and increased adoption of the correspondingly available services. As a part of the feedback submitted to CPUC, numerous other respondents recommended that the CPUC avail itself of SEDCorp's experience in making loans to broadband service providers for infrastructure expansion, and SEDCorp remains a leading candidate for management of the CPUC's broadband infrastructure loan program. SEDCorp is also supporting the efforts of a startup organization in El Dorado County focused on fielding a public-private partnership for the completion of a fiberoptic network demonstration project.

6. Continue to support implementation of the Lake Tahoe Basin Prosperity Plan.

Staff continues to work with financial advisors from the Tahoe Basin to organize a capital pool for investment in basin projects. Those efforts span both the California and Nevada sides of the basin and are serving as an excellent starting point for potentially organizing similar capital pools in Placer County and Nevada County for local investment.

7. Continue to support Sierra Business Council Geotourism Project.

SEDCorp continued to promote the nomination of tourist destinations to be included in the interactive map being developed by the Sierra Business Council (SBC). By late 2010, SBC's focus had shifted to areas outside the SEDCorp

service area, but Board members and staff continue to refer to the SBC map as a means to promote the area.

8. Continue Vital Assets efforts to reach out to businesses, identify those that are struggling and assist them as possible to avoid job losses.

After visiting and surveying over two hundred business during the first half of 2010, SEDCorp staff and consultants continued the effort in January 2011. As of the date of this report, nearly half of the 235 business to be contacted had been surveyed, and results of those surveys are being compared to the results from 2010 in an analysis of trends. Thus far, none of the businesses contacted in 2011 stated any intent for further layoffs. Encouragingly, approximately twenty percent have stated the possibility of expanding their staff or borrowing funds for business expansion.

9. Provide small business training support to the City of South Lake Tahoe and the South Shore Chamber of Commerce.

SEDCorp partnered with South Shore Lake Tahoe Chamber of Commerce in submitting a proposal to the City of South Lake Tahoe to conduct training and other assistance. That proposal was successful, and staff is now in coordination with the Chamber for the conduct of training later in 2011.

10. Continue to support El Dorado County initiatives for economic development in the Georgetown Divide and the Georgetown Airport Industrial Park.

The Georgetown Divide area has been made an area of focus for the business outreach efforts under the Vital Assets program described above. SEDCorp staff and consultants, in company with local Chamber of Commerce representatives, will be participating in a business walk in April 2011 to begin to focus on local economic develop priorities expressed by the business owners.

11. Continue to support City of Colfax initiatives to improve its Highway Revitalization Corridor.

Colfax entered into a profit-sharing agreement with the Chevrolet/GM dealer in town as a part of that dealership's sustainment under the GM reorganization announced in 2010. Plan's for improving the corridor along both sides of I-80 in the City continue to develop.

12. Continue to support City of Auburn efforts to improve historic district storm draining.

Staff continues to work on a concept for supporting economic development strategic planning across an area that would include the cities of Auburn, Colfax Grass Valley and Nevada City along or near the Highway 49 corridor. Focus has just shifted away from planning projects oriented on support of retail efforts to those that can support commercial and industrial development.

13. Continue to support efforts to increase parking for the City of Nevada City Broad Street commercial area.

Since the proposed parking structure was primarily oriented on supporting the downtown retail area of Nevada City, efforts have been shifted (as noted above) to projects that would support growth of commercial and industrial opportunities.

14. 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 (HCBP) discussion forum.

SEDCorp has ramped up its small business training classes again for 2011. Classes are conducted on a variety of topics such as Internet Marketing, QuickBooks, Business Legalities, Franchising as a Career Option, Learn How to be Debt Free ASAP, Protecting Your Business from Identity Theft, Making Solar Part of Your Business Plan, Marketing Alternatives and Survival Tools to Manage Your Business Finances. The newest classes include How To Start A Business, Thinking of Selling Your Business, Video Marketing Your Business and Show Me The Money. Classes are held every other month in three counties (Placer, Nevada and El Dorado). SEDCorp partnered with State and Federal Agencies in a series of four highly popular workshops called Meet The FEDS. Representatives from the State Franchise Tax Board, Department of Treasury, IRS, State Department of General Services, and CA State Board of Equalization provided a two-hour workshop on Basic Sales and Use Tax, State Income Tax, You Want to Start A Business?, How To Do Business With the State Government and Unraveling the Mysteries of eProcurement. Workshops will rotate to Placer, El Dorado and Nevada Counties. SEDCorp continues to check out new resources and consultants based on the demands of the class participants.

Technical difficulties with maintaining site security and operational continuity on the HCBP web site could not be overcome, and the project was cancelled in March 2010.

15. 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.  
The SEDCorp CEO continues to serve as a Director of the Golden Sierra Workforce Investment Board and has been active on its Business Services Committee (BSC). The BSC is evolving a plan to expand business services, and questions regarding the potential demand for those services have been added to the Vital Assets business outreach efforts.
16. Assist local jurisdictions in researching funding resources, developing funding strategies, and providing grant assistance for economic development projects, infrastructure needs and historical building renovation.  
The continuing working meetings with other EDD directors and communication with the northern California EDR has significantly revised and improved our efforts to support the economic development needs of the local jurisdictions we serve, particularly in assisting their efforts to develop needed infrastructure. As noted above, staff is now focused on preparing a consolidated economic development strategy approach for cities along the Highway 49 corridor.
17. 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. 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 a loan application. The website's calendar is updated in anticipation of training classes and special events. This month-at-a-glance calendar shows upcoming events, training workshops and Board of Directors' meeting dates.
18. 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 and on private/public lands along the boundary between the County of Placer and the City of Auburn. SEDCorp is currently administering one shaded fuel break contract.

19. 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 County Business and Economic Development Committee
- Sierra Business Council
- Greater Sierra Small Business Development Center
- Sierra Nevada Conservancy
- City of Lincoln
- City of Auburn
- City of Colfax
- Town of Loomis
- Lassen County
- Nineteen regional Chambers of Commerce

The expanded partnership with the Greater Sierra Small Business Development Center (GSSBCD) is proving to be as highly productive as intended. SEDCorp staff partnered with GSSBDC staff to submit a successful proposal to the Alliance For Workforce Development (AFWD) to conduct a series of three “traveling workshops” in four northeastern California counties.

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

SEDCorp’s CEO is a Director of the Golden Sierra Workforce Investment Board and a member of the Board of Directors of the Nevada County Economic Resource Council. As a member of the Auburn Airport Business Park Committee he was successful in negotiating with a local broadband service provider to extend

fiberoptic service in the park, and he is leading the effort to develop a promotional campaign for the park. SEDCorp's Operations Manager is a board member of the Foothills Employer Advisory Council.