



County of Santa Cruz ⁰¹¹⁵

COUNTY ADMINISTRATIVE OFFICE

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SUSAN A. MAURIELLO, J.D., COUNTY ADMINISTRATIVE OFFICER

February 7, 2000

Agenda: February 15, 2000

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

APPLICATION TO THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION FOR FUNDING UNDER TITLE IX TECHNICAL ASSISTANCE PROGRAM

Dear Members of the Board:

The Economic Development Administration Reform Act of 1998 amends the original Public Works and Economic Development Act of 1965, and establishes new guidelines for communities who apply for and receive federal Economic Development Administration funds. In order to preserve our area's eligibility to receive federal Economic Development Administration (EDA) funds, the County is required to address these new guidelines. The new guidelines identify a Comprehensive Economic Development Strategy (CEDS) as a requirement to apply for assistance under the EDA's public works and economic adjustment programs.

The purpose of a CEDS is to establish a process that will help create and retain jobs, foster more stable and diversified economies and improve living conditions. It provides a template for coordinating the efforts of people, organizations, local governments and others concerned with economic vitality. As outlined by the EDA, the CEDS document describes the problems, needs, resources, and constraints of an area, presents the community's goals, sets the strategic direction for an action plan, establishes priority programs and projects for implementation, and outlines the standards for the annual evaluation and update of the process.

In order to assist our County to develop a CEDS, the Economic Development Administration has invited an application for up to \$60,000 in funds for economic development planning. A copy of the letter of invitation is attached. The letter of invitation was received on January 24th, and the application due date is February 15th. The purpose of this letter is to request your Board's authorization to apply for these funds.

Background

As your Board will recall, federal EDA funds have been a valuable resource to the County communities, providing millions of dollars in funding for many important projects including upgrades to the wastewater treatment facilities in Santa Cruz, Watsonville and Scotts Valley; the conversion of the old jail in downtown Santa Cruz to the Museum of Art and History

Commercial Building; two new parking/retail structures in downtown Santa Cruz and a new parking structure in downtown Watsonville; a soon to be constructed downtown Watsonville campus for Cabrillo College; and improvements to Scotts Valley Drive and the Santa Cruz Port.

In order to maintain our area's eligibility to apply for and receive these funds, your Board adopted in January 1991 a broad set of goals that created a framework for the preparation of an Overall Economic Development Program (OEDP) plan. As required by the federal EDA, annual updates of this plan have been prepared and submitted to your Board for approval and submission to the EDA. Your Board last approved the submission of the County's OEDP plan on March 9, 1999. As stipulated by the EDA Reform Act of 1998, the CEDS process and plan will replace the OEDP process and plan. A brief description of the CEDS is attached for your reference.

On-Going Planning Efforts

As your Board is aware, there are currently two collaborative and public efforts underway in the community to measure and assess our area's economic status. The CEDS planning project is designed to build on those efforts. Action Pajaro Valley is working to establish a consensus vision and strategic plan for the future of Watsonville and the Pajaro Valley. Led by Watsonville City Manager Carlos Palacios and West Marine President Randy Repass, the process is a public-private collaborative effort with the goals of maintaining or improving the quality of life for those who live and work in the Pajaro Valley.

On a parallel course, the County, including the Redevelopment Agency, HRA and CareerWorks/Workforce Santa Cruz County, and with the financial partnership of the City of Santa Cruz and Cabrillo College, is engaged in a broad-based regional economic cluster analysis. Led by John Hurd, President of Cabrillo College, and Zayante, Inc. CEO James Navarro, the process is a public-private collaborative effort with the goals of assessing concentrations of economic activity and addressing issues common across economic clusters. The leadership group guiding this effort is similar in scope and breadth to the Advisory Board of Action Pajaro Valley, and there is an intentional cross over between the two advisory/leadership boards.

Project Scope

The CEDS project is designed to build on the efforts described above to craft a strategic plan to address the economic barriers facing the community, in a format that meets the new EDA guidelines. Due to the nature of the EDA funding stream allocated for this planning project, the topic of disaster mitigation to protect the economic base will also be included within the plan. The CEDS project will work with the County's Interim Workforce Investment Board, formerly the Private Industry Council, to seek the input of variety of interests, including each of the cities. Finally, a draft CEDS will be presented to your Board and to the public for review and comment. Once the review is complete, a final Comprehensive Economic Development Strategy will be presented to your Board for adoption and submission to the federal EDA.

The **timeline** for the project is estimated at approximately 12 months, and the planning funds will be allocated primarily to contract services to assist staff to draft the CEDS and to coordinate the participation of County's EDA project sponsors, which include the cities of Scotts Valley, Watsonville, Capitola, Santa Cruz, and the Santa Cruz Port District. The required local match is

provided by the funds allocated to the cluster analysis project (\$140,000) which will inform the base economic analysis element of the CEDS. There will be no additional cost to the County. A Request for Proposals for contract services will be presented to your Board for consideration and approval, as will any contract for professional services. Due to the short timeframe for preparation of the EDA planning application, a copy will be placed on file with the Clerk of the Board prior to February 15th.

In order to preserve our area's eligibility to receive federal Economic Development Administration (EDA) funds, it is therefore RECOMMENDED that your Board:

- 1) Approve the submission of an application to the federal Economic Development Administration (EDA) for up to \$60,000 under the Title IX Technical Assistance program provisions of the Public Works and Economic Development Act of 1965, as amended, for the purposes of developing a Comprehensive Economic Development Strategy (CEDS);
- 2) Adopt the attached resolution certifying your Board's approval of the County's application for funding from the aforementioned program of the federal EDA, confirming the required local funds match, and authorizing the County Administrative Officer to act in the County's behalf in all matters pertaining to this application; and
- 3) Direct staff to return on or before April 25, 2000 with the necessary financial transactions, contingent upon EDA's approval of the County's application for technical assistance planning funds.

Very truly yours,



SUSAN A. MAURIELLO
County Administrative Officer

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Attachments

cc; Jan Davison, City of Watsonville
Ceil Cirillo, City of Santa Cruz
Dan Pincetich, City of Capitola
Chuck Comstock, City of Scotts Valley
Brian Foss, Santa Cruz Port
Cecilia Espinola, Human Resources Agency
Dianne Church, Economic Development Administration

BEFORE THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CRUZ, CALIFORNIA

RESOLUTION NO. _____

on motion of supervisor:
duly seconded by supervisor:
the following resolution is adopted

A RESOLUTION APPROVING AN APPLICATION TO THE FEDERAL ECONOMIC
DEVELOPMENT ADMINISTRATION FOR FUNDING UNDER THE TITLE IX TECHNICAL
ASSISTANCE PROGRAM PROVISIONS OF THE PUBLIC WORKS AND
ECONOMIC DEVELOPMENT ACT OF 1965, AS AMENDED

WHEREAS, the Economic Development Administration Reform Act of 1998 amends the original Public Works and Economic Development Act of 1965, and establishes new guidelines for communities who apply for and receive federal Economic Development Administration (EDA) funds; and,

WHEREAS, the new guidelines identify a Comprehensive Economic Development Strategy (CEDS) as a requirement 'to apply for assistance under EDA's public works and economic adjustment programs; and

WHEREAS, the Board of Supervisors desires to preserve the ability of our County, and the cities of Santa Cruz, Capitola, **Scotts** Valley, Watsonville, and the Santa Cruz Port District to apply for assistance under the EDA's public works and economic adjustment programs; and

WHEREAS, an application has been solicited by the federal Economic Development Administration for funding under the Title IX Technical Assistance Program Provisions of the Public Works and Economic Development Act of 1965, as amended, to assist the County in the process of developing a CEDS.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the Board of Supervisors of the County of Santa Cruz hereby certifies that it has authorized the County Administrative **Officer** to submit an application for funding in the amount of up to \$60,000 from the aforementioned program of the federal Economic Development Administration and confirms a local match of \$140,000, and authorizes the County Administrative Officer to act in the County's behalf in all matters pertaining to this application.

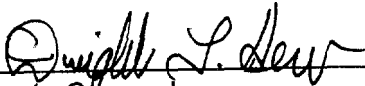
PASSED AND ADOPTED by the Board of Supervisors of the County of Santa Cruz, State of California this 15th day of February 2000, by the following vote:

AYES: SUPERVISORS
NOES: SUPERVISORS
ABSENT: SUPERVISORS

Chairperson, Board of Supervisors

ATTEST: _____
Clerk of the Board

APPROVED AS TO FORM:



County Counsel

DISTRIBUTION: County Administrative Office
County Counsel.
Auditor-Controller
Human Resources Agency
Economic Development Administration



January 14, 2000

0120

Susan Mauriello
County Administrative Officer
County of Santa Cruz
701 Ocean Street
Santa Cruz, California 95060

Dear Ms. Mauriello:

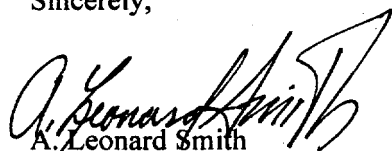
By this letter the Economic Development Administration (EDA) invites County of Santa Cruz to submit an application under the Economic Dislocation provisions of the Economic Development Act. The County may request a grant in an amount not to exceed \$60,000 for economic development planning. This invitation is conditioned on requirements (a) that local match of at least \$140,000 be contributed to the project and (b) that the topic of disaster mitigation to protect the economic base be included within the **plan**.

The application is due February 15, 2000, and is to be submitted to Dianne Church, Economic Development Representative. Her postal address is Economic Development Administration, 280 South First Street (Room 135B), San Jose, California 95 112. Materials and instructions for the application are enclosed.

This invitation to apply for a grant is by no means an indication that EDA will approved the application. Approval will be determined by competition, and EDA is inviting applications that collectively will exceed the amount of available funds. Your project, therefore, will be in competition with other worthwhile project, and commitments that could be charged to a grant should not be made until, and if, you are successful in the competition.

Should you have questions about the application, please call either Ms. Church at (408) 535-5552 or Darrell van Ness, Chief of Economic Adjustment in the Seattle Regional Office, at (206) 220-7676, for assistance.

Sincerely,


A. Leonard Smith
Regional Director

cc: D. Church, EDR

Comprehensive Economic Development Strategy (CEDS)

GUIDELINES

- introduction 1.
- What Is A CEDS? 2.
- Who should prepare A CEDS? 3.
- How to prepare A CEDS? 4.
- What Are The Reporting Requirements? 5.
- What Is The Economic Development Administration's Role? 6.

February 1999

1. INTRODUCTION

A Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the economic growth of an area. For the purpose of these guidelines, the term "area" refers to a "region", an "area" or a "community" defined politically, economically, geographically, or **environmentally** as an appropriate unit for addressing economic development. The purpose of a CEDS is to establish a process that will help create jobs, foster more stable and diversified economies, and improve living conditions. It provides a mechanism for coordinating the efforts of people, organizations, local governments and private industry concerned with economic development. A CEDS is necessary to qualify for **EDA** assistance.

The CEDS document:

- *describes the problems, needs, potentials and resources of an area;*
- *presents the community's vision and goals;*
- *sets the strategic direction for an action plan;*
- *establishes priority programs and projects for implementation; and*
- *outlines the standards for the annual evaluation and update of the process.*

The Economic Development Administration Reform Act of 1998 (the Act) identifies a CEDS as a requirement to apply for assistance under the Economic Development Administration's (EDA) public works and economic adjustment programs. Since the original Public Works and Economic Development Act (PWEDA) was enacted in 1965, economic development planning has been a key element in achieving **EDA's** long term goals. The Overall Economic Development Program (OEDP) process was what made **EDA** a truly effective federal/local partnership, resulting in the creation of over 320 Economic Development Districts (EDD) around the country. The CEDS will continue that partnership, and the basic process established to prepare and maintain the OEDP will continue as areas undertake the **CEDS** process.

EDDs play a key role in local economic development. Instead of having to respond to individual requests from the over 2,000 eligible county economic development organizations around the nation, **EDDs** assist **EDA** in establishing regional priorities for projects and investments. These multi county regional planning organizations are all governed by boards composed of local elected

officials and private sector representatives from cities, towns and counties. However, **substate** areas or political subdivisions such as counties, cities, towns, townships, Indian tribes, or other eligible areas, may chose to develop and maintain their own CEDS process.

This guide is intended to assist any community organization in its efforts to develop, implement and document a CEDS process. It describes the process, participants, required documents, the evaluation and updating procedures, and reporting requirements.

2 ■ WHAT IS A **COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY**?

A CEDS **emerges** from a continuous planning process that addresses the economic problems and potential of an area. The strategy should promote economic development and opportunity, foster effective transportation systems, enhance and protect the environment, and balance resources through sound management of development.

EDA may accept as a CEDS any locally prepared plan, a plan prepared under . . . any federally supported program, or a previously approved OEDP, provided that its preparation and contents are consistent with these guidelines. The CEDS should be viewed as an opportunity to coordinate federal, state, local and private funding for economic development. Future references in this document to a CEDS should also be considered by the reader to include a previously approved OEDP.

The CEDS analyzes local conditions, identifies problems and opportunities, **defines the vision, and goals of the community, designs the strategies to** accomplish these goals, coordinates activities to implement these strategies, and evaluates and updates the **process**.- The time it takes to develop, an effective process depends on an area's experience with **economic development**, the **complexity** of its problems, and the degree of **coordination and cooperation among the stake holders**. **Successful CEDS process should lead to the formulation and implementation of a program that creates jobs, raises income levels, diversifies the economy, and improves the quality of life, while protecting the environment.** The process must adopt a logical approach to long-range development while identifying and implementing short-term problem solutions to achieve early **results and maintain momentum and public support**.

The CEDS document should be readily accessible to the economic development stakeholders in the community. There should be a continuing program of communication and outreach that encourages broad-based public engagement, participation and commitment of partners. The general public, government decision makers, and business investors should be able to use it as a guide to understanding the regional economy and to taking action to improve it. The strategy should take into account and, where appropriate, incorporate other planning efforts in the community. Its quality should be judged by its usefulness as a tool for local decision making.

Each CEDS is unique, reflecting the specific challenges and opportunities of its area. It should comprise four main elements: *analysis, vision, action plan, and evaluation*. The analysis should assess the state of the regional economy, the opportunities and threats posed by external trends and forces and the availability of partners and resources for economic development. The community's vision and goals, together with an appraisal of the region's competitive advantage, should set the strategic direction for the action plan. The action plan should establish priority programs and projects for implementation. Finally, the CEDS should establish criteria for evaluation of the process and for the periodic update of the document.

3. WHO SHOULD PREPARE A COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY?

Any area seeking to formulate and implement an economic development program may benefit from a CEDS. Successful economic development efforts are based on comprehensive economic development strategies.. However the Act requires a CEDS from:

- EDDs, Indian tribes, and other eligible entities to qualify for support under EDA's continuous planning assistance program (Section 203 of the Act). These entities are required to develop, maintain and update a CEDS process, and submit annual reports to EDA.
- An organization representing an area, as a prerequisite for designation as an EDD. The organization must prepare a CEDS and submit it to EDA for approval.
- Eligible entities applying for assistance under the public works and the economic adjustment programs (Sections 201 and 209 [except for strategy grants] of the Act) must accompany the application with a CEDS. This CEDS must be the result of an ongoing planning process, and the project must be consistent with the strategy.
- A CEDS is not a prerequisite when the request is for planning assistance to develop, update or refine a strategy under the economic adjustment program (Section 209 of the Act). However, the resulting economic adjustment strategy must conform with the CEDS requirements.

Areas are eligible for EDA grant assistance when they meet the criteria of per capita income, unemployment, or other special need, as defined in Section 301 (a) of the Act. Eligible entities include EDDs, Indian tribes, states, counties, cities, or other political subdivisions of a state, institutions of higher education, and public or private nonprofit organizations or associations in cooperation with political subdivisions of a state.