**Subject:** Update to the Butte County Regional Economic Development Strategy for 2017 through 2020

**Department:** County Administration  
**Meeting Date Requested:** August 8, 2017

**Contact:** Casey Hatcher  
**Phone:** 530.538.6182  
**Regular Agenda** ☑  
**Consent Agenda** ☐

**Department Summary:** (Information provided in this section will be included on the agenda. Attach explanatory memorandum and other background information as necessary).

Butte County General Plan 2030, adopted by the Board of Supervisors on October 26, 2010, included an Economic Development Element. The Element details the goals, objectives, and action items associated with economic development planning over the next twenty years. Action Items ED.A1.1 calls for the creation of a “bold, powerful, forward-looking countywide Economic Development Strategy that identifies key sectors and sites for business expansions and programs to achieve that expansion”.

On January 25, 2011 the Board of Supervisors approved the Butte County Regional Economic Development Strategy. The Strategy was updated on February 11, 2014 for an additional three years. The original Strategy, and the 2014-2017 Update, each provided a three year program of work based on key initiatives including:

1. Grow existing businesses;
2. Ensure Butte County is a competitive location for new investment;
3. Create a sustainable reputation for the county; and
4. Improve the coordination of regional economic development resources and efforts.

The 2017-2020 Update continues with the previously set goals and initiatives, and updates the program of work to include various new action items which will further the economic development efforts of the County over the next three years. The update specifically includes Priority Action items targeting key areas within the County for economic development activity.

**Fiscal Impact:**

Does not apply. New projects or programs outlined in the Strategy may require additional funds, and will be included in future budgets to be considered by the Board of Supervisors.

**Personnel Impact:**

Does not apply. The coordination of the implementation of the Strategy is included as an existing function of the Community and Economic Development Manager.

**Action Requested:**

Approve the 2017-2020 Update to the Butte County Regional Economic Development Strategy.

**Administrative Office Review:** Shari McCracken, Deputy Chief Administrative Officer
MEMORANDUM

DATE: August 8, 2017
TO: Butte County Board of Supervisors
FROM: Casey Hatcher, Economic and Community Development Manager
RE: Update to the Butte County Regional Economic Development Strategy for 2017 through 2020

On October 26, 2010, the Board of Supervisors adopted General Plan 2030. General Plan 2030 includes several items supporting business growth and development in Butte County. Included in the General Plan is an Economic Development Element, which establishes the economic development goals, objectives, and action items through the year 2030. Action Item ED.A1.1 calls for the creation of a “bold, powerful, forward-looking countywide Economic Development Strategy that identifies key sectors and sites for business expansion and programs to achieve that expansion”.

Strategic economic development efforts are typically organized around a set of key initiatives. These key initiatives are used as decision making points when determining economic development program and project actions. The planning timeframe for an economic development strategy typically covers a three year timeframe in order to ensure that programs and policies are specific to current economic and workforce conditions.

Taking into consideration the adopted General Plan 2030, comments from local jurisdictions, and economic and workforce development partners, staff developed the Butte County Regional Economic Development Strategy (Strategy), which was approved by the Board of Supervisors on January 25, 2011. The approved Strategy included goals, initiatives, and Program of Work items covering the period 2011 - 2014. Board of Supervisors adopted the 2014 - 2017 Update to the Strategy on February 11, 2014. The Strategy, and the subsequent update, did not, nor were they intended to, implement land use decisions that are under the authority of the County's General Plan and Zoning Ordinance.

The Land Use Element of the General Plan, by law, describes the characteristics and intensity of each land use designation and contains a map of the application of these designations. It also lists goals, policies, and actions providing guidance to Butte County related to land use decisions. An example of how the County's pro-business approach is reflected in the County's General Plan can
be found in Goal LU-5 of the Land Use Element which states: "Provide adequate land for and promote the development of attractive commercial and industrial areas and uses that provide goods, services, and jobs". The Regional Economic Development Strategy's role is then to define the projects and programs that will provide support for business retention, expansion and recruitment.

2017 - 2020 UPDATE

Much progress has been made over the past six years, and regional economic development has become part of the fabric of Butte County. There is still work to be done in the areas of business retention, expansion, and recruitment, as well as service coordination and business education. Economic Development is not an activity that can be set and forgotten. The initiatives in the Strategy require ongoing effort and coordination to succeed.

In order to develop the 2017 - 2020 Update to the Strategy, staff worked to obtain feedback from staff in the County’s land development departments, local jurisdictions, economic development and workforce development partners, industry representatives, and Board members. During the update process, the goals and initiatives from the 2017 -2020 Update to the Strategy were validated, and the Program of Work was updated. Each of the key initiatives in the Strategy remain the same including:

1. Grow existing businesses;
2. Ensure Butte County is a competitive location for new investment;
3. Create a sustainable reputation for the county; and
4. Improve the coordination of regional economic development resources and efforts.

The action items supporting the key initiatives are assembled into a Program of Work for a three year period. Many of the action items remain the same, or similar, in the 2017 – 2020 Update as in previous years. The original Strategy and the 2014 – 2017 Update laid a strong foundation for ongoing activities to support the key initiatives, so retaining many of the items creates consistent economic development efforts for the County and the region. These items are shown as ongoing in the Program of Work. New action items appear in the Program of Work in the year in which they will be initiated. The 2017 – 2020 Update includes a few specialty items labeled, Priority Actions. These Priority Actions target key areas within the County for economic development activity.

Successful implementation of the 2017 – 2020 Update to the Strategy will require coordination and collaboration on two distinct levels: (1) internally between various County departments, and (2) externally with various economic and business development partners, non-profit organizations, and other local jurisdictions. The County’s Economic and Community Development Manager will take the lead in assuring that the Program of Work is completed within the anticipated timeframe, and that the tasks are appropriately coordinated with internal and external partners.

ACTION REQUESTED

Approve the 2017 – 2020 Update to the Butte County Regional Economic Development Strategy.
Introduction
Local economic development is a process by which public, business, and nongovernmental sector partners work collectively to create better conditions for economic growth and employment generation. Strategic economic development efforts are typically organized around a set of key initiatives. Local government utilizes these key initiatives as decision making points when determining program and project actions. The successful implementation of an economic development strategy allows communities to continually improve their investment climate and business enabling environment to enhance their competitiveness, retain jobs, and improve incomes. Successful economic development efforts add to sales tax, transient occupancy tax, and other revenues while contributing to a higher quality of life for residents.

Purpose
Recognizing the importance of economic development, in 2011 the Butte County Board of Supervisors adopted the 2011-2014 Butte County Regional Economic Development Strategy. An update for 2014-2017 was adopted by the Board of Supervisors in early 2014 to guide regional economic development for an additional three year period. The 2017-2020 revision of the Strategy builds on the success of the action items contained in the original strategy, and incorporates expanded opportunities for special projects, while maintaining the original goals of:

- Growing existing businesses;
- Ensuring Butte County is a competitive location for new investment;
- Creating a sustainable business friendly reputation for the County; and
- Improving the coordination of regional economic development resources and efforts.

Economic Development Strategy Key Initiatives
The following details the three initiatives that will continue to guide economic development process and program decisions through the year 2020 to encourage business development, business retention, and business attraction in the Butte County region. Under each initiative are listed projects or programs to be accomplished in support of that initiative. Priority Actions have been added to two of the projects to highlight specific activities targeted at supporting the initiative. It is understood that additional projects or programs not listed may be undertaken as long as it is determined that they are consistent with the strategy’s key initiatives.

Initiative #1 - Ensure Butte County is a competitive location for new investment.
Achieving sustained job growth in Butte County requires the creation of a positive location for business investment. The ability to move a project through from concept to construction in an efficient manner requires ongoing evaluation of the interaction with business both internally and externally. In order to accomplish this, the following actions will be taken:

1. **Provide a Business Ombudsman** - Continue to provide business ombudsman services to those businesses looking to startup, expand, or relocate within Butte County. This person will be responsible for assisting the business through the project approval process including coordinating with various County departments.

2. **Review and Improve the Economic Development Advisory Committee (EDAC)** - Continue to coordinate project review with all potentially impacted County departments and outside agencies (i.e. Agriculture Department, Butte County Fire, CAL FIRE, Development
Services, Public Health-Environmental Health Division, PG&E, and federal and state permitting agencies). Evaluate the structure and function of the EDAC, and modify the EDAC process as necessary.

3. **Review the Project Review/Approval Process** - Evaluate the project review and approval process on an ongoing basis based on the EDAC review from Action 2 above, and comments obtained from staff, public, and the Board of Supervisors. Implement necessary changes to streamline the processes within the parameters of County, State, and federal regulations.

4. **Expand and Maintain an Available Land and Building Inventory** - Conduct quarterly outreach to commercial brokers regarding opportunities to market available land and buildings using appropriate web-based tools designed to reach businesses interested in relocating to the region. The information in the inventory should contain data pertaining to the unincorporated area of the county as well as the other local jurisdictions. The County will take the lead in updating the countywide inventory on a quarterly basis and identifying opportunities to distribute the information to assist with business expansion and attraction.

5. **Expand Area Branding** - Continue to work to brand Butte County as a business friendly area. Work with local jurisdictions, economic development partners, and Explore Butte County to develop a business friendly brand message which will be used as the backbone of the branding campaign. Incorporate the new County logo and develop a tagline based on the branding message. Provide materials to local jurisdictions, and discuss opportunities for regional marketing as appropriate.

6. **Update and Implement a Butte County Communication Strategy** - Update and implement a Communication Strategy. The purpose of the Strategy is to establish Butte County as open, responsive, and innovative when serving employees, the media, and the public. Successful implementation of the Strategy will enhance communication with employees, improve coordination with the media, and increase public access to County information, programs, and services.

7. **Monitor Available Incentive Programs and Distribute Applicable Information to Businesses** - Research available federal, State, and local business resources and incentives. Create a single source of information on available incentives. Inform businesses on programs that meet their specific needs. Highlight those incentives that are unique to Butte County.

8. **Explore and Implement Energy Project/Program Opportunities** - Explore opportunities related to increased energy savings for business and residential users, including both projects and programs related to energy efficiency and energy generation.
   
   » **Priority Action**
   
   Evaluate the feasibility for community choice aggregation in Butte County as a strategy to stabilize energy costs for business and residential users.

   » **Priority Action**
   
   Facilitate the development of land adjacent to the Neal Road Recycling and Waste Facility by public or private entities for the purpose of diversion of solid waste, energy generation, and other uses that add value and benefit to the local economy.
Initiative #2 - Grow existing key industry sectors – manufacturing/cleantech, agriculture and agriculture related, healthcare, information technology, and visitor attraction.

Strong local economies have thriving businesses and a local workforce with the skills to match the needs of those businesses. Butte County has a number of key industries identified through the General Plan 2030 process that have a strong foundation and have been identified as growth industries. The following actions will enable the County to work with these industries to enhance an environment for growth:

1. **Support Sector Strategies** - Participate in industry-led, sector-based organizations as appropriate (i.e. Manufacturing Support Readiness Team, LEAN Manufacturing, GrowManufacturing, GrowTech, etc.), and help formulate additional sector organizations as need occurs. Examples of sector based action items could include:
   - Business visitation
   - Determination of needs
   - Coordination of industry outreach
   - Talent pool development

2. **Support Business Incubation and Innovation** - Assist in the identification of resources for incubation and innovation, and educate businesses and service providers on resources available in order to assist growth of their business concepts and expand their profitability.

3. **Support Expansion of Business Financing Programs** - Assist in the identification of business financing programs including traditional sources as well as venture capital and seed funds, and educate businesses and service providers on resources available.

4. **Support Regional Tourism Promotion** - Work with Explore Butte County and appropriate tourism stakeholders to implement tourism promotion efforts and increase tourism to the Butte County region.

5. **Support Development and Maintenance of Tourism Infrastructure and Assets** - Support the maintenance of existing tourism infrastructure (i.e. trails, roadways, etc.) through increased collaboration with outside lead agencies (i.e. U.S. Forest Service, California Department of Parks and Recreation, etc.).

6. **Improve Necessary Infrastructure to Support Business Growth and Development** - Identify regional infrastructure development needs related to the support of existing business and the growth of new business. Work with local partners to identify available sources of funding (federal, State, and other) to support infrastructure development. When identifiable obstacles to funding participation exist, work to determine solutions.

   - **Priority Action**
     Evaluate the options, feasibility, and financing mechanisms for infrastructure improvements to encourage industrial development in the industrial zone on Durham-Dayton Highway and Oroville-Chico Highway along HWY 99.

   - **Priority Action**
     Support regional airports that serve local businesses with an emphasis on the effort to restore commercial air service at the Chico Airport. Work with local jurisdictions and community organizations to support air services that are critical to business development and growth in Butte County.
7. **Assist Local Jurisdictions with the Expansion of the Regional Retail Market** - Work with local jurisdictions and other economic development partners to identify regional opportunities for the expansion of the retail market.

8. **Coordinate with Local Jurisdictions to Attract Businesses to Butte County in Key Industry Sectors** – Work with local jurisdictions and other economic development partners to develop and implement a focused business recruitment program based on Butte County’s local advantages for key industry sectors.

   > **Priority Action**
   > Pursue the redevelopment of the Butte County Fairgrounds in a manner that maximizes jobs, maximizes benefits to the surrounding communities, minimizes costs to the County, and retains the County Fair on an annual basis if possible.

**Initiative #3 – Coordinate Business Development Services on a Regional Basis**

Butte County is fortunate to have a wide variety of economic development and workforce development partners including local governments, education, for-profit, and non-profit organizations. Unfortunately, the actions of these organizations are often seen as independent. A coordinated approach to economic development will enable a more focused, cost-effective provision of services. In addition, the business community will be well served by a coordinated and results oriented approach to business service. In order to coordinate services, the following actions will be taken:

1. **Provide Business Recruitment Assistance** - Participate in regional and Statewide recruitment efforts initiated by the Governor's Office of Economic Development. Work with local jurisdictions and existing economic development organizations to develop a single team to respond to leads within Butte County. The County to act as lead to follow up on status of inquiries and the coordination of responses. When appropriate, provide targeted marketing to identified industry sector businesses or site selection representatives.

2. **Maintain a Request for Proposal Template** - Assist in business recruitment through the maintenance of a countywide template for response to business leads and formal Requests for Proposals. Update area data and statistics as appropriate for industry inquiries.

3. **Develop and Implement a Business Retention Program** - Develop a countywide business retention program in cooperation with local jurisdictions and economic development partners. Work with local jurisdictions and economic development partners on program execution.

4. **Coordinate Regional Economic Development Programs and Services** - Meet quarterly with countywide providers of economic development and workforce development programs and services. Discuss need, planning, and implementation of regional programs. Educate each other on available programs/services. Develop opportunities to educate Butte County businesses on available programs/services. Provide updated information of programs/services on the Butte County economic development webpage.

**Program of Work**

Effective implementation of the Butte County Economic Development Strategy will require coordination and collaboration on two distinct levels: (1) internally between various County departments, and (2) externally with various economic and business development partners and other local jurisdictions. County staff will take the lead in organizing and implementing the Action Items detailed in the Strategy. The
majority of Action Items are continuous tasks and work will be ongoing in each of the three years. Continuous Action Items are identified below, followed by the Action Items to be completed in each of the three years of the Strategy.

**Continuous Work Items**
- Provide a Business Ombudsman
- Provide EDAC Services with Ongoing Evaluation to Identify Opportunities for Improvement
- Maintain an Available Land/Building Inventory
- Monitor Available Incentive Programs and Distribute Information to Businesses
- Support Sector Strategies
- Support Business Incubation and Innovation
- Support Expansion of Business Financing Programs
- Support Regional Tourism Promotion
- Support Development and Maintenance of Tourism Infrastructure and Assets
- Improve Necessary Infrastructure to Support Business Growth and Development
- Provide Business Recruitment Assistance
- Maintain a Request for Proposal Template
- Maintain a Business Retention Program
- Coordinate Regional Economic Development Programs and Services

**Year 1**
- All Continuous Work Items
- Update the Butte County Communication Strategy
- Explore Energy Project/Program Opportunities
- Complete a Planning Study for Developing Land Adjacent to the Neal Road Recycling and Waste Facility for Energy or Waste Diversion Uses.

**Year 2**
- All Continuous Work Items
- Expand Area Branding
- Implement the Butte County Communication Strategy
- Implement Energy Project/Program Opportunities
- Explore Financing to Develop Land Adjacent to the Neal Road Recycling and Waste Facility for Energy of Waste Diversion Uses.
- Evaluate Infrastructure Feasibility around the Durham/Dayton and HWY 99 Interchange
- Develop a Sector-Based Business Recruitment Program

**Year 3**
- All Continuous Work Items
- Maintain Area Branding
- Implement the Butte County Communication Strategy
- Implement Energy Project/Program Opportunities
- Facilitate Development of Land Adjacent to the Neal Road Recycling and Waste Facility for Energy of Waste Diversion Uses.
- Explore Financing for Infrastructure around the Durham/Dayton and HWY 99 Interchange
- Implement a Sector-Based Business Recruitment Program

**Quarterly Outcome Report**
In order to identify the level of support provided to Butte County businesses, staff shall provide a quarterly
report to the Board of Supervisors and the public. The report shall include information from the various land development departments within the County, and provide details on the following:

1. Permit activity,
2. Economic Development Assistance Committee activity,
3. Number of business contacts,
4. Permit process changes and improvements,
5. Success stories - testimonials and/or other information, and
6. Status of Economic Development Strategy Program of

**Conclusion**

The Butte County Economic Development Strategy describes a roadmap for the County and its partners to work together to enhance employment, investment, and quality of life opportunities. Successful implementation of the three key initiatives will create a positive business environment, positioning the County for private investment and job growth.