



**Kevin Palmer**  
Economic Development  
Director

**Mission Statement**

*The Economic Development Department fosters sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will create strategic partnerships with public and private entities to enhance global competitiveness and entrepreneurial development.*



**GOALS**

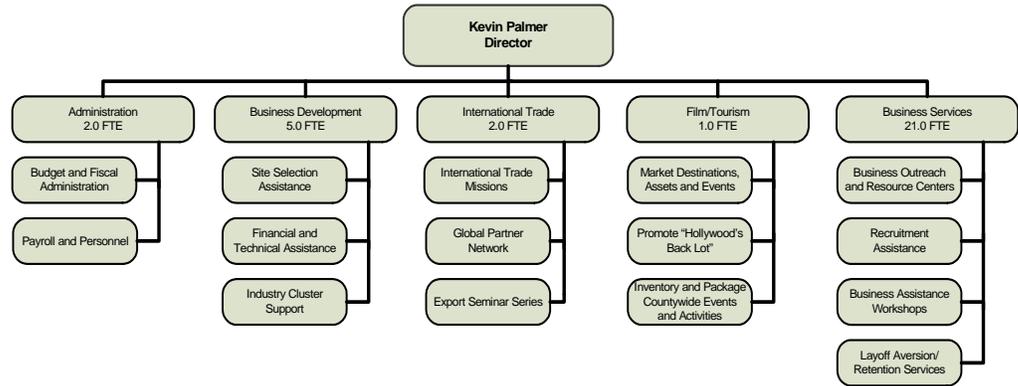
**FOSTER JOB CREATION,  
INCREASE PRIVATE  
INVESTMENT AND  
ENHANCE COUNTY  
REVENUES**

**CONTINUE TO DEVELOP  
OVERSEAS  
CONNECTIONS OF  
GLOBAL MARKETS**

**ENHANCE THE  
COUNTY'S POSITION AS  
A TOURIST  
DESTINATION AND A  
VIABLE LOCATION TO  
MAKE FILMS**

**ECONOMIC DEVELOPMENT**

**ORGANIZATIONAL CHART**



**DESCRIPTION OF MAJOR SERVICES**

The Department of Economic Development's major goal is to foster job creation, increase private investment and enhance county revenues through the implementation of a countywide economic development strategy. The strategy focuses on maximizing the standard of living of the county's residents, providing economic opportunities for the county's businesses, fostering a competitive environment and positioning the county as a highly competitive region for business opportunities. The strategy will emphasize industry sectors with high-grow potential and offering high paying jobs.

The department spearheads initiatives with local, national and international impact by forming internal and external strategic partnerships with key public and private sector organizations including, but not limited to, the State of California, San Bernardino County cities, the County of Riverside, as well as non-profit development corporations, developers, brokers, site selectors, corporate real estate executives and tenant representatives. Outreach to private sector stakeholders is conducted via a comprehensive media/marketing campaign.

The department also creates and develops necessary support structures to foster a positive, creative and expanding business climate by offering a wide array of economic development programs and services including the following:

- Site Selection Assistance
- Market Analysis and Demographics
- Permitting Assistance
- International Trade Services
- ED Loan Programs
- Enterprise Zone and Program Management
- Employer Services for Recruitment and Training
- Small Business Assistance and Technical Support
- Technical assistance and marketing support to county cities and economic development stakeholders.

**2007-08 SUMMARY OF BUDGET UNITS**

	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<b>General Fund</b>					
Economic Development	7,866,652	604,000	7,262,652		48.0
Total General Fund	7,866,652	604,000	7,262,652		48.0
<b>Special Revenue Funds</b>					
San Bernardino Valley Enterprise Zone	391,412	391,412		-	-
Total Special Revenue Funds	391,412	391,412		-	-
<b>Total - All Funds</b>	<b>8,258,064</b>	<b>995,412</b>	<b>7,262,652</b>	<b>-</b>	<b>48.0</b>

## GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

### GOAL 1: TO FOSTER JOB CREATION, INCREASE PRIVATE INVESTMENT AND ENHANCE COUNTY REVENUES THROUGH THE ATTRACTION, EXPANSION AND RETENTION OF BUSINESS

*Objective A: Coordinate and market economic development services.*

*Objective B: Provide direct and indirect financial assistance to businesses for job creation and private investment.*

*Objective C: Identify employment needs of businesses and recruit for these positions.*

*Objective D: Raise awareness of the competitiveness of San Bernardino County to increase inquiries and generate leads for new business attraction and investment.*

*Objective E: Provide customized training services.*

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
1A. Percentage increase of businesses served through referrals, seminars attendance, site selection assistance, and small business assistance (amended)	N/A	N/A	New	7%	5%
1B. Percentage of completed loan applications processed from submittal to close of escrow within 10 weeks. *	N/A	N/A	80%	N/A	N/A
1C. Percentage increase of number of job opportunities identified through the assistance of the business retention division. The data is provided by WDD and TAD.	N/A	0%	5%	5%	5%
1D. Percentage increase of leads/inquiries by businesses about locating in the county.	N/A	N/A	20%	30%	30%
1E. Percentage increase of on-the-job training contracts.	N/A	N/A	40%	40%	5%

\* As of July 1, 2007, the loan program has been officially placed on hold to review, update and modify the program; therefore, there are no numbers to report. Once the program is modified and re-activated, a new baseline will be established.

#### Status

The department has refined its service delivery mechanisms with respect to business referrals, seminars, small business assistance as well as site selection assistance and business attraction, expansion and retention lead response in an effort to serve a greater number of businesses. In addition, prior to July 1, 2007, adequate tracking systems were not in place to capture the actual number of businesses assisted, the amount of jobs created and the amount of private investment. Internal systems are now in place and will continue to be refined to track this data more accurately. Workforce and business seminars along with one-on-one business counseling services have been revamped to provide owners, human resource personnel and business executives with a more focused and appropriate curriculum by strengthening the department's funding and coordination with the Small Business Development Center and the Inland Empire Center for Entrepreneurship.

The Economic Development loan program was officially placed on hold on July 1, 2007. This was a necessary step in order to conduct an overall programmatic review and to seek important input regarding the program from various non-profit and for-profit lending professionals on ways we can improve and enhance the program to better serve businesses in our county. Once the program is revised and reactivated, appropriate measurements and goals will be established.

#### 2006-07 ACCOMPLISHMENTS

- ❖ Coordinated the China Trade Mission resulting in \$65 million in projected import/export transactions
- ❖ Identified 30,617 new job opportunities within the County
- ❖ Implemented San Bernardino Valley Enterprise Zone
- ❖ Assisted with creating and retaining 11,328 jobs
- ❖ Attended/ Sponsored fifteen tradeshows
- ❖ Recent business successes include:
  - Burlington Coat Factory
  - Superior Super Warehouse
  - Pactiv Corp.
  - Sweet Life Enterprises
  - Verizon
  - San Manuel Band of Mission Indians

The Business Retention Team continued to deliver outstanding services to employers despite a nearly 30% reduction in staff due to state and federal program budget cuts. The division provided more than \$400,000 in in-kind services assisting local businesses with their recruitment needs by offering temporary office space to conduct interviews, telecommunication tools, and job position advertising. Several nationally recognized companies such as Lowe's, Holiday Inn, JC Penney, Best Buy, Payless Shoe Source, ExpressJet and Home Depot have recently utilized these services.

The department has coordinated with EDA's marketing division to develop and implement a comprehensive economic development advertising and marketing campaign centered on branding the county as "Opportunity California." The campaign is ongoing and includes advertising, website enhancement, public relations and press releases, television advertising and tradeshow attendance. This campaign identified specific targeted markets and industries with high-growth potential and high-paying jobs.

The department has implemented six On-The-Job Training contracts for 2007-08 as of December 1, 2007. Currently, there are plans to initiate a marketing campaign in January 2008. The campaign will include mailers as well as in-person visits to employers. Some of the current contracts that are in place include: Payless Shoe Source Warehouse, Baseline Bargain Liquidation Warehouse, and Everything Dentistry.com.

**GOAL 2: ESTABLISH AN IMAGE OF THE COUNTY AS A GLOBAL AND DIVERSE BUSINESS CENTER IN THE UNITED STATES BY CONTINUING TO DEVELOP OVERSEAS CONNECTIONS, INFRASTRUCTURE AND UNDERSTANDING OF GLOBAL MARKETS**

*Objective A: Create a network of global business partners that will assist in promoting the County of San Bernardino as North America's leading region for international business opportunities and foreign direct investment.*

*Objective B: Educate local County of San Bernardino businesses on how to take advantage of export/import markets.*

*Objective C: Provide county area companies with business development opportunities abroad.*

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
2A. Percentage of global business partners established and actively engaged with the County of San Bernardino (amended)*	N/A	N/A	New	100%	100%
2B. Percentage of individuals that are provided with customized international training services (amended)*	N/A	N/A	New	477%	16%
2C. Number of business delegates participating in trade missions led by the department * (amended)	N/A	N/A	New	20	40

\* The measurements above have been amended to clarify and make them more appropriate to the goal.

#### Status

The increased capability and outreach made possible by the County of San Bernardino International Trade Division will help stimulate more businesses, particularly Small and Medium Enterprises (SME) to expand or develop international trade activity. Similarly, foreign businesses and investors seeking joint ventures or direct investment will have improved access to prospective joint venture partners and communities within the county. Collectively, the international trade and investment outcomes expected from partnership activities will help boost long-term growth and job creation within the County of San Bernardino. Today, 45,000 jobs in the County of San Bernardino are directly tied to international trade and responsible for adding \$16 billion to the county's economy. Moreover, increasing the participation of San Bernardino County businesses in international trade, most notably on the part of SME's, helps improve diversity and stability in our economy. The measurements were amended to provide clarification and make them more appropriate to the goal.

**GOAL 3: ENHANCE THE COUNTY OF SAN BERNARDINO'S POSITION AS A TOURIST DESTINATION AND PROMOTE THE COUNTY AS A VIABLE LOCATION TO MAKE FILMS THROUGH BRANDING AND MARKETING**

*Objective A: Promote the county's high quality filming locations, close proximity to Hollywood and the favorable climate conditions to members in the filming industry.*

*Objective B: Promote specific regional tourist destinations.*

*Objective C: Sponsor events that create tourism within the county.*

**Status**

The Economic Development Department is collaborating with the EDA marketing division to develop comprehensive strategies in relation to filming and tourism opportunities within the county.

Many areas of the county including the mountain and desert communities rely heavily on tourism as the primary economic engine in these regions. Tourism is also an important source of local revenue in terms of sales tax and transient occupancy tax (TOT). It is vitally important that the county support tourism development by implementing an aggressive print and television advertising campaign to reach out to potential new markets and build awareness of the county as a tourist destination. Additionally, tourism initiatives include outreach to travel writers and travel promoters/agents. The department has also strengthened and developed key relationships with tourism stakeholders by serving on the Inland Empire Tourism Board and collaborating with all three state designated Welcome Centers located within the county.

San Bernardino County has been an important location for filming for many years. Much like tourism, filming can have a direct positive economic impact on the county's businesses as well as county sales tax and TOT revenue. Aggressive marketing efforts and incentives by other states and Canadian provinces will require an equally aggressive effort by the county if we are to maintain and grow filming market share. To meet this challenge, the department is preparing a film incentive package that will be presented to the Board of Supervisors. Currently, the department and the Marketing Division are branding the county as Hollywood's Backlot. A film website is being launched, [www.hollywoodsno1backlot.com](http://www.hollywoodsno1backlot.com), and will continue to be enhanced.

Staff continues to work with the Inland Empire Film Commission collaborating on permitting issues, marketing and relationship building with studios, site location scouts, independent film makers and commercial producers. The county also recently hosted a "Hollywood Backlot" promotion by partnering with the California Speedway at their September Hollywood marketing event.

**APPROVED ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS)**

Brief Description of Policy Item	Budgeted Staffing	Appropriation	Dept. Revenue	Local Cost
1. In 2006-07, an increase in funds for the Enhanced Economic Development Program in the amount of \$2,443,500 (\$1,118,500 one-time funding; \$1,325,000 ongoing funds). The measurement for this item in terms of business inquiries has been added to Measurement 1D. In 2007-08 the one-time funding of \$1,118,500 was converted to ongoing funding of \$1,140,000. In addition, 3.0 Economic Development Managers and 1.0 Deputy Administrative Officer was approved totaling \$566,570.	4.0	3,031,570	-	3,031,570
2. In 2006-07, an increase in funds for the High Desert Employment and Business Resource Center in the amount of \$300,000 (\$150,000 one-time funding; \$150,000 ongoing funds).	-	300,000	-	300,000
3. In 2006-07, an increase in funds for the California Speedway FanZone sponsorship in the amount of \$700,000. In 2007-08, this item was changed to be a re-occurring item for years 2007-08 and 2008-09 at \$210,000.	-	210,000	-	210,000
4. In 2006-07, an increase in funds for 1.0 Geographic Information Systems Technician II positions in the amount of \$32,592.	1.0	65,184	32,592	32,592
5. In 2007-08, an increase in funds for the Enhanced Economic Development to develop, market and administer the San Bernardino Valley Enterprise Zone (SBVEZ). (\$27,000 one-time funding and \$10,000 ongoing funds).	-	37,000	-	37,000

MEASUREMENT	2005-06 Actual	2006-07 Actual	2007-08 Target	2007-08 Estimate	2008-09 Target
P1. & P3. Percentage increase of editorials/articles.*	N/A	123%	25%	40%	25%
P1. & P3. Percentage increase of television, radio, podcast and production coverage.*	N/A	200%	25%	25%	25%
P1. & P3. Percentage increase of conferences sponsored.*	N/A	275%	25%	6%	6%
P1. & P3. Percentage increase of website hits (amended).**	N/A	N/A	N/A	N/A	30%
P1. & P3. Percentage increase of companies assisted.	N/A	N/A	5%	10%	5%
P2. Percentage that the High Desert Employment and Business Resource Center is operational.***	N/A	N/A	100%	10%	25%
P2. Percentage increase of businesses served by the High Desert Employment and Business Resource Center.***	N/A	N/A	30%	0%	30%
P4. Percentage increase in the creation of reports and maps to be used for business attraction and retention.****	N/A	N/A	10%	N/A	N/A
P5. Percentage increase of vouchers issued in the SBVEZ (amended).	N/A	N/A	N/A	N/A	25%

\* The number of editorials/articles increased from 26 in 2005-06 to 58 in 2006-07 and the number of television, radio, podcast and production increased from three in 2005-06 to nine in 2006-07. Conferences sponsored increased from four in 2005-06 to 15 in 2006-07. These substantial increases are a result of increased budgeting and staffing directed to the marketing effort.

\*\* This measurement was revised to include all department website hits in an effort to better reflect overall marketing efforts. A new software program has been purchased to analyze and calculate reports for the website and will assist in establishing a baseline.

\*\*\* This policy item consists of one-time funding and ongoing funds for the operation of the High Desert Employment and Business Resource Center. ED staff is currently analyzing and developing project alternatives and will be making specific recommendations to the 1st District Supervisors office during 1st Quarter 2008 for expenditure of these funds based on business needs in the region.

\*\*\*\* The decision to fill the proposed Geographic Information Systems Technician II position was placed on hold until after January 1, 2008 at the request of LAFCO who was funding 50% of this position. This request to postpone the recruitment was due to LAFCO's need to complete certain projects in the pipeline first and the fact that there was a lack of qualified candidates for the job. New measurements will be established if and when this position is filled.

Note: The following measurements identified in 2007-08 have been moved, reorganized or incorporated within other sections of this business plan.

- "Percentage increase of leads from existing sponsorships" is now reflected in Measurement 1D.
- "Percentage increase of business inquiries/leads both domestic and international" is now reflected in Measurement 1D.
- "Number of websites hits on the international trade services on-line directory and on-line event calendar" is now reflected in percentage increase of website hits.

### Status

The policy items 1 and 3 have provided the Economic Development Department the necessary resources to conduct an effective economic development program. Until the new agency was formed nearly a year and half ago, the County of San Bernardino was not considered by business and real estate professionals as a serious player in the field of economic development. As the largest county in the United States, it is important to have an effective marketing and advertising program supported by key special events offering national exposure, such as the California Speedway races and the Mark Christopher nationwide tour event. These events coupled with a strong presence at key industry trade shows, the use of professional quality collateral materials and most importantly, the right people to manage these programs and services will strengthen the overall program.

The marketing and outreach efforts have already created a greater awareness of the county, increased interest in businesses and developers considering investment in the county and have generally improved the overall image to the outside world by delivering a quality and consistent message with the successful "Opportunity California" campaign. Good Marketing is not a one-time exercise and will continue to be pursued on a strategic and consistent basis.

The department has identified 25 key Programmatic Focus Areas. The Economic Development Managers and their teams are developing these Focus Areas into strategic action plans to be implemented by the department. These Programmatic Focus Areas stem from the following general economic categories:

- International Trade
- Logistics & Industrial Development
- Office Development and Corporate HQ Program
- Health Care & Medical
- High Technology Strategy/Life Sciences
- Retail Development
- Mining
- Agriculture Strategy
- Airport Development
- Alternative Energy Strategy
- Film & Tourism
- Business Retention
- Arts, Culture & Entertainment (creative communities)

The High Desert Employment and Business Resource Center will continue to be a key project in this region for the remainder of this year and into 2008-09. As mentioned above, staff will be presenting project alternatives to the First District Supervisor after analysis is complete on associated costs during the first quarter 2008.

The San Bernardino Valley Enterprise Zone (SBVEZ) is a state designated geographical area that offers local businesses state tax incentives in order to stimulate economic growth in the economically distressed areas of the City of San Bernardino, the City of Colton, and the county. The SBVEZ facilitates economic growth through assistance to local businesses, jurisdictional leadership, public/private collaborations, attraction of new investment, the retention/expansion of existing businesses, and the employment of the most difficult-to-hire workers into private sector jobs. Conditional approval of the zone has been received on January 10, 2007 and final approval is anticipated in Spring 2008 upon final adoption of the required Environmental Impact Report (EIR).

Major services to be offered to zone businesses by the SBVEZ and the county include:

- Issuance of employment tax credit vouchers
- Conducting SBVEZ incentive workshops
- Offering job training and recruitment services

Currently, the zone partners are holding business outreach workshops, making presentations at chamber of commerce meetings, building the website and developing marketing collateral material. Already, the zone partners have issued 77 vouchers for employment tax credits to zone businesses.

#### **2008-09 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING (POLICY ITEMS), INCLUDING NEW CAPITAL IMPROVEMENT PROGRAM (CIP) PROJECTS, OR BUSINESS PROCESS IMPROVEMENT (BPI) RESERVE FUNDS**

The department is not requesting any additional general fund financing for 2008-09.

#### **2008-09 PROPOSED FEE ADJUSTMENTS**

The department is not requesting any proposed fee adjustments for 2008-09.

If there are questions about this business plan, please contact Kevin Palmer, Director, at (909) 387-9812.