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Agency Administrator
Acting as Interim 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.



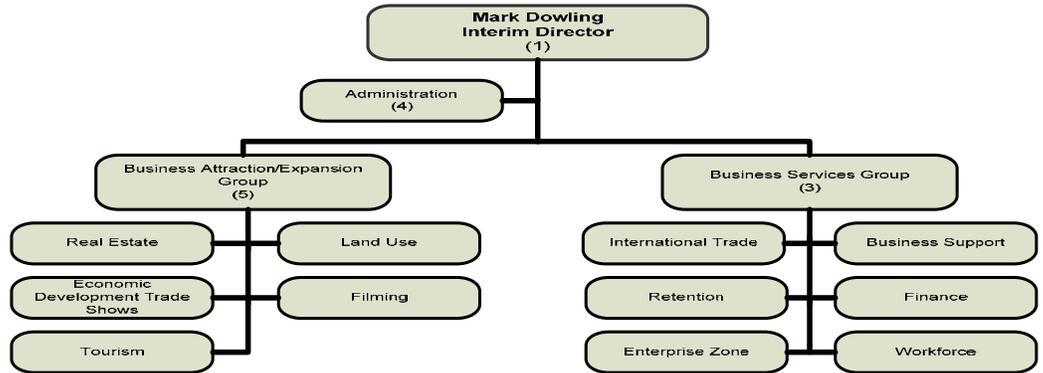
GOALS
FOSTER JOB CREATION,
INCREASE PRIVATE
INVESTMENT AND
ENHANCE COUNTY
REVENUES

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 department focuses on providing economic opportunities for the county's businesses, fostering a competitive environment and positioning the county as a highly competitive region for business. The department targets industry sectors with high-growth potential 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. These groups include the State of California, San Bernardino County cities, the County of Riverside, non-profit development corporations, developers, brokers, site selectors, corporate real estate executives and tenant representatives. Outreach to private sector stakeholders is also conducted via a comprehensive media/marketing campaign.

The department also creates and develops necessary support structures to foster a positive and creative 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
- Enterprise Zone and Program Management
- Small Business Assistance and Technical Support
- Technical Assistance and Marketing Support to County Cities and Economic Development Stakeholders

2009-10 SUMMARY OF BUDGET UNITS

	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
General Fund					
Economic Development*	5,710,767	380,000	5,330,767		30
Total General Fund	5,710,767	380,000	5,330,767		30
Special Revenue Fund					
San Bernardino Valley Enterprise Zone	212,609	101,140		111,469	-
Total Special Revenue Fund	212,609	101,140		111,469	-
Total - All Funds	5,923,376	481,140	5,330,767	111,469	30

* This budget unit includes the Economic Development agency as well as the Department of Economic Development.

GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

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

Objective A: Increase the number of job opportunities within the county by assisting with the expansion and attraction of new and existing businesses.

Objective B: Assist in keeping our existing businesses progressive and profitable and allowing companies the opportunity to grow within our community.

MEASUREMENT	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
1A. Number of jobs created through the attraction and expansion efforts of the ED Department within the County of San Bernardino.	N/A	530	1500	650	700
1B. Increase the percentage of business retention visits within the County. (Baseline for 2008-09 is 160 visits, 2009-10 estimate is 50) replacing with 1B new.	N/A	N/A	237%	-31%	N/A
1B. (New) Percentage increase in the number of events and/or programs produced or sponsored in collaboration with public/private, economic development stakeholders that reinforce small and medium size companies' ability to stay recession proof. (Baseline for 2009-10 is estimated to be 20.)	N/A	N/A	N/A	N/A	20%

Status

With the downturn in the economy, very little development has occurred within the county during the past year. Through the first nine months of 2009, permits issued within the commercial and industrial sectors decreased an average of 70 percent from the 2008 calendar year. In eight of the first 10 months of 2009, not a single office development permit was issued. Zero industrial permits were applied for in seven of the first 10 months of the year and three months passed without any retail permits issued. This economic reality is reflected in the "number of jobs created" reported in measurement 1A. Regardless, the attraction team within the Department of Economic Development has continued to work with local brokers, developers and site selection representatives. The recruitment of new tenants to the area is now the primary focus of this team. In the past year, the department assisted with projects such as Trader Joe's and Post Cereal's distribution centers. The department continues to prepare site responses and answers many questions in relation to businesses moving into and expanding within the county.

Additionally, there has been substantial interest in establishing alternative energy projects within the High Desert. The county, with the help of the Economic Development, had five projects submitted for conditional use permits (CUP) for solar farms this year. While solar projects do not ultimately contribute to long term, substantial job growth, the construction phase of these projects will give the industry a boost of approximately 560 jobs during this down cycle.

2008-09 ACCOMPLISHMENTS

- ❖ Completed restructuring of the Department
- ❖ Hired and trained five new staff members (approximately half of the total current staff)
- ❖ Partnered throughout the year with 40 economic development organizations to leverage much needed resources and services to the local business constituency
- ❖ Partnered with Department of Airports to promote business development at the six County airports
- ❖ Created structured process for the business loan program
- ❖ Attended 8 trade shows and conferences to promote the County's development and tourism opportunities
- ❖ Led a team of public and private San Bernardino County stakeholders to participate in the Global U.S. Investors Forum in Seoul, Korea, where overseas investors learned about foreign direct investment opportunities in San Bernardino County



As a result of the downturn in the economy, and the deletion of 1 ECD Specialist II and 3 Business Services Specialist positions, the department is changing its focus and services delivery with respect to retaining area businesses by addressing them in large group settings versus the one-on-one retention visits as performed in the past. This approach allows the department to impact a larger business audience. This has been successfully implemented by launching the Business Insight Series and Business Stimulus Series which focus on teaching area CEO's, entrepreneurs and high level managers essential business survival skills, leadership development, strategic planning and employee retention strategies. The programs also serve to showcase prominent business leaders and visionaries who are making an impact in the economic recovery of our region. Additionally, the department provides funding and in-kind resources to area partners whose missions dovetail with the departments objectives. The department has also continued to work with the Department of Workforce Development, which acts as the eyes and ears within the business community, by attending meetings with local businesses to address their specific needs and to provide information on how the department can assist. This allows the department to provide individual services to businesses.

With fewer staff, Measurement 1B is no longer a viable objective and will be phased out and replaced with Measurement 1B (new): "Number of events and/or programs produced or sponsored in collaboration with public/private, economic development stakeholders that reinforce small and medium size companies ability to stay recession proof." Small and medium size businesses are the lifeblood of our economy, but even during good economic times, running a business is not easy. In times of mounting challenges, business owners need to re-assess their current business model to fit the changing economic landscape. The limited resources will be directed to identifying and bolstering the entities that provide business constituents with access to essential business networks, resources, business coaching, training, leadership development and employee retention strategies, ensuring that companies have the best resources to stay recession proof and in some cases, thrive under this new business environment.

GOAL 2: ESTABLISH AN IMAGE OF THE COUNTY AS A GLOBAL AND DIVERSE BUSINESS CENTER 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	2007-08 Actual	2008-09 Actual	2009-10 Target	2009-10 Estimate	2010-11 Target
2A. Percentage increase of global business partners established and actively engaged with the County of San Bernardino. (Baseline for 2006-07 is 15 partners)	130%	100%	25%	0%	0%
2B. Percentage increase of Individuals that are provided with customized international training services. (Baseline for 2006-07 is 64 individuals)	50%	6%	16%	0%	0%
2C. Number of business delegates participating in trade missions led by the department.	15	11	20	0	N/A

Status

Companies who have a global outlook are better suited to compete in the 21st Century. If companies are only selling their products and services in the United States, they are only reaching five percent of the world's population and one-third of the world's purchasing power. The capability and outreach made possible by the County of San Bernardino International Trade Division helps to 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 have improved access to prospective joint venture partners and communities. Collectively, the international trade and investment outcomes expected from partnership activities boost long-term growth and job creation within the County of San Bernardino. According to a 2006 study from the California Policy Institute at Claremont, 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.

Growth for measurements 2A, 2B and 2C is directly tied to personnel and resources available within the department. The number of global business partners engaged will remain at approximately 70 stakeholders and the amount of individuals provided with customized international training services should hold steady at approximately 100. Due to the deletion of the ECD Specialist II position and a change in focus with respect to international trade, growth progress within established performance measurements is forecast to reflect a "holding pattern" for the 2009-10 estimate and 2010-11 target time periods. With a shift in focus from international trade to general business services and retention efforts, the department anticipates trade missions will be put on hold and replaced with local economic development projects, business retention services and training. As a result thereof, performance Measurement 2C will be eliminated in 2010-11.

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

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. This past year, the department distributed close to \$260,000 in TOT revenue back to 19 entities throughout the county that promote tourism to the area.

Recognizing that travelers visit destinations and then pick hotel and restaurant amenities that are within the local area, the department has created the San Bernardino County Destination Tourism Council. The Council serves four primary purposes: to create a communication platform between the destinations (mountain communities, casino, arena, shopping experiences, convention center, airports); to educate the members about current trends in the industry; to familiarize one another about their own venues; and to provide for collaboration between the venues. Additionally, the department and the Economic Development Agency marketing group contracted with an outside agency to develop a baseline understanding of the San Bernardino County tourist. Through the gathering of existing material and surveys done by an external consultant along with conducting interviews of tourists to the county, the Agency has developed a tourist profile that will provide background needed to develop a tourism marketing strategy that will be completed next fiscal year. Lastly, the department is revamping its website to include new technology that will allow visitors to obtain even more information on what there is to do and see in the area through video, pictures and GIS mapping.

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. 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 is sponsoring familiarization tours for location scouts around the county and has sponsored the California On Location Awards along with the Lake Arrowhead and Big Bear Film Festivals.

2010-11 REQUESTS FOR ADDITIONAL GENERAL FUND FINANCING

The department is not requesting any additional general fund financing for 2010-11.

2010-11 PROPOSED FEE/RATE ADJUSTMENTS

The department is not requesting any proposed fee/rate adjustments for 2010-11.

If there are questions about this business plan, please contact Mark Dowling, Interim Director, at (909) 387-9801.