

# ECONOMIC DEVELOPMENT

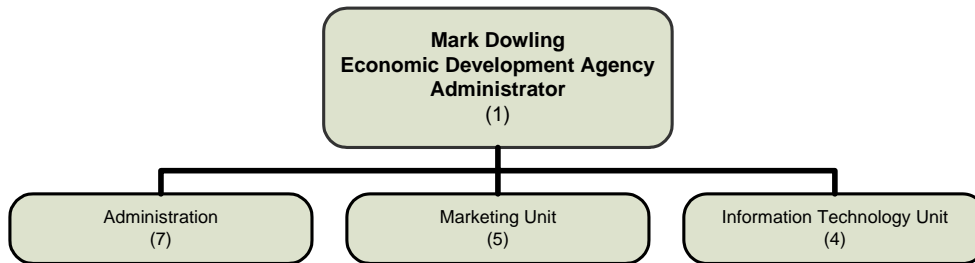
## Mark Dowling

### MISSION STATEMENT

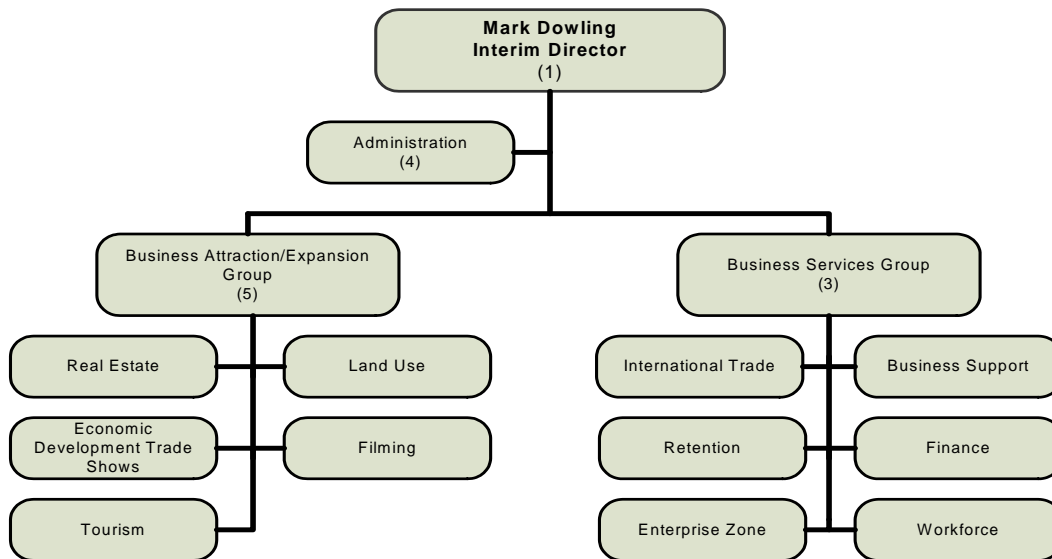
The Economic Development Department fosters sustainable economic growth, opportunities for job creation and revenue enhancement through comprehensive business expansion, attraction, and retention programs and services. The department will create strategic partnerships with public and private entities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

### ORGANIZATIONAL CHART

Economic Development Agency:



Department of Economic Development:



### STRATEGIC GOALS

1. Foster job creation, increase private investment and enhance county revenues through the attraction and expansion of business.
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.
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.



PERFORMANCE MEASURES				
Description of Performance Measure	2007-08 Actual	2008-09 Target	2008-09 Estimate	2009-10 Target
<b>Economic Development Agency</b>				
Percentage of total marketing and collateral materials developed to incorporate the Agency's branding.	80%	100%	20%	N/A
Percentage increase on the total number of page views for redesigned www.OpportunityCA.us.	N/A	N/A	N/A	10%
Percentage increase in number of times the agency appears in positive neutral news coverage.	N/A	N/A	N/A	10%
Percentage implementation of the IT Assessment objectives that have been funded.	25%	50%	58%	100%
<b>Department of Economic Development</b>				
Number of jobs created through the attraction and expansion efforts of the Economic Development Department within the County of San Bernardino.	N/A	New	750	1500
Increase the percentage of businesses retention visits within the county. (Baseline for 2008-09 visits is 160 visits)	N/A	N/A	N/A	237%
Percentage of global business partners established and actively engaged with the County of San Bernardino. (Baseline for 2006-07 is 15 partners)	130%	100%	100%	25%
Percentage of individuals that are provided with customized international training services. (Baseline for 2006-07 is 64 individuals)	50%	16%	16%	16%
Number of business delegates participating in trade missions led by the department.	15	40	20	20

## SUMMARY OF BUDGET UNITS

	2009-10				
	Appropriation	Revenue	Local Cost	Fund Balance	Staffing
<b>General Fund</b>					
Economic Development	5,210,767	80,000	5,130,767		30
Total General Fund	5,210,767	80,000	5,130,767		30
<b>Special Revenue Fund</b>					
San Bernardino Valley Enterprise Zone	240,998	101,140		139,858	-
Total Special Revenue Fund	240,998	101,140		139,858	-
<b>Total - All Funds</b>	<b>5,451,765</b>	<b>181,140</b>	<b>5,130,767</b>	<b>139,858</b>	<b>30</b>

Detailed information for each departmental budget unit follows, along with a description of the services provided, budget unit history and analysis of the budget unit.

## Economic Development

### DESCRIPTION OF MAJOR SERVICES

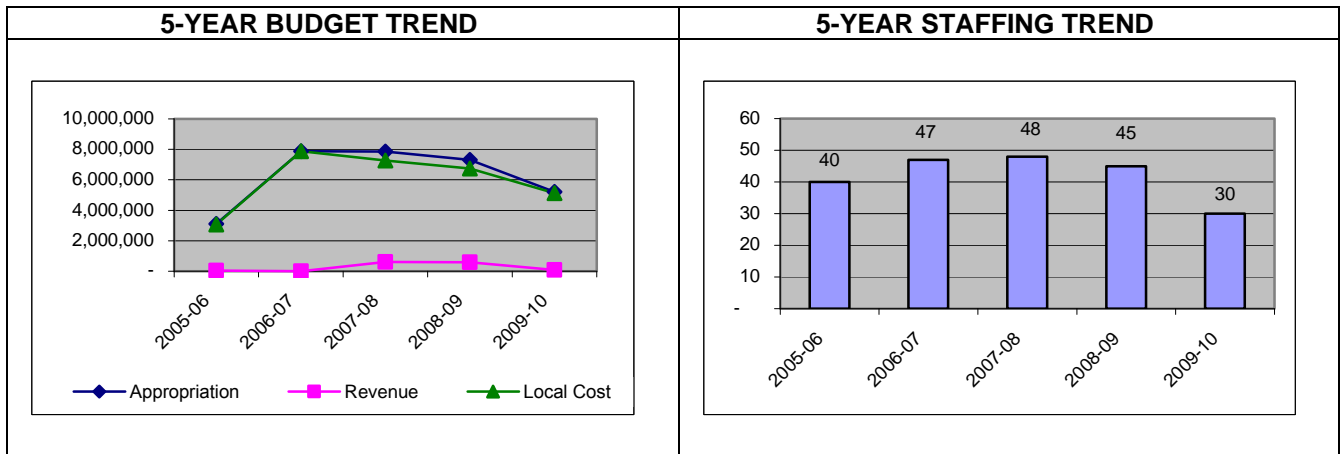
The Department of Economic Development's (ED) major goal is to foster job creation, increase private investment and enhance county revenues through the implementation of a countywide economic development strategy. The strategy focuses on maximizing the standard of living of the county's residents, providing 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-growth 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
- Economic Development Loan Programs
- Enterprise Zone and Program Management
- Small Business Assistance and Technical Support
- Technical assistance and marketing support to county cities and economic development stakeholders.

### BUDGET HISTORY



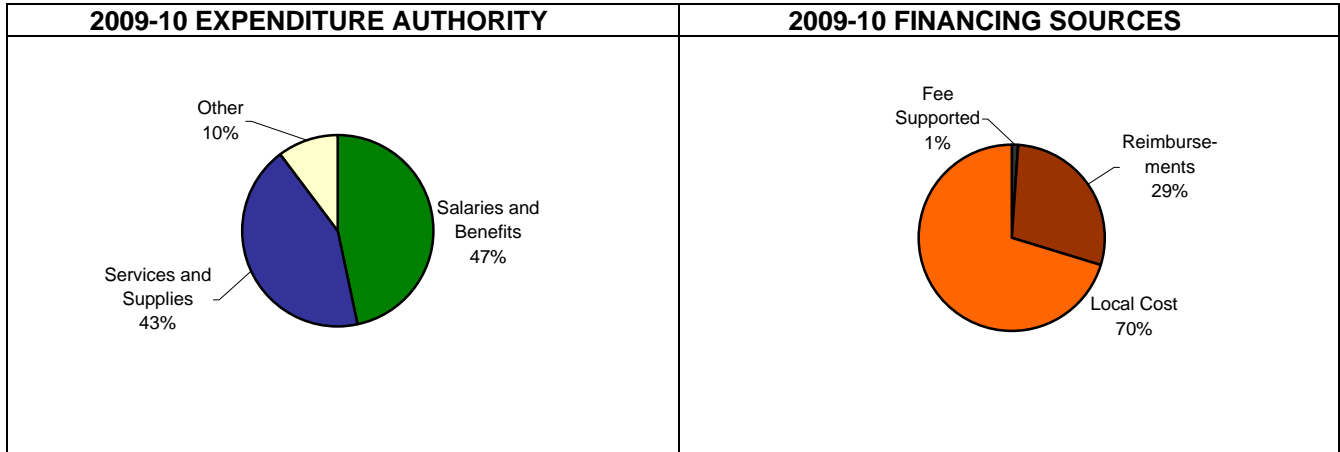
### PERFORMANCE HISTORY

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Modified Budget	2008-09 Estimate
Appropriation	3,112,150	7,084,529	7,584,183	6,885,867	6,392,067
Departmental Revenue	43,634	357,883	754,216	580,000	586,115
Local Cost	3,068,516	6,726,646	6,829,967	6,305,867	5,805,952
Budgeted Staffing				31	

Estimated appropriation for 2008-09 is lower than the modified budget due to salaries savings related to delays in hiring positions.



**ANALYSIS OF PROPOSED BUDGET**



As a result of the current economic condition, the 2009-10 proposed budget was impacted by an 8% cut and a salary reduction. The total of these budget reductions was a decrease of \$601,152 to appropriation and local cost; and the details are listed in the following schedule. Budgeted staffing was reduced by 2 vacant positions.

**IMPACTS DUE TO BUDGET REDUCTIONS**

Brief Description of Budget Impact	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost
2009-10 8% Reduction Reduction made to salaries and benefits and services and supplies - deleted 2 vacant Business Services Specialist positions, service contracts with consultants and other professional advisory services, advertising and public relations reduced.	(2)	(481,435)	-	(481,435)
Salary Reduction Reduction made to services and supplies - professional services, web site services, and professional contracts were reduced.	-	(119,717)	-	(119,717)
<b>Total</b>	<b>(2)</b>	<b>(601,152)</b>	<b>-</b>	<b>(601,152)</b>

The preceding reductions were incorporated into the departmental budget and are reflected in the following schedule that details the budget by appropriation unit.



GROUP: Economic Development Agency  
 DEPARTMENT: Economic Development  
 FUND: General

BUDGET UNIT: AAA EDF  
 FUNCTION: Public Assistance  
 ACTIVITY: Other Assistance

	2005-06 Actual	2006-07 Actual	2007-08 Actual	2008-09 Estimate	2008-09 Final Budget	2009-10 Proposed Budget	Change From 2008-09 Final Budget
<b>Appropriation</b>							
Salaries and Benefits	2,172,363	3,107,617	3,303,854	2,841,766	4,205,135	3,417,821	(787,314)
Services and Supplies	2,267,354	6,018,225	6,657,720	5,035,988	5,732,323	2,835,259	(2,897,064)
Central Computer	2,342	24,961	46,981	48,694	48,694	34,369	(14,325)
Travel	-	-	-	227,762	228,600	261,000	32,400
Equipment	39,110	107,737	-	-	-	-	-
Transfers	143,961	226,483	430,552	180,946	264,929	759,052	494,123
Total Exp Authority	4,625,130	9,485,023	10,439,107	8,335,156	10,479,681	7,307,501	(3,172,180)
Reimbursements	(1,542,435)	(2,400,494)	(2,854,924)	(1,943,089)	(3,160,783)	(2,096,734)	1,064,049
Total Appropriation	3,082,695	7,084,529	7,584,183	6,392,067	7,318,898	5,210,767	(2,108,131)
Operating Transfers Out	29,455	-	-	-	-	-	-
Total Requirements	3,112,150	7,084,529	7,584,183	6,392,067	7,318,898	5,210,767	(2,108,131)
<b>Departmental Revenue</b>							
Current Services	-	49,549	83,333	75,000	75,000	75,000	-
Other Revenue	43,634	11,334	120,883	11,115	5,000	5,000	-
Other Financing Sources	-	-	550,000	500,000	500,000	-	(500,000)
Total Revenue	43,634	60,883	754,216	586,115	580,000	80,000	(500,000)
Operating Transfers In	-	297,000	-	-	-	-	-
Total Financing Sources	43,634	357,883	754,216	586,115	580,000	80,000	(500,000)
Local Cost	3,068,516	6,726,646	6,829,967	5,805,952	6,738,898	5,130,767	(1,608,131)
Budgeting Staffing:					45	30	(15)

Salaries and benefits of \$3,417,821 fund 30 budgeted positions. The decrease of \$787,314 reflects a total reduction of 15 budgeted positions. Board approved items related to a reorganization of the Economic Development Agency accounted for 13 of those positions, all of which were moved to the Workforce Development Department (WDD) (10 Employment Services Specialists; 2 Supervising Employment Services Specialists and 1 Employment Services Technician). In addition to moving these positions, the Agency, as part of its reorganization strategy, requested and received Board approval to add 4 Business Services Specialist positions and delete 4 vacant budgeted positions (Economic Development Manager, Education Specialist, Geographic Information Systems Technician, and Public Service Employee).

Furthermore, as a result of reduced local cost financing, 1 vacant Business Services Specialist position was deleted midyear and 2 additional vacant Business Services Specialist positions are being deleted in 2009-10. Partially offsetting these decreases is the addition of 1 Office Assistant III to support the High Desert Business Resource Center. This position will assist businesses and county residents that have or are thinking about starting a business with available resources.

Services and supplies of \$2,835,259 include costs of sponsorships and real estate related trade shows, advertising, special events, public relations, international trade, film and tourism and economic and real estate related studies. The net decrease of \$2,897,064 is primarily due to the reduction in local cost financing due to the following: 1) the elimination of one-time carryover funds in the amount of \$327,141, 2) the expiration of the speedway contract funding of \$210,000, 3) the transfer of the Quad State Joint Powers Authority Payment of \$131,799 to the Legislative budget unit, and 4) the reduction in local financing due to budget cuts in the amount of \$753,595; out of which \$377,952 is related to the 2009-10 budget reductions discussed above and \$375,643 is related to the 2008-09 budget reductions approved in February 2009. The 2008-09 budget reductions resulted in reductions to professional services, advertising, and public relations expenditures. Other major budget impacts include a transfer of the Speedway contract expense of \$746,000 to the Redevelopment Agency, the elimination in operating transfers in of \$500,000 related to economic development projects in the 4<sup>th</sup> District, the elimination of training costs for TAD of \$267,717, reduction of costs related to the positions transferred to WDD of \$89,901, transferring \$53,206 in funding to salaries and benefits to cover the costs of the new Office Assistant III, plus an increase in information services support of \$118,000 and miscellaneous increases of \$64,295.



Travel of \$261,000 includes private mileage, air travel, car rental, and conference fees. The increase of \$32,400 is to properly account for expenditures previously budgeted in services and supplies.

Transfers of \$759,052 represent payments for staff support and rent charges paid to WDD and the new internal cost allocations between the Agency and ED. The increase of \$494,123 is primarily attributed to the inclusion of the internal cost allocations between the Agency and ED.

Reimbursements of \$2,096,734 represent payments from other departments primarily for administrative activities provided by the Agency. Reimbursements decreased by \$1,064,049 due to the Speedway contract expenses being moved to the Redevelopment Agency (\$746,000), the transfer of the business services function to WDD (\$1,199,112), and transferring back the Business Expansion Loan Program to the Department of Community Development and Housing (\$140,000). These decreases were partially offset by an increase of \$438,995 due to the inclusion of reimbursements from ED to the Agency, reimbursements for the Bark Beetle Loan Program of \$75,000, reimbursements from the Airports Department for marketing services of \$104,965, and Agency charges increases of \$402,103.

Departmental revenue of \$80,000 was reduced by \$500,000 due to the elimination of one-time funding for economic projects within the 4<sup>th</sup> District.

ADDITIONAL GENERAL FUND FINANCING REQUESTS						
Rank	Brief Description of Request	Budgeted Staffing	Appropriation	Departmental Revenue	Local Cost	Proposed 2009-10 Performance Measurement
1	Continue the Fan Zone Title Sponsorship (Policy Item Request)	-	210,000	-	210,000	
	<p>The department is requesting funding to continue the Fan Zone Title Sponsorship and the entitlement at the NASCAR Craftsman Truck Series event at the Auto Club Speedway. The previous contract ends on June 30, 2009. The department is negotiating a contract renewal and anticipates keeping the costs at the same level or lower. In the previous contract, \$746,000 was paid by the Redevelopment Agency and \$210,000 by general fund financing. Marketing at the Auto Club Speedway and through NASCAR continues to provide San Bernardino County the broadest possible audience to extend its image at far lower cost than would otherwise be possible. Through the FanZone, race sponsorship, signage throughout the venue and various broadcasts ranging from regional shows to nationally syndicated hosts, the county has been able to reach an audience of over 16.5 million people annually. Funding is requested for 2009-10 through 2011-12, which is the anticipated agreement period.</p>					
	<p><i>Percentage increase of audience reached (16.5 million people reached in 2006-07)</i></p>					1%
<b>Total</b>		<u>-</u>	<u>210,000</u>	<u>-</u>	<u>210,000</u>	

