

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 9/30/2002
Department Name: County Administrator
Department No.: 990
Agenda Date: 10/8/02
Placement: Departmental
Estimate Time: 1 Hour
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Michael F. Brown
County Administrator

STAFF Scott Ullery, Deputy County Administrator x2243

CONTACT: Richard Morgantini, Economic Development Program Assistant, x3401

SUBJECT: **Economic Development Program Update, Reappointment of the Economic Development Advisory Committee (EDAC), Approval of EDAC By-Law changes, Comprehensive Economic Development Strategy contract.**

Recommendation(s):

That the Board of Supervisors:

- A) Accept Economic Development Program 2002 Update Report, including 2002-03 Strategic Plan (Attachment A).
- B) Reappoint Economic Development Advisory Committee Organization Representatives and Alternates (Attachment B)
- C) Approve Economic Development Advisory Committee (EDAC) By-Law changes (Attachment C).
- D) Approve EDAC recommendation to award CEDS development contract to USC Center for Economic Development, proceed with the project in partnership with the Workforce Investment Board (WIB) and the City of Santa Maria and authorize the County Administrator to sign agreements. Contract not to exceed \$45,000 (Attachment D).

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with: Goal No. 4: A Community that is Economically Vital and Sustainable and with actions required by law or by routine business necessity.

Executive Summary and Discussion:

The County's Economic Development Marketing Plan, which was developed by EDAC and approved by your Board in February 2001, provides the planning base guiding the County's Economic Development Program. The Marketing Plan is targeted for update this year as the County's Economic Development "Strategic Plan". In its first year EDAC has made significant progress in establishing itself and implementing programs. The draft strategic plan and a summary of programs are included in Attachment A.

EDAC has 31 member organizations, including Cities, Chambers of Commerce, and regional economic development organizations. Your Board appoints the representatives and alternates of the member organizations of EDAC annually. The reappoint of the representatives and alternates is overdue. Attachment B is the list of those representatives and alternates.

Funding for EDAC and its programs are part of the County's Economic Development Program (EDP) budget (\$429,811 for FY 2002-03). The EDP also administers the Fulfillment Fund Allocations (\$268,797 for FY 2002-03), to local organizations to promote tourism in Santa Barbara County.

The EDAC By-laws, Attachment C, includes the addition of the EDAC adopted Mission Statement, and language to clarify the purpose of the Nominating Committee and membership on EDAC. The changes and additions are highlighted.

The Comprehensive Economic Development Strategy is required for governments in the County to qualify for Department of Commerce, Economic Development Administration (EDA) funds. The CEDS document, when completed, provides the local community with economic development planning and implementation steps necessary to achieve community's goals, including the identification of priority programs, projects and funding opportunities. The Request for Qualifications (RFQ) for consultants to assist in the completion of the CEDS process has been completed. The EDAC is recommending that the contract for the development of the CEDS document be awarded to the USC Center for Economic Development not to exceed \$45,000. The timeline for completion of the CEDS is 6 months, with a projected start date of November 1, 2002. The City of Santa Maria (\$5,000) and the Workforce Investment Board (\$7,500) have committed a total of \$12,500 for completion the CEDS process (Attachment D)

Mandates and Service Levels:

The Economic Development Program is not mandated.

Fiscal and Facilities Impacts:

None

Special Instructions:

Clerk of the Board to submit one copy of minutes to Richard Morgantini in the Office of the County Administrator.

Attachments

A: EDAC Update Report

B: EDAC Members and Alternates list

C: EDAC By-laws

D: CEDS Project

CC: Lin Graf, EDAC Chair

2002-2003

SANTA BARBARA COUNTY ECONOMIC DEVELOPMENT PROGRAM UPDATE

The Economic Development Program and the Economic Development Advisory Committee's mission is to promote job creation and retention throughout Santa Barbara County by enhancing the capabilities of the various local government economic development programs, chambers of commerce, business associations and non-profit organizations through facilitating communication and coordination among these entities, providing financial support and other resources, developing and maintaining a Comprehensive Economic Development Strategy, and advising the Board of Supervisors and the County Administrator on economic development policies and programs.

The recruitment of an Economic Development Coordinator has been successfully completed with an anticipated start date of November 4, 2002. EDAC has also endorsed the Leave Our Community Assets Local (LOCAL Coalition) campaign by the League of California Cities.

PROJECTS

Comprehensive Economic Development Strategy:

Purpose: To qualify governments in County for Department of Commerce, Economic Development Administration (EDA) funds. The CEDS document, when completed, provides the local community with economic development planning and implementation steps necessary to achieve the community's goals, including the identification of priority programs, projects and funding opportunities. The Request for Qualifications (RFQ) for consultants to assist in the completion of the CEDS process has been completed. The EDAC CEDS Focus Committee has reviewed the RFQ's for the selection of the most qualified consultant. EDAC has reviewed their findings and is recommending that the Board of Supervisors award the CEDS contract to the USC Center for Economic Development. The timeline for completion of CEDS is 6 months. EDAC has budgeted \$45,000 for CEDS. The City of Santa Maria and the Workforce Investment Board have committed funding, (\$5,000 and \$7,500 respectively), in support of the completion of the CEDS process. This project will also forge a closer working alliance between EDAC and WIB, as the two committees will combine to form an ad hoc CEDS Committee pursuant to EDA CEDS preparation guidelines. EDAC currently has a seat on the WIB and EDAC is proposing to add WIB to EDAC (Attachment C, EDAC By-Law changes).

Strategic Planning:

Purpose: To define EDAC's mission, identify methods for continued successes, set goals and methods to achieve these goals, provide more complete and precise information on economic development issues to both government and the general public, to provide a mechanism to bridge north-south issues and to address specific areas of concern and interest. EDAC met in February 2002 for the specific purpose of updating its strategic plan (formally "Marketing Plan"). As a result of the strategic planning session, EDAC formed four Focus Area Committees, (Outreach, CEDS, Business Retention, Marketing/Strategic Plan) to assist in addressing issues, instituted a new funding request application procedure for organizations seeking funding from EDAC, provided increased information on the EDAC web site on agendas minutes and programs, and developed an application for membership to EDAC.

South Central Coast Small Business Development Center (SBDC):

Purpose: To deliver job/skill training to individuals requiring these resources, Countywide, at various facilities (Chambers, Assistance Centers, One-Stop Centers, etc.), additional resources for Guadalupe and Santa Barbara, Milpas Business Assistance Center. EDAC funded \$37,830 to the SBDC in FY 2001-02 and continued funding of \$37,440 for FY 2002-03.

The following is anticipated:

- Training activities: 30 events,
- Client consulting with jobs creation,

- Business Loans arranged,
- Entrepreneurial training in Spanish in Guadalupe,
- Annual Business Assistance Workshop with County and SBA is scheduled for October 23, 2002, in Solvang,
- Provide assistance to City and Chamber in Guadalupe in setting up business and community services for their Business and Community Resource Center.

As EDAC continues to pursue activities, which deliver additional assistance and resources to local communities, the SBDC has accelerated its availability to schedule more time in each area through the opportunities to make appointments, rather than relying on a standard schedule day and time at each Chamber/Resource Center. As SBDC is able to meet the schedule of the individual or business, its reputation of being “business friendly”, convenient, etc. is expected to increase its client base. In addition, through an EDAC generated business assistance delivery system fueled by automated intake and referrals and client monitoring, SBDC can reduce its need for duplicative documentation and additional staffing.

Santa Maria Valley Economic Development Association (SMVEDA):

Purpose: To assist business for retention, relocation and expansion to the Santa Maria/Guadalupe/Orcutt area. EDAC has provided funding of \$60,000 to the SMVEDA in FY 2001-02 and again in FY 2002-03.

The following is expected to be accomplished:

- “Continued Prosperity Program”,
- Conduct industry surveys,
- Continue the Central Coast Marketing Team,
- Continue the Red Team (team of City staff, community sponsors, consultants and EDA staff to assist local industries experiencing operation difficulties and expansion problems),
- Hold two CEO Receptions to encourage companies from other areas to move to the Santa Barbara County region, two companies have recently relocated to Santa Maria.

As loan and grant activity increases, sources of additional funding become available for grant/loan management and operations through the award of each grant/loan program. This will result in two substantial outcomes, the ability to serve more clients, and increase funding for recruitment, expansion and retainment expenses. EDAC has approved funding of \$60,000 for the continuation of this project for FY 2002-03.

Women’s Economic Ventures:

Purpose: To assist in securing California Community Development Block Grant (CDBG) to establish a \$500,000 revolving loan program to provide loans to business owners throughout the county who meet the eligibility criteria for the federal targeted income group. EDAC has funded \$13,380 for grant application assistance. The Board of Supervisors approved the application and it has been submitted for possible CDBG funding.

National Development Council:

Purpose: To assist the Economic Development Program and EDAC by providing technical assistance in evaluation of selected funding proposals, grant applications and NDC training and certification programs for economic development and housing professionals. The NDC was on retainer for FY 2001-2002 by the Economic Development Program. While EDAC has discontinued this retainer, it has been picked up by the Housing Finance Program. NDC expertise continues to be available to the Economic Development Program and EDAC.

FULFILLMENT CONTRACTS:

Purpose: To advertise the resources of the County of Santa Barbara. The principal functions supported by this funding are fulfilling requests for information relevant to tourism and relocation through advertising in publications, producing brochures, responding to inquires from tourists and conference organizers, and supporting various community events such as fiestas and fairs. Funds are awarded based on area and population serviced. With the incorporation of the City of Goleta, the Goleta Valley Chamber of Commerce will receive less funding in the future under the adopted distribution formula. There is interest from

business organizations in Isla Vista and Solvang for participation in next fiscal year's fulfillment budget. This may require a reevaluation of the formula for distribution of these funds.

Fulfillment Contracts FY 02-03:

- Buellton Chamber of Commerce (\$3,700)
- Carpinteria Valley Chamber of Commerce (\$9,600)
- Cuyama Valley Recreation District (\$1,100)
- Goleta Valley Chamber of Commerce (\$40,297)
- Guadalupe Chamber of commerce (\$3,100)
- Lompoc Valley Chamber of Commerce (\$29,100)
- Los Alamos Valley Visitors Bureau (\$3,500)
- Los Olivos Business Organization (\$1,600)
- Santa Barbara Conference & Visitors Bureau (\$106,400)
- Santa Maria Valley Chamber of Commerce (\$55,400)
- Santa Ynez Valley Visitors Association (\$9,800)
- Solvang Conference & Visitors Bureau (\$5,200)
 - TOTAL CONTRACTS: \$268,797

2001-2002

SANTA BARBARA COUNTY ECONOMIC DEVELOPMENT PROGRAM UPDATE

During FY 2001-02 the Economic Development Program, supported by direction from the Economic Development Advisory Committee, (EDAC), designed, completed, expanded and implemented various elements of the Santa Barbara County Marketing (Strategic) Plan. These projects and programs resulted in significant results demonstrating positive impact to communities in Santa Barbara County. Further, economic development program delivery capacity for existing not-for-profit, local governments and the County were strengthened. The following summarizes programs implemented in 2001-02

PROJECTS FUNDED

*** CUSTOMER SERVICE ACADEMY:**

PURPOSE: To train trainers to develop/enhance essential skills in critical areas of retail/services sector employment. EDAC funded \$5,100 to the Goleta Valley Chamber of Commerce. Five workshops/seminars were completed under this program.

*** SCHOOL TO WORK PROGRAM (HORTICULTURE):**

PURPOSE: To develop an agricultural related applied course work (pathway), high school to college, with industry partnerships for internships, apprenticeships and jobs. EDAC funded \$20,000. The Santa Barbara School Board approved the Green Academy classes starting in January 2003. In partnership with Growing Solutions, a not-for-profit agricultural educational and mitigation entity, the following was accomplished: Creation and coordination of a working committee made up of education, government, and a variety of industry partners, and the development of the course's first year-applied curriculum.

*** SANTA BARBARA CHAMBER SMALL BUSINESS RESOURCE CENTER:**

PURPOSE: To provide resources for entrepreneurship/employment training, including access to technology, business consultation, financing, and other services needed by unskilled, semi-skilled and individuals requiring re-training. EDAC funded \$10,000 to the Santa Barbara Chamber Small Business Resource Center.

The Center provided:

- 200 adults with computer training,
- 180 adults with language training,
- 1,200 hours of free business consulting,
- 15 businesses were created,
- 50 jobs were created,
- 3 computers were donated to children,

- 7,500 requests for information were honored,
- 10 loans were completed, and
- 22 Business Resource Workshops and Seminars were conducted.

*** COMMUNITY CONNECTION OF GUADALUPE:**

PURPOSE: The Guadalupe Chamber of Commerce helped establish the Community Connection of Guadalupe to provide a career, business and visitors center in the City of Guadalupe. EDAC provided funding of \$45,700. As a result, the Center has renovated a facility and created office space, provided business training videos, business and community resource books, documents and brochures, career and social services, and graduated 18 students from a business training class held by the Small Business Development Center (SBDC).

*** UCSB ECONOMIC FORECAST PROJECT:**

PURPOSE: To build a comprehensive economic development database countywide, for area profiling, inventory of businesses, special reports, economic analysis, grants and forecasting. The database is being used to complete the County's Comprehensive Economic Development Strategy (CEDS) as well as for various grant and project support. EDAC funded \$30,000 to the UCSB Economic Forecast Project. UCSB continues to be a key partner in supplying the needed data to justify many EDAC requirements such as: grant acquisition, reporting, defining service areas and the projection of future indicators in various geographic areas within the County.

***EDAC VIDEO PROJECT:**

PURPOSE: To provide an informational video for businesses considering expanding or locating in Santa Barbara County. The video briefly demonstrates the business and living climate countywide, and dedicates 3-5 minutes to each unique local area in the County. The video is available as both a countywide profile and as local area segmented tapes. EDAC funded \$25,000 to County General Services. Videos have been adapted by several EDAC member organizations for local use.

***SCHOOL-TO-WORK**

PURPOSE: To assist the *Space and Technology Pathway* – a Space and Technology “School to Career” program operating at Lompoc High School. The program has been funded by EDAC in the amount of \$10,000. This amount is being matched by State and industry funds for a total of approximately \$100,000. There is an existing educational track at Allen Hancock College and the program at Lompoc High School that compliments this program.

*** SANTA YNEZ VALLEY VISITORS ASSOCIATION:**

PURPOSE: To provide additional marketing of the Santa Ynez Valley and all communities located in the Valley collectively through a united “umbrella” organization. EDAC funded \$15,000 to the Santa Ynez Marketing Group, which has incorporated as the Santa Ynez Valley Visitors Association with over 75 members, and now provides tourist information on the entire Santa Ynez Valley in concert with the various Chambers of Commerce and Visitors Bureaus.

*** MURAL ARTS AND CULTURAL TOURISM SYMPOSIUM:**

PURPOSE: To instruct local communities in the creation of mural art/painting as an industry, including job creation for semi-skilled workers, and utilizing the results for cultural tourism marketing. The Symposium was held in September 2001. EDAC funded \$5,000 to Lompoc Valley Chamber of Commerce.

ECONOMIC DEVELOPMENT WEBSITES:

PURPOSE: To assist local organizations and cities to inform, including Spanish interpretation, provide links to related sites, and provide interactive capability for businesses, employees and the general public to learn more about the economic and employment opportunities offered in the various jurisdictions in Santa Barbara County.

EDAC Funded \$2,500 for each of the following sites:

- Carpinteria Chamber of Commerce,
- Goleta Valley Chamber of Commerce,
- Incubators 2000tm,
- Lompoc Valley Chamber of Commerce,

- Santa Maria Valley Economic Development Agency,
- Santa Ynez Valley Visitor's Association,
- City of Carpinteria,
- City of Guadalupe, and
- Solvang Chamber of Commerce.

OTHER PROJECTS AND PROGRAMS:

* **BUSINESS INCUBATION** – The Implementation Plan has given EDAC members the information necessary to further their efforts supplying business assistance and incubation services to their community. The Plan identifies potential funding sources, a menu of services to aid business creation, mentoring, techniques proven through information contained in the plan from the National Business Incubation Association (NBNA). This information is critical as EDAC members continue to improve program delivery to their clients.

* **BUSINESS RESOURCE CENTER** – Considering EDAC's significant "stepped-up" financial support of various Business Resource Centers, Chambers, and the SBDC, Resource Centers are now offering assistance services, such as office space, on an appointment basis, for SBDC counselors, the Women's Economic Ventures (WEV) for training and loan evaluations, SCORE and other help organizations. In addition, these centers have the appropriate equipment and services necessary to assist individuals and businesses, reaching out to a much larger client base.

ADMINISTRATIVE IMPROVEMENTS:

A number of administrative improvements have been made. Many are in-house changes designed to improve efficiency, save time and reduce expenses while providing support to EDAC for economic development activities in the County. These include:

- New EDAC Mission Statement,
- New Focus Subcommittees to help EDAC address specific areas of need,
- New request for funding application,
- New EDAC membership application,
- Improved EDAC information on County website,
- Use of electronic mail for agenda materials to EDAC mailing list,
- Use of Conference telephone calls for meetings.

Future improvements will include:

- Updated/revised Marketing/Strategic Plan,
- Monthly one page summary of EDAC monthly meetings,
- Updates of economic sector items of interest,
- Improved communication by EDAC to the Board of Supervisors, business community, media, and county residents and
- Improved EDAC representation from specific economic segments of the County.

EDAC also increased its interaction with other economic development agencies and organizations, such as the Workforce Investment Board and the U.S. Economic Development Administration, through EDAC's monthly meetings. Staff is also working with Housing Finance and the Isla Vista Redevelopment Agency on a day-to-day basis and in quarterly meetings.

ATTACHMENT A
2002-03 Strategic Plan

DRAFT
SANTA BARBARA COUNTY
ECONOMIC DEVELOPMENT PROGRAM and
ECONOMIC DEVELOPMENT ADVISORY COMMITTEE (EDAC)
2002-2003 STRATEGIC PLAN

Mission

The Santa Barbara Economic Development Program's mission is to promote job creation and retention throughout Santa Barbara County by enhancing the capabilities of the various local government economic development programs, chambers of commerce, business associations and non-profit organizations through facilitating communication and coordination among these entities, providing financial support and other resources, developing and maintaining a Comprehensive Economic Development Strategy (CEDS), and advising the Board of Supervisors and the County Administrator on economic development policies and programs.

This Strategic Plan replaces EDAC's "Marketing Plan."

Economic Development Advisory Committee (EDAC)

The primary vehicle for accomplishing the Program's mission is the Economic Development Advisory Committee (EDAC). EDAC is made up of representatives of thirty organizations with responsibilities and interests relevant to economic development. Staff support is provided to EDAC by the County's Economic Development Program staff. EDAC's Member Organizations are as follows:

North County

Allan Hancock College
Buellton Chamber of Commerce
City of Guadalupe
City of Lompoc
Guadalupe Chamber of Commerce
Lompoc Chamber of Commerce
Lompoc Valley Business Center

Los Olivos Business Organization
Santa Barbara County Vintners' Association
Solvang Chamber of Commerce
Santa Maria Public Airport District
Santa Maria Valley Chamber of Commerce
Santa Maria Valley Economic Development Assoc.
Santa Ynez Valley Visitors' Association,

South County

Carpinteria Chamber of Commerce
City of Carpinteria
City of Santa Barbara
Goleta Chamber of Commerce
Hispanic Chamber of Commerce
Incubators 2000
Santa Barbara Chamber of Commerce

Santa Barbara Community College
Santa Barbara CVB & Film Commission
S. B. Region Economic Community Project
Santa Barbara Industrial Association
University of California Santa Barbara.
Women's Economic Ventures

Countywide

County Administrator's Office
Small Business Development Center

Workforce Investment Board (WIB)

Strategic Priorities

Develop and maintain a Comprehensive Economic Development Strategy (CEDS)

- Completing the County-wide CEDS is EDAC's top priority for FY 2002-03. A CEDS is a planning document required to obtain or retain benefits from the federal government's Economic Development Administration (EDA), pursuant to the Economic Development Administration Reform Act, Public Law 105-393. The completed CEDS will enable the County and its cities to apply for financial assistance from EDA for projects eligible for public works, economic adjustment, and planning grants. The CEDS document is the product of a planning process with community participation that addresses the economic problems and potential of "distressed areas," which are eligible to be designated as Economic Development Districts and receive EDA grants. The Workforce Investment Board (WIB) and the City of Santa Maria have joined EDAC as sponsors of the project. The University of Southern California Center for Economic Development (USC-CED) will be retained as the primary consultant to prepare the study. The UCSB Economic Forecast Project will also be a contributor to the study. The anticipated start date is November 1, 2002, with completion in six months.
- Establish the process for the ongoing responsibility of updating the CEDS annually,

Facilitate communication and coordination among the County's economic development entities

- Conduct monthly meetings of full EDAC membership and the Focus Area committees, supported by County Economic Development Program staff. Focus Area committees shall meet immediately following the EDAC meeting.
- Serve as an information clearinghouse for economic development activities throughout the County, and improve the frequency and breadth of information dissemination.
- Maintain and improve a County web site with relevant and up-to-date information on EDAC and the County Economic Development Program, and with links to all EDAC members' websites.

Provide financial support and other resources to economic development programs

- Implement a new request for funding process utilizing clear criteria approved by EDAC, quarterly cycles, and the Executive Committee to evaluate requests.
- Begin the first quarterly funding cycle for FY 2003-04 so that it is completed no later than July 1, 2003. In furtherance of the Economic Development Program's mission, the following programs have been funded thus far in FY 2002-03:

(1) Renew funding (in the amount of \$60,000) in support of the Santa Maria Valley Economic Development Agency's (SMVEDA) "Continued Prosperity Program," which assists business relocation, expansion, and retention in the Santa Maria/Orcutt/Guadalupe region.

(2) Renew funding (in the amount of \$37,440) in support of the South Central Coast Small Business Development Center (SBDC), which provides training, consulting, and loans to small businesses.

(3) A grant (in the amount of \$13,380) was provided to Women's Economic Ventures (WEV) to cover the cost of developing a grant application to secure a Community Development Block Grant (CDBG) grant in the amount of \$500,000 for the purpose of establishing a revolving loan program for business owners who meet federal eligibility criteria. The application submitted in September 2002 is pending.

- Recruit and fill the two vacant positions in the Economic Development Program. The Economic Development Coordinator is an economic development professional capable of providing technical assistance and working in partnership with EDAC's member organizations. An assistant to the Coordinator is responsible for contract administration, meeting agendas and logistics, website maintenance, correspondence, and other administrative support duties.
- Administer the Fulfillment Program (formerly "The Advertising Program") consistent with the adopted per capita formula and sphere of influences, with an exception made, for one year only, for the Goleta Chamber of Commerce in order to mitigate some of the impact of Goleta City incorporation.

- Utilize the expertise of the UCSB-Economic Forecast Project, as provided through the County’s sponsorship of the EFP
- Utilize the National Development Council’s technical assistance and training programs as provided through a retainer agreement with the County’s Department of Housing and Community Development.

Advise the Board of Supervisors and the County Administrator on economic development policies and programs.

- Improve communication with BOS by providing an annual update on the Board’s Departmental Agenda, disseminating EDAC Minutes to Board Members, contributing the Board’s Strategic Plan, and providing advice on important economic development issues.

Establish strategic partnerships to assist with carrying out the Program’s mission

- Join with the Workforce Investment Board (WIB) to form a special CEDS Committee as required by EDA, comprising the full membership of both bodies and additional members as deemed necessary, and form a smaller Steering Committee to facilitate work with the USC Center for Economic Development, the lead consultants on the project. The WIB will contribute \$7,500 toward the \$45,000 cost of the project.
- Partner with the City of Santa Maria as co-sponsor of the CEDS. The City will contribute \$5,000 toward the \$45,000 cost of the project. Establish partnerships with other jurisdictions (the Cities of Lompoc, Guadalupe, and Santa Barbara, and the Isla Vista Redevelopment Agency) containing EDA-eligible distressed areas to complete the CEDS.
- Join the City of Santa Maria and the Santa Maria Public Airport District as sponsors and active participants in the SMVEDA’s “Continued Prosperity Program.”
- Provide EDAC endorsement and staff assistance to the SBDC Business Assistance Workshop
- Designate WEV as sub-recipient of a CDBG grant for the purpose of establishing a revolving loan program, and utilize the County’s Department of Housing and Community Development as grant administrator.
- In partnership with the Pacific Media Foundation, Santa Barbara City College, the South Coast Alliance of Media Professionals, the Film Commission, and others, assess the feasibility of a “Media Industry Cluster” project.
- Assist with establishment of the County’s new Department of Housing and Community Development, including the transfer of the Economic Development Program to the new department.

Economic Development Program FY 2002-03 Budget

County Economic Development Management Costs (Includes Salaries, Benefits, Office and other Expenses).....	\$203,061
Comprehensive Economic Development Strategy (CEDS).....	45,000
Grants/Special Projects.....	181,750
Fulfillment (Advertising) Budget.....	<u>268,797</u>
TOTAL.....	\$ 698,608

Attachment B

EDAC Member Organizations

Economic Development Advisory Committee		
ORGANIZATION	REPRESENTATIVE	ALTERNATE
<i>Allan Hancock College</i>	Dr. Ray Hobson	Terry Exum
<i>Buellton Chamber of Commerce</i>	Cindy Norlin	Wes Murphy
<i>Carpinteria Chamber of Commerce</i>	Lin Graf	Nancy Tillie
<i>City of Carpinteria</i>	Kevin Silk	
<i>City of Guadalupe</i>	Sam Arca	Herb Sanchez
<i>City of Lompoc</i>	Kate Griffith	Dinah Lockhart
<i>City of Santa Barbara</i>	David Gustafson	Mark Taylor
<i>City of Santa Maria</i>	Ginnie Sterling	Celeste Coelho-Hudson
<i>County of Santa Barbara</i>	Scott Ullery	
<i>Economic Community Project</i>	Jim Neuman	
<i>Goleta Valley Chamber of Commerce</i>	Kristen Miller	Madonna May
<i>Guadalupe Chamber of Commerce</i>	Beverly Chapman	Bruno Bornini
<i>Incubators 2000</i>	Donna Simons	Brad Lundgren
<i>Lompoc Valley Business Center</i>	Ray Down	Raul Zermeno
<i>Lompoc Valley Chamber of Commerce</i>	Dennis Anderson	
<i>Los Olivos Business Organization</i>	Richard Crutchfield	John Anderson
<i>Santa Barbara Chamber of Commerce</i>	Steve Cushman	
<i>Santa Barbara City College</i>	Peg McQuade	Diane Hollems
<i>Santa Barbara Conference & Visitors Bureau</i>	Debbie Neer	John Reinacher
<i>Santa Barbara County Vintner's Association</i>	Michael Perry	
<i>Santa Barbara Hispanic Chamber of Commerce</i>	Luis Villegas	Alex Rodriguez
<i>Santa Barbara Industrial Association</i>	Joe Armendariz	Tom Banigan
<i>Santa Maria Public Airport District</i>	Gary Rice	Veroneka Reade
<i>Santa Maria Valley Chamber of Commerce</i>	Robert Hatch	
<i>Santa Maria Valley Econ. Dev. Association</i>	Bill Snow	Jerri Akins
<i>Santa Ynez Valley Visitor's Association</i>	Brian McCague	
<i>Small Business Development Center</i>	David Ryal	Vic Sterling
<i>Solvang Chamber of Commerce</i>	Dr. Kenneth Harwood	Willi Campbell
<i>UCSB Governmental Relations</i>	Gerry Hesse	John Wiemann
<i>Women's Economic Ventures</i>	Marsha Bailey	Valerie Ellis
<i>Workforce Investment Board (WIB)</i>	To Be Appointed	

ATTACHMENT C

EDAC By-Laws

SANTA BARBARA COUNTY ECONOMIC DEVELOPMENT ADVISORY COMMITTEE BY LAWS

ARTICLE I – GENERAL

The name of the organization is the Santa Barbara County Economic Development Advisory Committee, herein referred to as EDAC. EDAC was created by and is advisory to the Santa Barbara County Board of Supervisors.

ARTICLE II – PURPOSE

Section 1. EDAC’s Mission is to promote job creation and retention throughout Santa Barbara County by enhancing the capabilities of the various local government economic development programs, chambers of commerce, business associations and non-profit organizations through facilitating communication and coordination among these entities, providing financial support and other resources, developing and maintaining a Comprehensive Economic Development Strategy, and advising the Board of Supervisors and the County Administrator on economic development policies and programs.

Section 42. The Santa Barbara County Board of Supervisors has designated the EDAC as the coordinating and advisory body for economic development activities for Santa Barbara County. Examples of economic development activities include developing a marketing plan, a website, and implementing business incubator plans. In addition, the Committee shall sit as the Comprehensive Economic Development Strategy (CEDS) Committee, and direct the development of a CEDS document through review, recommendation to the Board of Supervisors for adoption, submittal to the Federal Department of Commerce, Economic Development Administration (EDA), and subsequent implementation. Specific duties and functions related to CEDS responsibilities include:

- A. Existing and proposed economic development programs, projects and issues which potentially may have an important impact on the local economy, the business community and the residents of Santa Barbara County;
- B. Pending and proposed new legislation relating to economic development, or pending and proposed modifications to existing programs and regulations, at the local, state and federal level;
- C. Applications for state, federal and foundation grant funding that may assist with economic development and redevelopment in Santa Barbara County; and,
- D. Matters, which the Board may periodically direct that the Committee review, and subsequently present the Committee’s findings and recommendations for Board consideration and action. To assist with carrying out its purpose, EDAC shall establish partnerships with the private sector and

other segments of the community including government, education, labor and community based organizations.

ARTICLE III – MEMBERSHIP

Section 1. Membership is open to economic development professionals representing organizations from throughout the County. The EDAC shall consist ~~initially~~ of representatives from the following organizations:

North County - Lompoc Chamber of Commerce, City of Guadalupe, Solvang Chamber of Commerce, Santa Maria Valley Chamber of Commerce, City of Lompoc, Santa Maria Valley Economic Development Association, Allan Hancock College, Western Commercial Space Center, City of Santa Maria, Guadalupe Chamber of Commerce, Santa Maria Public Airport District, Buellton Chamber of Commerce, Lompoc Valley Business Center, Los Olivos Business Organization, Santa Ynez Valley Visitors' Association, the Santa Barbara County Vintners' Association.

South County - City of Santa Barbara, Goleta Chamber of Commerce, City of Carpinteria, Santa Barbara Chamber of Commerce, Carpinteria Chamber of Commerce, Hispanic Chamber of Commerce, Santa Barbara Industrial Association, Santa Barbara Region Economic Community Project, Incubators 2000, University of California Santa Barbara, Santa Barbara Community College, Women's Economic Ventures (WEV), Santa Barbara Conference & Visitor's Bureau and Film Commission.

County-Wide: County Administrator's Office, Small Business Development Center (SBDC), Workforce Investment Board (WIB).

and other organizations as from time to time may be identified by EDAC and approved by the County Board of Supervisors.

Section 2. Each organization identified in Article III, Section 1 shall designate its representative to serve on EDAC (and may designate an alternate representative). EDAC shall forward the names of designated representatives and alternates to the Board of Supervisors for consideration. Members and alternates are appointed by a majority vote of the Board of Supervisors for a term of one year. Members and alternates may be reappointed.

Section 3. The EDAC ~~Nominating~~ Membership Nominating Committee shall from time to time solicit or accept applications from economic development agencies and organizations and general-purpose business organizations for EDAC membership, as well as solicit and accept from member organizations the names of representatives and alternates for appointment and re-appointment to EDAC. The EDAC Membership Nominating Committee shall evaluate the applications and make recommendations of qualified applicants to EDAC. Nominated organizations and designated representatives and alternates approved by a majority vote of EDAC shall be recommended for appointment by the County Board of Supervisors. Organizations not recommended by EDAC may appeal EDAC's decision to the County Administrator for possible recommendation for action by the Board of Supervisors.

Section 4. Member organizations shall be removed or added from time to time as recommended by EDAC and approved by the Board of Supervisors, in accordance with furthering EDAC's purpose, achieving or maintaining geographically diverse representation of organizations and consistent with these Bylaws.

Section 5. Removal of Members:

- i) EDAC may recommend to the Board of Supervisors that members be removed for cause or because of absence. Cause shall include that the member is unable to effectively serve due to a change of employment or status that substantially alters the member's qualifications as present and considered in making the initial appointment.
- ii) EDAC members may be recommended for removal from EDAC by a majority vote if the member is absent for more than three (3) consecutive monthly meetings or (50%) of the meetings during any twelve month period.

ARTICLE IV – MEETINGS OF MEMBERS

Section 1. EDAC shall normally meet each month. The Chairperson shall determine the time and place of each meeting. The Chairperson may call additional meetings or cancel or reschedule regular meetings as necessary. Notice of such additional, cancelled, or rescheduled meetings shall be given in accordance with the Brown Act, Government Code Secs. 54950-54962.

Section 2. EDAC meetings shall be open to the public and properly noticed in accordance with the Brown Act.

Section 3. Minutes will be taken of all meetings and be available to the public for their viewing.

Section 4. Voting:

- i.) Each member (or designated alternate) shall cast one vote.
- ii.) The presiding Chairperson shall vote only to resolve a tie vote.
- iii.) When an issue presents a possible conflict of interest to a member, the member shall abstain from voting on the issue.

Section 5. Quorum: A quorum shall consist of not less than (7) voting members of EDAC.

ARTICLE V –EDAC OFFICERS

Section 1. EDAC officers shall be a Chairperson, a Vice-Chairperson and a Secretary. The Chairperson and Vice-Chairperson shall be elected for one-year terms. Santa Barbara County representatives shall serve as the Secretary to EDAC. The Vice-Chairperson shall be an ex officio member of the County of Santa Barbara Workforce Investment Board (WIB).

Section 2. Election and Term of Officers of EDAC: Officers shall be elected at each July meeting. Members shall hold office until the election of their successor. If any July meeting is not held or the officers are not elected at any July meeting, the officers shall be elected at the next meeting.

Section 3 The Chairperson shall be alternated between the North County and South County members as designated in Article III, Section 1. The Vice-Chairperson shall be from a different region than the Chairperson

ARTICLE VI – COMMITTEES

Section 1. A standing Executive Committee shall be established, made up of the Chairperson, Vice-Chairperson, Secretary and two Economic Development Advisory Committee members elected by EDAC. The two members elected by EDAC shall be one member from a North County organization and one from a South County organization. The Executive Committee shall meet from time to time as necessary to conduct necessary business delegated by EDAC between regular EDAC meetings. Any action taken by the Executive Committee would be subject to full EDAC consideration and approval.

Section 2. The Chairperson, with the approval of the EDAC, may appoint as necessary from among the members one or more special committees and committee chairpersons. At the discretion of the Chairperson, individuals who are not EDAC members may be appointed to serve on special committees, but the Chairperson of any special committee shall be an EDAC member. The Chairperson shall appoint the members and Chairperson of a standing Membership Nominating Committee. Such Committees shall be advisory to EDAC.

ARTICLE VII - MEMBERS

Section 1. Resignation of Committee Organization: Any organization may resign at any time by giving written notice to the Chairperson. Any resignation shall take effect on the date of receipt of that notice or at any later time specified in that notice and, unless otherwise specified in that notice, the acceptance of the resignation shall not be necessary to make it effective.

ARTICLE VIII – AMENDMENTS

Section 1. Amendments by Members: New bylaws may be adopted or these Bylaws may be amended or repealed by approval of a majority of the members present, and subsequently approved by the County Board of Supervisors.

ARTICLE IX – GENERAL PROVISIONS

Section 1. Nothing in these Bylaws shall be construed to take precedence over federal or local laws or regulations.

Section 2. The rules contained in the current edition of *Robert's Rules of Order* shall govern the EDAC in all cases to which they are applicable and in which they are not inconsistent with these bylaws and any special rules of order the EDAC may adopt and with federal or local laws or regulations.

ARTICLE X – BOARD OF SUPERVISORS APPROVAL

These Bylaws shall become effective once approved by the Board of Supervisors.

I, the undersigned, certify that I am the presently elected and acting Chairperson of the Santa Barbara County Economic Development Advisory Committee, and the above Bylaws, are the Bylaws of EDAC this Committee as adopted at a meeting.

Approved by the Economic Development Advisory Committee on September 9, 2002.

Lin Graf, EDAC CHAIRPERSON

Approved by the Board of Supervisors of the County of Santa Barbara, State of California, this _____ day of _____, 2002, by unanimous vote of the members present.

AYES:

NOS:

ABSTAIN:

ABSENT:

GAIL MARSHALL, CHAIR
BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA

ATTEST:
CLERK OF THE BOARD

By: _____
Deputy Clerk

APPROVED AS TO FORM:
COUNTY COUNSEL

By: _____

ATTACHMENT D

CEDS

DATE: September 9, 2002
FROM: Economic Development Advisory Committee (EDAC),
Scott Ullery, Deputy County Administrator

SUBJECT: CEDS Project

EDAC is forwarding the following recommendation to the County Board of Supervisors for consideration at the Board's October 8, 2002, meeting:

That the Board of Supervisors adopt the recommendation by the Economic Development Advisory Committee (EDAC) to authorize County staff to engage the University of Southern California Center for Economic Development (USC-CED) to prepare a Comprehensive Economic Development Strategy (CEDS) for Santa Barbara County, with the UCSB Economic Forecast Project (UCSB-EFP) contributing data and analysis pursuant to its existing sponsorship agreement with the County, and in partnership with the Workforce Investment Board (WIB) and the City of Santa Maria. The USC-CED will receive an amount not to exceed \$45,000, of which \$7,500 will be contributed by the WIB, \$5,000 by the City of Santa Maria, and \$32,500 by the County's Economic Development Program.

Background

A CEDS is a planning document required to obtain or retain benefits from the federal government's Economic Development Administration (EDA), pursuant to the Economic Development Administration Reform Act, Public Law 105-393. The completed CEDS will enable the County and its cities to apply for financial assistance from EDA for projects eligible for public works, economic adjustment, and planning grants. The CEDS document is the product a planning process with community participation that addresses the economic problems and potential of so-called distressed areas, which are eligible to be designated as Economic Development District and receive EDA grants. Distressed areas have at least one of the following three characteristics:

- (1) An unemployment rate that is, for the most recent 24-month period for which data are available, at least one percent greater than the national average unemployment rate. (Note: Isla Vista's and the City of Guadalupe's qualification under this criterion is currently being confirmed)
- (2) Per capita income that is, for the most recent period for which data are available, 80 percent or less of the national average per capital income. (Note: Isla Vista, the City of Guadalupe, and areas within the Cities of Santa Maria, Lompoc, and Santa Barbara are expected to qualify)
- (3) A special need, as determined by EDA, arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions. (Note: In the event of VAFB closure or realignment, natural or other major disasters of

emergencies, closure of firms essential to local economies, or other economic problems, the existence of a CEDS would be to the advantage of the County.)

At its February 2002 strategic planning session, EDAC identified the preparation of a County-wide CEDS as its top priority project for this year (and reconfirmed this decision at its regular meeting on July 8, 2002). Further, EDAC has incorporated the creation and maintenance of a CEDS into its mission statement. EDAC adopted a budget of \$45,000 for the project and appointed a committee to find a consultant to assist with the project. The WIB, the City of Santa Maria, and the UCSB-EFP will be major partners in this project. The WIB will contribute \$7,500 toward the total cost of the project, and will merge with EDAC to form the ad hoc CEDS Committee required under the CEDS program regulations.

A Request for Qualifications (RFQ) was sent out to several consulting groups, directly and through CALED, known to have experience in preparing CEDS. Five firms responded. Attempts to identify local consultants with experience in preparing CEDS were not successful; however the UCSB-EFP will be participating in the project pursuant to its sponsorship agreement with the County.

EDAC's CEDS Committee evaluated the responses to the RFQ, and two finalist firms were selected and interviewed in depth. USC-CED was determined to be the most qualified, and otherwise capable of carrying out the project on time and within budget. Among its other qualifications, USC-CED is an EDA-designated University Center with an established partnership with the EDA Southern California sub-regional office, which is the sub-region within which Santa Barbara is located. A full statement of qualifications for the USC-CED is attached.

The anticipated start date for the project is November 1, 2002, with completion anticipated in approximately six months. A CEDS Committee made up of individuals drawn from the combined membership of EDAC and the WIB will be established to oversee the CEDS process. Staff support for this committee will be the responsibility of the County's Economic Development Program, with assistance from the City of Santa Maria and WIB staff. UCSB-EFP will have primary responsibility for identifying the distressed areas to be targeted and preparing the portion of the CEDS addressing the local economic situation. The USC-CED will be responsible for conducting community workshops in the targeted distressed areas to develop vision statements, goals and objectives, priorities, and action plans, and for preparing the final report for approval by the Board of Supervisors and submittal to EDA. A proposed Action Plan and Schedule provided by USC-CED is attached.

Santa Barbara County Comprehensive Economic Development Strategy
Proposed Action Plan and Schedule (Nov. 1, 2002 to Apr. 30, 2003)

Month	Activity	Deliverable	Source(s)	Due Date
Nov. '02	Socio-economic Analysis and Trends	Develop an action plan, schedule, and budget		
		Review of area background and history: Discuss individual communities within area Previous economic development strategies and accomplishments Review of existing needs assessment reports	SB County, Cities, and other City departments CEDS Working Group [Bureau of Census, California Employment Development Department, Bureau of Economic Analysis, County of Santa Barbara, Dun & Bradstreet, etc.], University of California, Santa Barbara	Nov. 30, '02 Nov. 30, '02
		Prepare participant roster for focus groups (CBOs, EDCs, educators, neighborhood associations, business interests, etc.)		Jan 31, '03
		Initial draft report on demographic and socio-economic indicators Sub-Area Analysis: Population Ethnicity Age Distribution Transportation Land Use Economic Profile Poverty Employment / Unemployment Economic Base and Growth Sectors Access to Capital Growth Industries		
	Monthly Report	<u>Working group meeting</u> Interim progress report		Nov. 30, '02
Dec. '02	Surveys and Assessments	Conduct local economic needs assessment		
		Write focus group questionnaire <u>Conduct focus groups in two Project Areas (two sessions per Project Area)</u> Focus group analysis Identify challenges and opportunities Develop a community vision statement	Project Team	
	Monthly Report	<u>Working group meeting</u> Progress report on demographic and economic information		Dec. 31, '02 <i>Cont'd.</i>

Month	Activity	Deliverable	Source	Due Date
Jan. '03	Vision and Action Plan	Prepare draft report on community economic needs		
		Develop economic development priorities and conduct outreach <u>Conduct focus groups in two Project Areas (two sessions per Project Area)</u> Focus group analysis	Focus groups, Community Input	
	Monthly Report	Draft report on community economic needs		Jan. 31, '03
Feb. '03	Vision and Action Plan	Identify key challenges and strengths		
		<u>Conduct focus groups in two Project Areas (two sessions per Project Area)</u> Focus group analysis Consolidation of issues/needs expressed in focus groups Develop a one year and five year comprehensive economic strategy Vision statement Goals and objectives Develop short term vs. long term priorities	Project Team CEDS Working Group & Project Team	Feb. 28, '03 Feb. – Mar., '03
	Monthly Report	<u>Working group meeting</u> Summarize monthly activities		Feb. 28, '03
Mar. '03	Vision and Action Plan	Develop a detailed action plan and responsibility assignments for one and five years		
		Conduct outreach and develop CEDS document Develop a project rating instrument	Project Team	
	Monthly Report	Interim Progress Report		Mar. 31, '03
Apr. '03	Vision and Action Plan	Comprehensive Economic Development Strategy for Santa Barbara County		
		Develop final CEDS document Incorporate comments from Working Group and deliver final Project Report Conduct <i>general open meeting</i> and present findings	Project Team & CEDS Working Group	Apr. 15, '03 Apr. 30, '03 1 st Week of April

DRAFT RESEARCH AGREEMENT

This Research Agreement ("Agreement") is entered into by and between the County of Santa Barbara ("Sponsor"), a government entity, and the University of Southern California ("University"), a California nonprofit educational institution incorporated under the laws of the State of California.

Recitals

WHEREAS, the research project contemplated by this Agreement is of mutual interest and benefit to University and to Sponsor, will further the instructional, scholarship and research objectives of University in a manner consistent with its status as a nonprofit, tax-exempt, educational institution, and may derive benefits for both Sponsor and University through inventions, improvements and discoveries;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto agree to the following:

Definitions

"Research" shall mean the project as described in Exhibit A hereof.

"Principal Investigator" shall be *Dr. Tridib Banerjee*.

"University Intellectual Property" or "University IP" shall mean individually and collectively all inventions, improvements and discoveries, whether or not covered by intellectual property protection, which are conceived or made by one or more employees of University in performance of the Research.

SCHEDULE

1. Contents and Order of Precedence

This Agreement consists of the following in order of precedence:

- a. Exhibit A - Statement of Work containing scope of work, schedule, and budget

2. Research Work

2.1 University shall use reasonable efforts to perform such Research substantially in accordance with the terms and conditions of this Agreement. Anything in this Agreement to the contrary notwithstanding, Sponsor and University may at any time amend the Research by mutual written agreement.

2.2 In the event that the Principal Investigator becomes unable or unwilling to continue the Research, and a mutually acceptable substitute is not available, University or Sponsor shall have the option to terminate this Agreement.

2.3 Nothing in the Agreement shall be construed to limit the freedom of researchers, whether participants in this Agreement or not, from engaging in similar research inquiries made independently under other grants, contracts or agreements with parties other than Sponsor.

3. Period of Performance

The period of performance of this Agreement is 11/01/02 through 04/30/03. This Agreement shall become effective upon the date of last signature hereto and shall continue in effect for the full duration of the period of performance unless sooner terminated in accordance with the provisions of Article 14.

4. Reports

University shall furnish Sponsor letter reports in such frequency as mutually agreed to by the parties summarizing the work conducted as outlined in the attached scope of work. A final report setting forth the accomplishments and significant research findings shall be prepared by University and submitted to Sponsor within ninety (90) days of the expiration of the Agreement.

5. Costs, Billings and Other Support

5.1 It is agreed and understood by the parties hereto that, subject to Article 2, total costs to the Sponsor hereunder shall not exceed the amount of \$45,000. Payment shall be made by Sponsor according to the following schedule:

50% upon receipt of required insurance documents by Sponsor and start of scope of work
25% upon completion of focus group meetings as per Scope of Work, Exhibit A.
25% upon receipt by Sponsor of draft CEDS document as per Scope of Work, Exhibit A
Balance of contract upon presentation of final CEDS document as per Scope of Work, Exhibit A.

5.2 Checks shall be made payable to University of Southern California and sent to:

University of Southern California
Department of Contracts & Grants
326 Stonier Hall
Los Angeles, CA 90089-1147
Attn: George-Ann Cleary
Fed ID No. 95-1642394

5.3 In the event of termination of this Agreement pursuant to Article 14 hereof, Sponsor shall pay all costs accrued by University as of date of termination, including noncancellable obligations. Such obligations shall include all noncancellable graduate fellowships and appointments called for in Exhibit A incurred prior to the effective date of termination. After termination, any obligation of the Sponsor for graduate fellowships and appointments shall end no later than the end of University's academic year following termination.

6. Publicity

Neither party shall use the name, trade name, trademark or other designation of the other party in connection with any products, promotion or advertising without the prior written permission of the other party.

7. Publications

University shall have the right, at its discretion, to release information or to publish any material resulting from the Research.

8. Confidentiality

8.1 During the course of this Agreement, the parties may provide each other with certain information, data, or material in writing which the disclosing party has clearly marked or identified in writing as confidential or proprietary in nature ("Confidential Information"). The receiving party shall receive and hold Confidential Information in confidence and agrees to use its reasonable efforts to prevent disclosure to third parties of Confidential Information in the manner the receiving party treats its own similar information.

8.2 The receiving party shall not consider information disclosed to it by the disclosing party Confidential Information which: (a) is now public knowledge or subsequently becomes such through no breach of this Agreement; (b) is rightfully in the receiving party's possession prior to the disclosing party's disclosure as shown by written records; (c) is disclosed to the receiving party by an independent third party who, to the best of the receiving party's knowledge, is not under an obligation of confidentiality for such information to the disclosing party; or (d) is independently developed by or for the receiving party without benefit of Confidential Information received from the disclosing party as shown by written records.

9. Intellectual Property

9.1 All rights and title to University Intellectual Property under the Research shall belong to University and shall be subject to the terms and conditions of this Agreement.

9.2 University will promptly notify Sponsor of any University Intellectual Property. Sponsor shall, upon reviewing such notification, determine whether to request University to file, prosecute and maintain any patent application or application for other intellectual property protection, domestic or foreign, in University's name. Sponsor shall bear all reasonable costs incurred in connection with such preparation, filing, prosecution and maintenance directed to said University Intellectual Property. University

shall keep Sponsor advised as to all developments with respect to such applications and Sponsor shall be given an opportunity to review and comment thereon.

9.3 If Sponsor elects not to exercise its option in accordance with Article 10 herein or decides to discontinue the financial support of the application for intellectual property protection, University shall be free to file or continue prosecution and maintenance on any such application, at University's sole expense. If Sponsor elects to discontinue the financial support of the application for intellectual property protection prior to issuance of a valid patent, Sponsor thereby waives and gives up any right it may have under Section 10 below to license University Intellectual Property.

10. Grant of Rights

University grants Sponsor a time-limited first right to negotiate a commercial option or worldwide, royalty-bearing license, with the right to sublicense, to University Intellectual Property associated patent application or any resulting issued patent. Such first right must be exercised within six (6) months after disclosure of University Intellectual Property to Sponsor in accordance with Article 9.2 above. University and Sponsor shall negotiate the terms of any such option or license in good faith.

11. Copyrights

All rights to copyrightable materials, including computer software, first created during performance of the work funded under this Agreement shall vest in University, with a nonexclusive, non-commercial, non-transferable, royalty-free license to Sponsor for internal noncommercial purposes only. University grants Sponsor an option to license any such material(s) it wishes to develop for commercial purposes on reasonable terms and conditions, including commercially reasonable royalties, as the parties mutually agree in a separate writing. Such option shall extend for six (6) months from the first date of disclosure to Sponsor by University that such material exists.

12. Arbitration

Any controversy or claim between the parties arising out of or relating to this Agreement, or a breach thereof, which cannot be resolved by mutual agreement, shall be settled by binding arbitration conducted by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association, and any judgment upon the award rendered by the arbitrator may be entered in any Court having jurisdiction thereof. Any such arbitration shall be held in the County of Los Angeles, California.

13. Export

Sponsor agrees that it will at all times be in compliance with the United States government export regulations and laws and that any sub-sponsor agreement will require that the sub-sponsor is in compliance with these regulations and laws. The Sponsor asserts that it is not now doing business with any country to which the United States government prohibits export of products under consideration in this Research.

14. Termination

14.1 Either party may terminate this Agreement upon ninety (90) days prior written notice to the other.

14.2 Termination of this Agreement by either party for any reason shall not effect the rights and obligations of the parties accrued prior to the effective date of termination.

15. Warranties Disclaimer

15.1 University agrees to perform the Research in accordance with prevailing professional standards.

15.2 UNIVERSITY MAKES NO WARRANTIES FOR ANY PURPOSE WHATSOEVER, EXPRESS OR IMPLIED, AS TO THE RESEARCH OR THE RESULTS OF THE RESEARCH, INCLUDING THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF THE RESEARCH OR THE RESULTS OF THE RESEARCH UNDER THIS AGREEMENT. Neither the Principal Investigator, Sponsor, nor any other person is authorized to give any such warranty in the name of or on behalf of University.

15.3 Sponsor agrees that it will not rely solely upon technical information provided by University or the Principal Investigator in developing any invention or product, but will independently test, analyze and evaluate all inventions and products prior to manufacture and distribution of such inventions and products.

16. Insurance and Indemnification

16.1 University agrees to maintain adequate liability insurance, such protection being applicable to officers, employees and agents while acting within the scope of their employment by University as contained in Exhibit B of this agreement.

16.2 Sponsor agrees to hold harmless, indemnify and defend University, its trustees, officers, employees and agents from all liabilities, demands, damages, expenses and losses arising out of (a) performance of this Agreement, except to the extent of University's gross negligence or willful misconduct, (b) Sponsor's use of the results of the Research, or (c) Sponsor's use, manufacture or sale of products or inventions made by use of the results of the Research. The provisions of this paragraph shall survive completion or termination of this Agreement.

16.3 Sponsor warrants that at its sole cost and expense it maintains in effect a policy or program of comprehensive general liability insurance or self-insurance on an occurrence made basis in single limit coverage of not less than Two Million Dollars (\$2,000,000) per incident and Two Million Dollars (\$2,000,000) annual aggregate for death, bodily injury, illness or property damage to support the indemnification obligations assumed herein. Such policy shall name University as an additional insured and shall provide for not less than thirty (30) days prior written notice before any cancellation or material change in coverage shall be effective. A Certificate evidencing the comprehensive general liability policy shall be delivered to University upon request.

17. Independent Contractor

University is an independent contractor under this Agreement and not an agent, servant, employee, associate, joint venturer or partner of Sponsor.

18. Governing Law

18.1 University and Sponsor agree to abide by all Federal, State, and local laws, rules, regulations, and ordinances in the performance of this Agreement.

18.2 This Agreement shall be governed and construed in accordance with the laws of the State of California. Jurisdiction and venue of any dispute arising out of this Agreement shall lie with any court of competent jurisdiction within the County of Los Angeles.

19. Attorneys' Fees

In the event litigation or arbitration is commenced to enforce any of the terms of this Agreement, the prevailing party shall recover, as part of the award and judgment, its reasonable attorneys' fees and costs of such litigation or arbitration from the non-prevailing party.

20. Assignment

Neither party shall assign this Agreement except with the prior written consent of the other party.

21. Waiver and Severability

21.1 No waiver by either party of any breach of any provision hereof shall constitute a waiver of any other breach of that or of any other provision hereof.

21.2 In the event a court or governmental agency of competent jurisdiction holds any provision of this Agreement to be invalid, such holding shall have no effect on the remaining provisions of this Agreement, and they shall continue in full force and effect. Upon such holding, the parties shall, within a reasonable period of time, determine whether the severed provision(s) detrimentally and materially affect the obligations or performance of either or both parties. If so affected, the parties shall, within a reasonable period of time, negotiate in good faith to modify this Agreement to relieve such effects. If such negotiations do not result in mutually agreeable modification to this Agreement, notwithstanding the provisions of Article 14 herein either effected party may terminate this Agreement upon providing the other party with thirty (30) days written notice of such termination.

22. Agreement Modification

This Agreement may be modified or amended, including extension of the term of this Agreement, at any time only by a written amendment executed by both parties.

23. Notices

Any notices given under this Agreement shall be in writing and delivered to the following addresses by return receipt mail, postage prepaid; by overnight courier service; or by facsimile transmission. Such notices shall be effective upon the third business day following mailing, if by mail; upon receipt, if by courier; or upon confirmation of successful transmission, if by facsimile.

For Sponsor:
County of Santa Barbara

For University:
University of Southern California
Department of Contracts and Grants
326 Stonier Hall
Los Angeles, CA 90089-1147
Attn: George-Ann Cleary
Copy to: Dr. Tridib Banerjee

24. Third Party Rights

This Agreement shall not create any rights, including without limitation third-party beneficiary rights, in any person or entity not a party to this Agreement.

25. Entire Agreement

This Agreement constitutes the entire understanding between the parties hereto and there are no collateral, oral or written agreements or understandings. This Agreement supersedes any prior oral or written agreement or understanding between the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement in two or more counterparts, each as an original and all together as one instrument as of the date of last signature below written.

COUNTY OF SANTA BARBARA

UNIVERSITY OF SOUTHERN CALIFORNIA

By _____

By _____

Name Michael F. Brown

Name: Lloyd Armstrong, Jr.
Provost and Senior Vice

Title: County Administrator

Title: President for Academic Affairs

Date _____

Date _____

EXHIBIT “A” WORK PLAN

November 2002: Socio-economic Analysis and Trends: Develop action plan, schedule, and budget:

Review of area background and history:

- Discuss individual communities within area

- Previous economic development strategies and accomplishments

Review of existing needs assessment reports

Prepare participant roster for focus groups (CBOs, EDCs, educators, neighborhood associations, business interests, etc.)

Initial draft report on demographic and socio-economic indicators

Sub-Area Analysis:

- Population

- Ethnicity

- Age Distribution

- Transportation

- Land Use

- Economic Profile

- Poverty

- Employment / Unemployment

- Economic Base and Growth Sectors

- Access to Capital

- Growth Industries

Working group meeting

Monthly Report : Interim progress report

December 2002: Surveys and Assessments: Conduct local needs assessments.

Write focus group questionnaire

Conduct focus groups in two Project Areas (two sessions per Project Area)

Focus Groups to be led by?. Graduate student assistants to act as recorders.

Focus group analysis

Identify challenges and opportunities

Develop a community vision statement

Working group meeting

Monthly Report: Progress report on demographic and economic information

January 2003 Vision and Action Plan Prepare draft report on community economic needs:

Develop economic development priorities and conduct outreach
Conduct focus groups in two Project Areas (two sessions per Project Area)
Focus Groups to be led by?. Graduate student assistants to act as recorders.
Focus group analysis

Monthly Report : Draft report on community economic needs

February 2003 Vision and Action Plan Identify key challenges and strengths

Conduct focus groups in two Project Areas (two sessions per Project Area)
Focus Groups to be led by?. Graduate student assistants to act as recorders.

Focus group analysis
Consolidation of issues/needs expressed in focus groups
Develop a one year and five year comprehensive economic strategy
Vision statement
Goals and objectives
Develop short term vs. long term priorities
Working group meeting

Monthly Report: Summarize monthly activities

March 2003 Vision and Action Plan Develop a detailed action plan and responsibility assignments for one and five years

Conduct outreach and develop CEDS document
Develop a project rating instrument

Monthly Report: Interim Progress Report

April 2003 Vision and Action Plan Comprehensive Economic Development Strategy for Santa Barbara County

Develop final CEDS document

Monthly Report: Incorporate comments from Working Group and deliver final Project Report

Conduct *general open meeting* and present findings

Exhibit B

INDEMNIFICATION

INDEMNIFICATION PERTAINING TO OTHER THAN PROFESSIONAL SERVICES:

THE UNIVERSITY (CONTRACTOR) SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS THE SPONSOR (COUNTY), ITS OFFICERS, AGENTS AND EMPLOYEES FROM ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS, EXPENSES (INCLUDING ATTORNEY'S FEES), JUDGMENTS OR LIABILITIES ARISING OUT OF THIS AGREEMENT OR OCCASIONED BY THE PERFORMANCE OR ATTEMPTED PERFORMANCE OF THE PROVISIONS HEREOF; INCLUDING, BUT NOT LIMITED TO, ANY ACT OR OMISSION TO ACT ON THE PART OF THE CONTRACTOR OR THEIR AGENTS OR EMPLOYEES OR OTHER INDEPENDENT CONTRACTORS DIRECTLY RESPONSIBLE TO THEM; EXCEPT THOSE CLAIMS, DEMANDS, DAMAGES, COSTS, EXPENSES (INCLUDING ATTORNEY'S FEES), JUDGMENTS OR LIABILITIES RESULTING FROM THE SOLE NEGLIGENCE OR WILLFUL MISCONDUCT OF THE COUNTY.

CONTRACTOR SHALL NOTIFY THE COUNTY IMMEDIATELY IN THE EVENT OF ANY ACCIDENT OR INJURY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

INDEMNIFICATION PERTAINING TO PROFESSIONAL SERVICES:

CONTRACTOR SHALL INDEMNIFY AND SAVE HARMLESS THE COUNTY, ITS OFFICERS, AGENTS AND EMPLOYEES FROM ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS, EXPENSES (INCLUDING ATTORNEY'S FEES), JUDGMENTS OR LIABILITIES ARISING OUT OF THE NEGLIGENT PERFORMANCE OR ATTEMPTED PERFORMANCE OF THE PROVISIONS HEREOF; INCLUDING ANY WILLFUL OR NEGLIGENT ACT OR OMISSION TO ACT ON THE PART OF THE CONTRACTOR OR HIS AGENTS OR EMPLOYEES OR OTHER INDEPENDENT CONTRACTORS DIRECTLY RESPONSIBLE TO HIM TO THE FULLEST EXTENT ALLOWABLE BY LAW.

CONTRACTOR SHALL NOTIFY THE COUNTY IMMEDIATELY IN THE EVENT OF ANY ACCIDENT OR INJURY ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT.

INSURANCE

Without limiting the CONTRACTOR's indemnification of the COUNTY, CONTRACTOR shall procure the following required insurance coverages at its sole cost and expense. All insurance coverages are to be placed with insurers which (1) have a Best's rating of no less than A: VII, and (2) are admitted insurance companies in the State of California. All other insurers require the prior approval of the COUNTY. Such insurance coverage shall be maintained during the term of this Agreement. Failure to comply with the insurance requirements shall place CONTRACTOR in default. Upon request by the COUNTY, CONTRACTOR shall provide a certified copy of any insurance policy to the COUNTY within ten (10) working days.

1. Workers' Compensation Insurance: Statutory Workers' Compensation and Employers Liability Insurance shall cover all CONTRACTOR's staff while performing any work incidental to the performance of this Agreement. The policy shall provide that no cancellation, or expiration or reduction of coverage shall be effective or occur until at least thirty (30) days after receipt of such notice by the COUNTY. In the event CONTRACTOR is self-insured, it shall furnish a copy of Certificate of Consent to Self-Insure issued by the Department of Industrial Relations for the State of California. This provision does not apply if CONTRACTOR has no employees as defined in Labor Code Section 3350 et seq. during the entire period of this Agreement and CONTRACTOR submits a written statement to the COUNTY stating that fact.
2. General and Automobile Liability Insurance: The general liability insurance shall include bodily injury, property damage and personal injury liability coverage, shall afford coverage for all premises, operations, products and completed operations of CONTRACTOR and shall include contractual liability coverage sufficiently broad so as to include the insurable liability assumed by the CONTRACTOR in the indemnity and hold harmless provisions [above] of the Indemnification Section of this Agreement between COUNTY and CONTRACTOR. The automobile liability insurance shall cover all owned, non-owned

and hired motor vehicles that are operated on behalf of CONTRACTOR pursuant to CONTRACTOR's activities hereunder. CONTRACTORS shall require all subcontractors to be included under its policies or furnish separate certificates and endorsements to meet the standards of these provisions by each subcontractor. COUNTY, its officers, agents, and employees shall be Additional Insured status on any policy. A cross liability clause, or equivalent wording, stating that coverage will apply separately to each named or additional insured as if separate policies had been issued to each shall be included in the policies. A copy of the endorsement evidencing that the policy has been changed to reflect the Additional Insured status must be attached to the certificate of insurance. The limit of liability of said policy or policies for general and automobile liability insurance shall not be less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Any deductible or Self-Insured Retention {SIR} over \$10,000 requires approval by the COUNTY.

Said policy or policies shall include a severability of interest or cross liability clause or equivalent wording. Said policy or policies shall contain a provision of the following form:

"Such insurance as is afforded by this policy shall be primary and non-contributory to the full limits stated in the declarations, and if the COUNTY has other valid and collectible insurance for a loss covered by this policy, that other insurance shall be excess only."

If the policy providing liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three years following completion of the performance or attempted performance of the provisions of this agreement. Said policy or policies shall provide that the COUNTY shall be given thirty (30) days written notice prior to cancellation or expiration of the policy or reduction in coverage.

3. Professional Liability Insurance. Professional liability insurance shall include coverage for the activities of CONTRACTOR's professional staff with a combined single limit of not less than \$1,000,000 per occurrence or claim and \$2,000,000 in the aggregate. Said policy or policies shall provide that COUNTY shall be given thirty (30) days written notice prior to cancellation, expiration of the policy, or reduction in coverage. If the policy providing professional liability coverage is on a 'claims-made' form, the CONTRACTOR is required to maintain such coverage for a minimum of three (3) years (ten years [10] for Construction Defect Claims) following completion of the performance or attempted performance of the provisions of this agreement.

CONTRACTOR shall submit to the office of the designated COUNTY representative certificate(s) of insurance documenting the required insurance as specified above prior to this Agreement becoming effective. COUNTY shall maintain current certificate(s) of insurance at all times in the office of the designated County representative as a condition precedent to any payment under this Agreement. Approval of insurance by COUNTY or acceptance of the certificate of insurance by COUNTY shall not relieve or decrease the extent to which the CONTRACTOR may be held responsible for payment of damages resulting from CONTRACTOR'S services of operation pursuant to the contract, nor shall it be deemed a waiver of COUNTY'S rights to insurance coverage hereunder.

In the event the CONTRACTOR is not able to comply with the COUNTY'S insurance requirements, COUNTY may, at their sole discretion and at the CONTRACTOR'S expense, provide compliant coverage.

The above insurance requirements are subject to periodic review by the COUNTY. The COUNTY's Risk Manager is authorized to change the above insurance requirements, with the concurrence of County Counsel, to include additional types of insurance coverage or higher coverage limits, provided that such change is reasonable based on changed risk of loss or in light of past claims against the COUNTY or inflation. This option may be exercised during any amendment of this Agreement that results in an increase in the nature of COUNTY's risk and such change of provisions will be in effect for the term of the amended Agreement. Such change pertaining to types of insurance coverage or higher coverage limits must be made by written amendment to this Agreement. CONTRACTOR agrees to execute any such amendment within thirty (30) days of acceptance of the amendment or modification.
