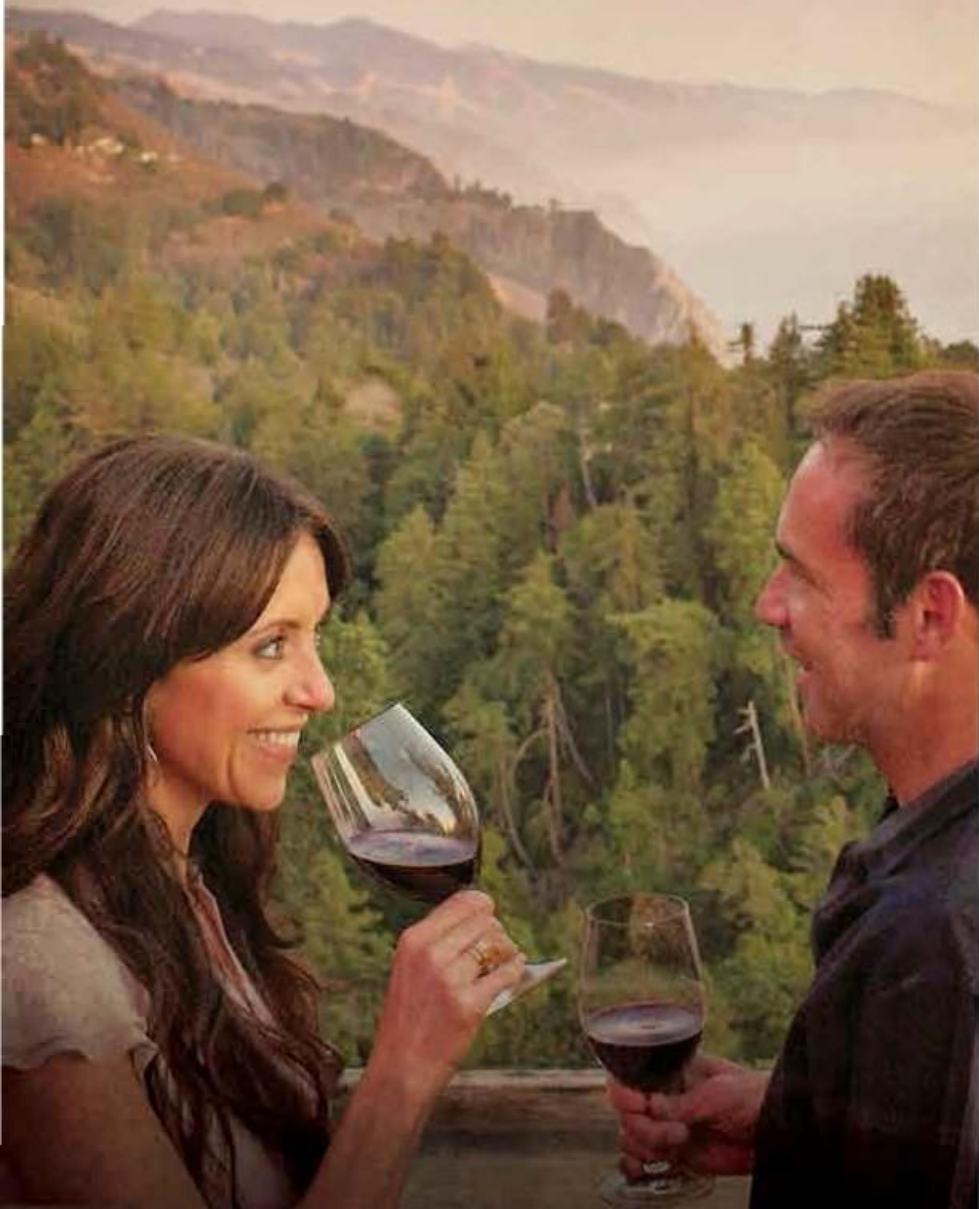


ECONOMIC DEVELOPMENT STRATEGIC PLAN FOR THE COUNTY OF MONTEREY



County of Monterey
Economic Development Department
168 W. Alisal Street, 3rd Floor
Salinas, CA 93901
831.755.5390



ACKNOWLEDGEMENTS

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Supervisor Simon Salinas (District 2)

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(Micro Business)

Ken Scherpinski

(Labor)

Bruce Taylor

(Agriculture)

Harry Wardwell

(Finance)

SPECIAL THANKS TO THE REGIONAL PARTNERS

POLICY AGENCIES

Association of Monterey Bay Area Governments (AMBAG)
Monterey Bay Unified Air Pollution Control District
Fort Ord Reuse Authority (FORA)
Transportation Agency for Monterey County (TAMC)
Workforce Investment Board (WIB)
County of Santa Cruz

BUSINESS ASSISTANCE/ECONOMIC DEVELOPMENT ORGANIZATIONS

Agriculture and Land-Based Training Association (ALBA)
Arts Council for Monterey County
CSU – Monterey Bay Small Business Development Center
Central Coast Business Development Center

Central Coast Marketing Team
California Coastal Rural Development Corporation
California Employment Development Department
California State - Department of Rehabilitation
Grower-Shipper Association of Central California
El Pajaro Community Development Corporation
Marina Business Center
Mission Trails Regional Occupation Program
Monterey Bay International Trade Association
Monterey County Adult Education
Monterey County Business Council
Monterey County Convention and Visitors Bureau
Monterey County Film Commission
Monterey County Hospitality Association
Monterey County Vintner & Growers Association
Procurement Technical Assistance Center (PTAC)
Salinas United Business Association (SUBA)
Shoreline Workforce Development Services
Turning Point of Central California

CHAMBERS OF COMMERCE

Big Sur Chamber of Commerce
Carmel Chamber of Commerce
Carmel Valley Chamber of Commerce
Gonzales Chamber of Commerce
Greenfield Chamber of Commerce
King City Chamber of Commerce
Marina Chamber of Commerce
North Monterey County Chamber of Commerce
Monterey Peninsula Chamber of Commerce
Pacific Grove Chamber of Commerce
Salinas Valley Chamber of Commerce
Soledad Mission Chamber of Commerce

SPECIAL THANKS TO THE REGIONAL PARTNERS (continued)

CITIES

Carmel-by-the-sea
Del Rey Oaks
Gonzales
Greenfield
King City
Marina
Monterey
Pacific Grove
Salinas
Sand City
Seaside
Soledad

COUNTY OF MONTEREY DEPARTMENTS

Assessor/Recorder-County Clerk Auditor-
Controller
County Administrative Office
CAO - Intergovernmental & Legislative Affairs
CAO – Contracts/Purchasing
Economic Development Department
Health Department
Information Technology
Office of the Agricultural Commissioner
Parks
Resource Management Agency - Planning
Resource Management Agency - Building Services
Resource Management Agency – Public Works
Department of Social Services
Treasurer-Tax Collector
UC Cooperative Extension

HIGHER EDUCATION

Cabrillo College
California State University – Monterey Bay
Chapman University College
Central Coast College
Defense Language Institute Foreign Language Center (DLIFLC)
Gavilan College
Golden Gate University
Hartnell College
Heald College
Middlebury Institute of International Studies at Monterey
College of Law
Monterey Peninsula College
Panetta Institute for Public Policy
University of California - Santa Cruz (UCSC)

SPECIAL THANKS TO THE REGIONAL PARTNERS (continued)

HEALTHCARE

Community Hospital of the Monterey Peninsula
Mee Memorial
Natividad Medical Center
Salinas Valley Memorial Hospital

MILITARY/RESEARCH

California Department of Fish and Game
Department of Defense Manpower Data Center
Elkhorn Slough National Estuarine Research Reserve
Fleet Numerical Meteorology and Oceanography Center
Hopkins Marine Station of Stanford University
Monterey Bay Aquarium
Monterey Bay Aquarium Research Institute (MBARI)
Moss Landing Marine Lab – California State University
National Oceanic and Atmospheric Administration (NOAA)
Naval Postgraduate School (NPS)
Naval Research Laboratory Marine Meteorology Division
Pacific Science Center, United States Geological Survey
U.S. Army Garrison Presidio of Monterey
Steinbeck Innovation Center
United States Geological Survey
University of California – Monterey Bay Education in Science and Technology (UC MBEST)

TABLE OF CONTENTS

- 1.0 INTRODUCTION**
- 2.0 EXECUTIVE SUMMARY**
- 3.0 SRI INTERNATIONAL APPROACH TO ECONOMIC DEVELOPMENT**
 - 3.1 INNOVATION ASSET INVENTORY- PHASE I**
 - 3.2 OVERVIEW OF RECOMMENDED OPPORTUNITIES- PHASE II**
 - 3.3 RECOMMENDED OPPORTUNITIES- PHASE III**
- 4.0 SRI RECOMMENDATIONS- FOUR OPPORTUNITY AREAS**
 - 4.1 Eco-Recreation & Wellness**
 - 4.2 Edu-Tourism**
 - 4.3 Blue Economy R&D**
 - 4.4 Agri-Technology**
- 5.0 Board, Committee and Department Initiatives**
 - 5.1 Board of Supervisor’s Initiatives**
 - 5.2 Economic Opportunity Committee (EOC) Initiatives**
 - 5.3 Economic Development Department (EDD) Initiatives**
 - 5.4 Recommended Resources**
 - 5.5 Matrix of Economic Opportunity Resource Partners**
- 6.0 APPENDIX**
 - 6.1 Monterey County Resource Business Directory**
 - 6.2 WIB Local Strategic Workforce Plan 2013-2017**
 - 6.3 Approved EDA-Comprehensive Economic Development Strategy**



1.0 INTRODUCTION

The mission of the Monterey County Economic Development Department is to facilitate job creation through entrepreneurship, small business loans, Agriculture, Education, Research and Technology in hopes of creating more job opportunities for our residents. The Affordable Housing division strives to provide a roof over the heads of our residents, while the Workforce Investment Board strives to provide job training and placement opportunities to our residents in search of a new start, a re-start, or a career path. This strategy is developed to provide prosperity and to erode the effects of poverty by encouraging opportunity and prosperity through the expansion of our four economic base, or “pillar” industries into four major economic “opportunity” areas.

In addition to SRI’s efforts, the County Board of Supervisors has adopted the following Strategic Initiative:

“The role of economic development is to ‘Enhance the well-being and prosperity of Monterey County Residents.’ We will accomplish this in part through collaboration, by strengthening economic development to ensure a diversified and healthy economy. We have a goal to create better paying jobs to reduce poverty and increase the revenue base through business expansion while adding to the economic vitality of the County.”

Monterey County is comprised of the towns and cities of Carmel By-the-Sea, Castroville, Del Rey Oaks, Marina, Monterey, Pacific Grove, Pajaro, Pebble Beach, Sand City, Seaside, Salinas and the Salinas Valley communities of Greenfield, Gonzales, King City and San Lucas, San Ardo and Soledad.

SRI International was retained to embark on a difficult mission to identify areas of job generating opportunities in hopes of lowering gang violence, increasing educational attainment, creating new job opportunities and increasing the health of families and individuals across all sectors of Monterey County. Small Business, entrepreneurial ventures, company start-ups, expanding businesses, research, educational and job training opportunities were researched and examined with the goal of discovering how to create jobs, increase revenue, and prosperity for all those who are concerned. SRI confirmed four primary basic industry sectors as the economic base industries for Monterey County. These four industry sectors are the launch ground for a new generation of companies, jobs, careers and a sustainable economy; Agriculture, Education, Hospitality and Marine Research.

The first goal and priority of Monterey County has been to retain and expand existing jobs and companies already located here. The Economic Opportunity Committee, charged by the Board of Supervisors, has focused on retention first, expansion second and third, by enabling cooperation of all sectors to work together, to encourage the development of a new and expanded economy fueled by education, research and commercialization of technology and service above self.

Obvious constraints emerged; water delivery, limited industrial sites, high land costs resulting from self-imposed Agriculture preservation, and a high demand for parcels of natural beauty and majestic views have increased the desirability and challenge to locate new and expanding job producing opportunities surrounding the Monterey Bay. This unique geography of Monterey Bay is host to several regional economic strengths.



2.1 EXECUTIVE SUMMARY

SRI International was retained by the County of Monterey to work under the direction and supervision of the Board of Supervisors appointed Economic Opportunity Committee who met over a period of two years to analyze, test and determine the most reasonable opportunities or targets for which SRI will guide the preparation of an actionable strategy for developing its target industry sectors, education, training and workforce, in

promoting overall economic growth and prosperity. This report summarizes the activities, findings and recommendations of SRI International to the Economic Development Committee of Monterey County over the period from April 2011 through December 2013. The report presents an overview of the three phases completed by SRI; the Asset Inventory, the Recommended Opportunity Areas and finally the Recommendations for the Committee, with a focus on the future of the newly-created Economic Development Department.



BACKGROUND ON THE ECONOMIC DEVELOPMENT COMMITTEE

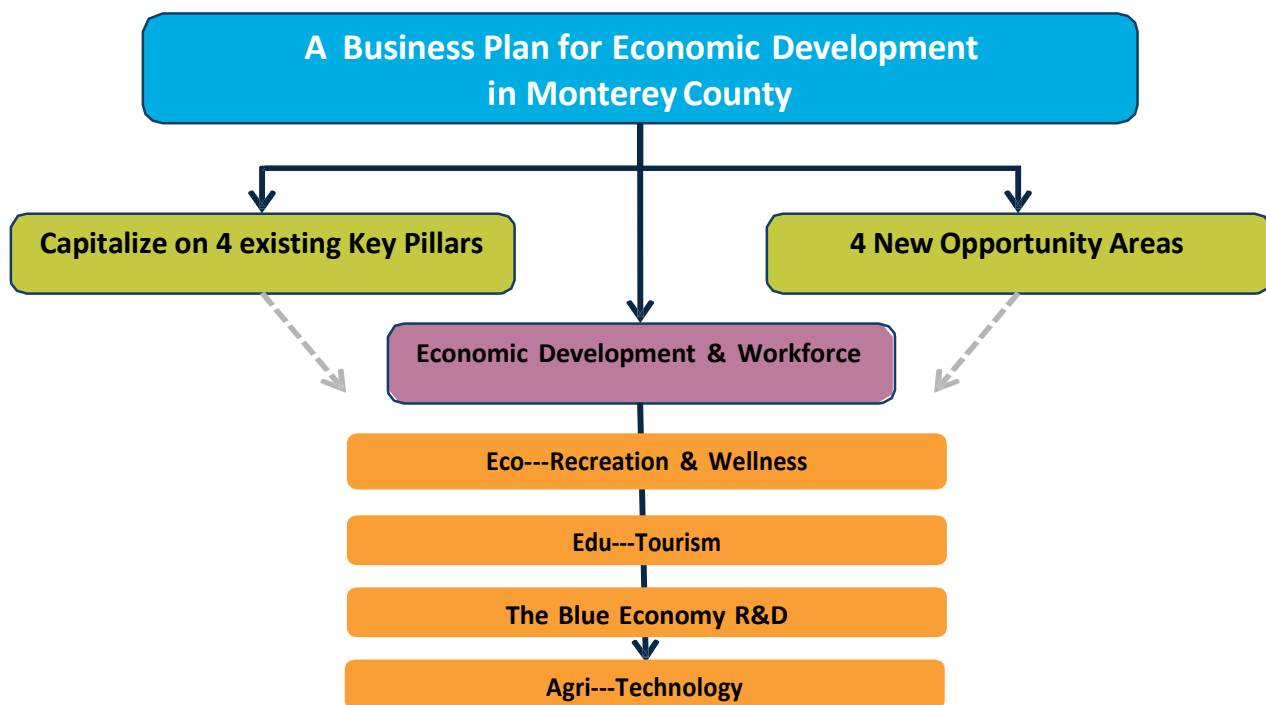
In 2011, the Board of Supervisors of the County of Monterey, California convened an Economic Development Committee, which was formed to:

advise...on appropriate economic development policies, programs and activities to ensure a Countywide perspective in support of a diversified economy, higher paying jobs, and an expanded revenue base for local government services, while preserving and protecting the County's agricultural, tourism, and education economic base in collaboration with cities.

As part of its Strategic Initiatives for the coming year, the Board of Supervisors of Monterey County resolves that economic development activities by the County should:

“Through collaboration, strengthen economic development to ensure a diversified and healthy economy.”

The Economic Development Committee comprises representatives of the four economic “pillars” of the County of Monterey: agriculture, tourism, education & research, and small & community-based business. The Committee’s immediate objective is to formulate an overall economic vision for Monterey County, and to work towards aligning the efforts and goals of the many stakeholders in the County’s economy to facilitate the growth of sustainable, promising, and good-paying employment opportunities to increase the standard of living across all communities. These three overlapping objectives—reinforcing the existing economy, diversifying into new opportunities, and ensuring equity and sustainability in future growth—are illustrated in the graphic on the following page.



Proposed Vision for Economic Opportunity in Monterey County

The Great Recession of 2008 dealt a serious blow to the economy of Monterey County. We quickly learned that a downturn in the tourism and construction industries could have devastating effects on employment and standards of living. As community leaders, we see that the County of Monterey needs to re-examine its economic strengths and assets, and chart a path to a more robust and resilient future for our region.

We propose a new approach to economic development for the County, based around opportunities offering the promise of high-quality employment for County residents through the creation of new industries and business activities consistent with the values of the community. This approach balances the attraction of new employers to the region with efforts to retain existing employers and nurture new entrepreneurial ventures. The central tenet of this approach is that the County can discover and capitalize on even greater opportunities through the integration of the key sectors of the region’s economy—tourism, agriculture, research and education, and community-based small business—in innovative configurations. The opportunities we elect to pursue should be designed around the following principles.

Organizing Principles for Monterey County's Vision for Economic Opportunity

- The natural beauty of the County will be preserved and valued as an economic asset.
- All cities and communities across the county will benefit from the employment and benefits generated by economic opportunities.
- Improving the preparation and skills of the County's workforce will be essential to the success of the new regional economy.
- The stakeholders in the County's economy must work cooperatively and collaboratively to realize new opportunities and develop new sources of growth.

We resolve as leaders of the region's economy and communities to lead the effort to find a common path to economic prosperity in light of the challenges and potentials of the 21st-century global economy. Rather than viewing our recent economic troubles as a crisis, we see them as motivation to forge a new path forward that recognizes the historical pillars of our regional economy, and updates and revitalizes them to be more competitive in the future. Our success will be measured by the wider availability of jobs in promising, forward-looking career paths for all residents of Monterey County, focusing on high-skilled, sustainable industry sectors.



To create a new economic strategy for Monterey County, SRI analyzed the County's economic positioning from two perspectives:

First, we conducted a quantitative and qualitative analysis of the economic and social environment within the County, to identify the key assets of the County that are likely to be locational advantages for businesses, and also to characterize and quantify capabilities in the County that are beneficial to employers. This analysis looked at aspects such as the physical environment, critical infrastructure, and the region's workforce.

Second, we conducted over 100 stakeholder interviews to learn what economic opportunities were already considered promising directions for the region, and to understand more about current efforts and emerging strategies undertaken by leaders and community representatives. We also elicited views on the core community values and priorities for the County. Businesses and industries consistent with those values and priorities are the most appropriate targets for the region's economic development efforts.

3.0 SRI'S APPROACH TO ECONOMIC DEVELOPMENT

The County contracted with SRI International to support the work of the Economic Development Committee as well as the County's new Economic Development Department. The Economic Development Committee is engaged in crafting an overall vision for the future of the Monterey County regional economy, which will then help to focus the County's key economic stakeholders (such as municipalities, community organizations, and educational institutions) on a set of common goals and initiatives. The desired outcome of this effort is that economic development activities within the County will be more efficient, as activities are better coordinated and duplication is reduced. Those activities will also be more effective, as various organizations reinforce each other's initiatives rather than working at crossed purposes.

Traditional economic development is focused on competing against other geographic regions for the attention of site selectors working for large employers. This approach to economic development is essentially a zero-sum game, as large firms will play regions against each other in the quest to secure the maximum financial other incentives from municipal and state governments. The recent offer by Boeing Corporation to relocate some of its manufacturing out of the Seattle area is a case in point. Numerous states offered billions of dollars in incentives to become the location for the production of Boeing's 777X aircraft, after the machinists' union voted against a contract offer by the firm. Although Boeing eventually decided to retain its facility in Washington (after extracting concessions from the union), the competition showed the degree to which governments were willing to forego tax revenues and spend money to attract a large manufacturer. As one Boeing executive joked to the Governor of Utah during the relocation process, "I'm the most popular guy in the country right now."¹

The point is to avoid competing head-to-head with other jurisdictions, but instead creating a unique business environment so that desired firms can obtain the resources and services they require to be successful.

A more sophisticated and strategic approach to economic development ("*Economic Development 2.0*") finds ways by which a region can leverage particular locational assets and capabilities not only to attract employers, but also to retain existing employers and nurture the growth of new firms in the region. The point is to avoid competing head-to-head with other jurisdictions, but instead creating a unique business environment so that desired firms can obtain the resources and services they require to be successful.

¹ "States compete for Boeing 777X jobs project," Reid Wilson, *The Washington Post*, 30 November 2014.

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As described below, our analysis covered two phases of activity:

In Phase I, we surveyed the status of the four “economic pillars” of the County, and conducted an “innovation asset inventory” to evaluate the strengths and weaknesses of the County’s economic positioning. We then identified a range of potential economic opportunities to be considered by the Committee as candidates for inclusion in the County’s economic strategy.

In Phase II, we narrowed the potential opportunities down to four specific areas where the Committee felt that the County could play a key role in facilitating economic and employment growth:

- **Eco-recreation and wellness:** Emphasizing both the natural beauty and major agricultural capabilities (vegetables and wine) of the County in developing new offerings in tourism and recreation for County visitors.
- **Edu-tourism:** Coordinating public outreach by the County’s many institutions for higher education and scientific research into unique packages that integrate learning and exploration of the County’s natural environment to expand options for visitors.
- **“Blue Economy” research & development:** Applying the knowledge and expertise of the marine research community to inform local industry activities, generate new technologies for commercialization, and enable Monterey County to become a test bed for innovative new policies and practices in marine environmental management.
- **Agri-technology:** Leveraging the capabilities of universities and research institutes to expand and enhance the global competitiveness of the Monterey County agricultural sector.

3.1 INNOVATION ASSET INVENTORY-PHASE I

In Phase I, we surveyed the status of the four “economic pillars” of the County, and conducted an “innovation asset inventory” to evaluate the strengths and weaknesses of the County’s economic positioning.

Summary of Assets in Monterey County:

- Physical Assets: Natural resources and built infrastructure
- Human Capital Assets: Systems & resources for education & workforce development
- Technical Assets: Institutions & talent for developing new knowledge & technology
- Financial Capital Assets: Ability to finance new & existing businesses
- Business Environment Assets: Factors affect ease of starting & conducting business
- Quality of Life Assets: Factors affecting attractiveness of area to visitors & potential residents (employees)

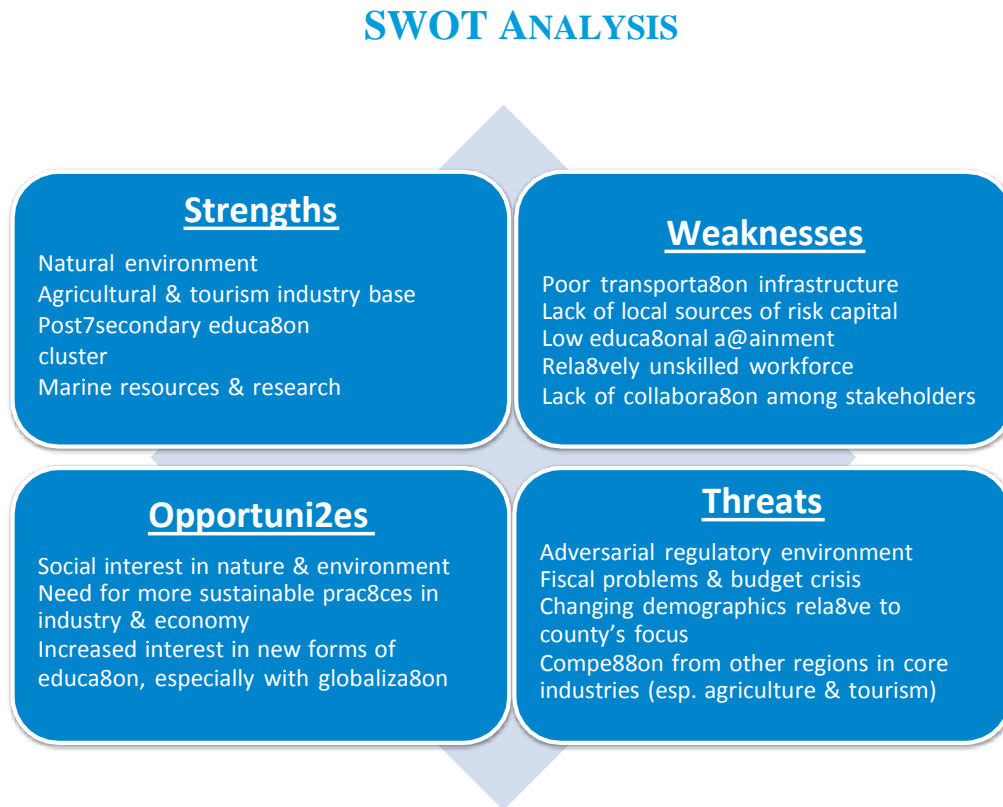
REVIEW OF PHASE I - ACTIVITIES AND FINDINGS

For Phase I, SRI began by interviewing members of the Economic Development Committee to discuss their ideas and goals for County-wide economic development. We then conducted two weeks of interviews and focus groups with representatives of the four economic pillars, plus leadership figures from municipal government, county government, the non-profit sector, environmental advocacy groups, labor, and healthcare. We asked the interview subjects their views on the business and economic conditions in the County, what factors might lead firms to choose to locate or not to locate in the County, and the appropriate role of the County government in regional economic development. We also used a variety of data sources to characterize the economic and innovation assets of Monterey County. The result of this phase is an inventory of economic opportunities considered viable for the County.



REGIONAL SWOT ANALYSIS

The stakeholder interviews and meetings provided the basis for understanding the competitive positioning of Monterey County as a business location. We applied the SWOT methodology—assessing the County’s strengths, weaknesses, opportunities, and threats—to summarize the most salient features and challenges of the County’s economy, as shown below.



Our analysis produced findings that reflect the paradox of Monterey County, from an economic standpoint. The region has tremendous strengths—a very pleasant climate, abundant natural resources, strong firms and institutions in agriculture and education, and a relatively stable economic base. Even with those strengths, the County’s ability to identify and capture new sources of employment growth have been undermined by conflicts and distrust among stakeholders, poor communication and interactions between government and business, significant disparities in educational and economic status across the county, and a general tendency to resolve issues through litigation rather than collaboration.

These weaknesses will be critical liabilities to the County’s economic future. Even as the Great Recession slowly fades, its impact on Monterey County is severe and enduring. An over-reliance on the housing and construction boom up through 2007 created a particular socio-economic environment. For the area’s Latino immigrants in particular, who commonly came to the area to work in agriculture, the construction industry provided opportunities for low-skilled workers to be trained and employed in skilled trades, increasing their upward mobility and often enabling their children to pursue more education and better jobs. When the recession gutted the housing industry, that path to economic

advancement was cut off. Some of the distressing social issues in the region, such as gang violence, can be traced to the lack of economic opportunity, as families struggled to make ends meet and children were forced to pursue low-wage jobs rather than self-improvement.

To attain a competitive position in the global economy, regions need to provide a supportive environment not simply for employers, but particularly for employers with the ability to create, or at least ride, waves of technological innovation in their industries. Automation and restructuring in the business world will reduce the share of low-skilled occupations in the future economy. Technology is shifting competition towards a “winner-take-all” dynamic, where most of the value (and benefits) of an industry accrues to the lead innovators in that market. To ensure an adequate supply of jobs at decent wages, Monterey County will need to foster a more dynamic, innovation-driven economy.

SUMMARY OF ASSET ASSESSMENT

In addition to the SWOT analysis, SRI conducted an Innovation Asset Inventory, modeled after the *Asset Mapping Roadmap* developed by the U.S. Council on Competitiveness. We used primarily quantitative measures to identify and evaluate six different categories of assets in Monterey County.

Summary of Assets in Monterey County

- Physical Assets: Natural resources and built infrastructure
- Human Capital Assets: Systems & resources for education & workforce development
- Technical Assets: Institutions & talent for developing new knowledge & technology
- Financial Capital Assets: Ability to finance new & existing businesses
- Business Environment Assets: Factors affect ease of starting & conducting business
- Quality of Life Assets: Factors affecting attractiveness of area to visitors & potential residents (employees)

In its physical capital, Monterey County has many valuable assets, including its natural scenery and large, open green spaces. The limitations of the county are in its transportation infrastructure. As one stakeholder noted, Monterey County is in many ways isolated like an island: there are only two major roads leading in and out of the County, and both become heavily congested on weekends. In addition, transit within the County is difficult and time-consuming. The limited availability of broadband data service is also a problem, given that many businesses of all types are now dependent on high-speed data transfers for key functions.

The relative lack of residents with vocational or similar post-graduate training will limit employment growth.

In human capital, the County has a very mixed situation. The County’s educational profile is heavily weighted towards each end of the spectrum—a large concentration of residents with graduate degrees, but also a very large share with high school degrees or even less education. One consideration here is that many of the most highly-educated residents work in Silicon Valley, not in the County. This means that the productivity of

those residents (and their daily spending) flows to the north, rather than staying the community. The relative lack of residents with vocational or similar post-graduate training will limit employment growth. Many industries depend on workers with 2-year degrees or similar certifications for support personnel—technicians, assistants, IT specialists, etc. Monterey County is exporting its most talented human capital, and ends up importing workers in mid-skilled positions.

Monterey County is home to a wide array of research and technical institutes and assets, such as its marine research complex, and colleges such as the Navy Postgraduate School. At present, however, those assets contribute little to the local economy, and are not well integrated into their communities. Outside of marine research, there is little actual technology development going on in the County, other than some firms at MBEST or other properties near Marina airport. While the agricultural sector funds substantial research, most of that is conducted outside of the County (at institutions like UC Davis), and the results of research are kept highly proprietary, rather than benefiting a broader share of the industry.

In financial capital, Monterey County appears to be ahead of peer regions in California. There is a large concentration of wealth in the County. The issue is that it is very highly-concentrated in a few communities (mostly on the Peninsula), and consists of personal wealth held by retired executives, not capital that is reinvested in the economy. While there should be ways to access that capital for enhancing economic opportunities (for example, through angel investment pools, or as micro-credit for community-based, family-owned businesses), that wealth stays out of circulation.

There is a large concentration of wealth in the County

... that wealth stays out of circulation.

The business environment is a particular liability for the region's economic prospects. The uncertain regulatory system, high taxes, and lack of affordable office space all contribute to the perception that Monterey County is unfriendly towards businesses of all kinds. Among peer communities, Monterey County has a very high cost of doing business, even when looking at larger comparable locations. Attracting new firms to locate in the area would require action to counter that image, and commitment to making real change in how employers are treated at many levels of government.

Finally, in quality of life, Monterey County appears to be blessed with a very high standard of living and recreational environment. It should be noted, though, that the quality of life is good for wealthier residents and families, but not for those who are less well-off. In Salinas, the high crime rate and high unemployment makes the city undesirable as a place to live, according to several stakeholders.

In summary, Monterey County has a diverse mix of strong, constructive assets, and potentially damaging liabilities. SRI's recommendations are intended to maximize the leverage attained from the region's most attractive and valuable assets, balanced with the need to make strategic investments to shore up weak assets and minimize the impact of regional liabilities.

KEY FINDINGS FROM STAKEHOLDER MEETINGS

Over the course of this project, SRI has interviewed close to 120 individuals from around the County. The discussions covered a wide range of topics, including descriptions of past economic development efforts in the County, attributes of the County likely to be appealing to employers, and ideas for economic opportunities to include in the County's economic strategy. One important purpose of these meetings was to develop descriptions of the core community values that should be incorporated into the countywide economic vision. Some key elements stressed by the meeting participants include:

Core Community Values for the Countywide Economic Vision

- Promote and preserve the natural environment of the County
- Be consistent with the traditions and history of the County
- Embrace the diversity of the population
- Provide opportunity for residents to improve themselves and their standard of living
- Reinforce pride in the aesthetics and assets of the County

A number of participants made note of the divisive nature of the County's political and governance structures, and the adversarial interactions among certain stakeholders over controversial regional issues. The comments indicate that there is a distinct lack of trust between key parties interested in economic development and employment in the County. The opportunities identified by SRI commonly require coordination of efforts across multiple economic sectors, and between government, business, and outside interests. The absence of a cooperative, constructive environment for such coordination will be a serious impediment to future efforts in economic development in the County. Changing that environment will require efforts by many different interest groups in the County, and the Economic Development Department has only some ability to drive such efforts. This issue will be addressed in SRI's recommendations in Section 4.



OVERVIEW OF POTENTIAL ECONOMIC OPPORTUNITIES

SRI began by developing a list of potential economic opportunities based on stakeholder interviews and review of past reports and activities. Each opportunity was given a rapid analysis to examine factors such as likely timeframe to realize the opportunity, expected investment required, potential impact on employment, etc. These opportunities were then evaluated against existing county assets and perceived gaps, providing ideas on how an opportunity could leverage regional strengths, even though it may require additional investment and effort.

Figure 1 provides a catalog of the opportunities identified by SRI, along with the key stakeholders involved.

Figure 1 Overview of Phase I Economic Opportunities for Monterey County

Economic Opportunity	Primary Stakeholders
Eco-recreation	<ul style="list-style-type: none"> • Tourism and hospitality • Environment and outdoor recreation • Municipalities
Wine and agri-tourism	<ul style="list-style-type: none"> • Tourism and hospitality • Agriculture
Community business promotion (“Third Street”)	<ul style="list-style-type: none"> • Small business community • Municipalities
Sustainable construction exports	<ul style="list-style-type: none"> • Tourism and hospitality • Research and education • Environment
Edu-tourism and training	<ul style="list-style-type: none"> • Research and education • Tourism and hospitality
Motor sports test and demonstration facility	<ul style="list-style-type: none"> • Research and education • Municipalities
Agribusiness competitiveness consortium	<ul style="list-style-type: none"> • Agriculture • Research and education
Marine research and aquaculture initiative	<ul style="list-style-type: none"> • Research and education • Defense/military
Research, development and policy innovation park	<ul style="list-style-type: none"> • Defense/military • Research and education

This inventory of potential economic opportunities was presented to the Economic Development Committee and the Director of the County Economic Development Department. In Phase II of the project, SRI provided recommendations for the specific opportunities to include in the future County economic vision.

3.2 OVERVIEW OF RECOMMENDED ECONOMIC OPPORTUNITIES – PHASE II

In Phase II, we narrowed the potential opportunities down to four specific areas where the Committee felt that the County could play a key role in facilitating economic and employment growth:

Recommended Economic Opportunities

- **Eco-recreation and wellness:** Emphasizing both the natural beauty and major agricultural capabilities (vegetables and wine) of the County in developing new offerings in tourism and recreation for County visitors.
- **Edu-tourism:** Coordinating public outreach by the County’s many institutions for higher education and scientific research into unique packages that integrate learning and exploration of the County’s natural environment to expand options for visitors.
- **“Blue Economy” research & development:** Applying the knowledge and expertise of the marine research community to inform local industry activities, generate new technologies for commercialization, and enable Monterey County to become a test-bed for innovative new policies and practices in marine environmental management.
- **Agri-technology:** Leveraging the capabilities of universities and research institutes to expand and enhance the global competitiveness of the Monterey County agricultural sector.

SUMMARY OF PHASE II ACTIVITIES

For Phase II of the project, SRI was tasked with conducting a more detailed analysis of four opportunities identified as high-priority items. For each opportunity, SRI undertook the following:

- Conducted follow-up interviews with key stakeholders and organizations related to the opportunity, especially to identify groups that could serve as facilitators for each initiative.
- Participated in discussions with city managers, municipal economic development directors, and other interested parties to map the opportunities to efforts already underway or planned for launch around the County.
- Led a workshop on the research and technology development ecosystem in Monterey County, with leaders from the research and education sector, to evaluate the opportunities relevant to those institutions.
- Contacted national organizations in Washington, DC and elsewhere related to the four opportunities, to understand broader market and policy trends affecting each opportunity.

The objective of Phase II was to develop specific action plans for the final opportunities selected, which would provide guidance to the Economic Development Department on how it should target its resources and efforts.

RECENT DEVELOPMENTS IN THE COUNTY ECONOMIC ENVIRONMENT

- The Wine Corridor had been identified as a promising opportunity for tourism and agriculture promotion, and significant work had been done to analyze the opportunity and lay the groundwork for developing the Corridor.
- In eco-recreation, the Monterey County Convention and Visitors Bureau had already taken steps to develop an inventory of recreational opportunities for visitors focused on the natural surroundings in the County, and began training front-line staff to promote such opportunities.
- SRI provided some strategic advice on how to initiate a commercialization activity for a homeland security research and technology park. Changes in the leadership at the Navy Postgraduate School delayed further action on that opportunity, but the County provided strong support for work to scope and plan for that facility.
- The City of Salinas, working with the firm SVG Partners, launched an effort to create the Steinbeck Innovation Center in Salinas. The Center promotes grassroots technology-focused entrepreneurship, offers youth programs in software development and related skills, and is coordinating efforts to commercialize agricultural technologies for insertion into the region's agricultural concerns.

Also, the reorganization of the Economic Development Department (EDD) had a significant impact on the prospects for County-level action on the economic opportunities. The uncertainty around redevelopment activities in the County government and the integration of the EDD with the Workforce Investment Board strained the resources of the EDD. These changes made it an even greater imperative for the County to select its economic opportunities strategically, and to focus its efforts on a few specific areas.



3.2 RECOMMENDED OPPORTUNITIES – PHASE III

SRI began to categorize and prioritize economic opportunities to determine how they should be integrated into a future economic strategy. In selecting specific opportunities for deeper analysis, SRI applied a number of criteria.

Selection Criteria for Recommended Economic Opportunities

- We favored opportunities that appeared to have greater employment impact, and where stakeholders had indicated that there was likely to be greater success by leveraging existing resources in the County’s economy.
- We favored opportunities that promised in some way to transform the region’s economy by moving the County into higher-value markets with greater potential revenues for both business and government, and higher wages for employees.
- We favored opportunities that could produce real synergies between the economic “pillars” of the County—agriculture, tourism and hospitality, research and education, and small and community-based business. The synergies would result from two pillars interacting so that both become more competitive and more dynamic, rather than one gaining at the expense of another.
- We favored opportunities in which the County government can play a significant role, both in providing resources and in collaborating more effectively with other stakeholders. In these opportunities, the County can direct development towards one or more municipalities, facilitate development through better management of County-owned land and assets, support efforts to attract new investment and obtain federal government funding, and act as a convener of key stakeholders. Opportunities which can be pursued by the private sector alone, or by a limited number of stakeholders, should rightly be the responsibility of those entities, with ancillary support from the County.

Several of the opportunities were found to be deficient in one or more of these criteria, although they may still be worthy long-term goals for the County’s economy. For example, while Laguna Seca is a valuable and unique asset in the region, transforming the raceway into a motor vehicle test and demonstration facility would require substantial investment in upgrading the infrastructure within and surrounding the facility. Current restrictions on raceway activities would also need to be modified substantially. As a result, while the raceway can be utilized in new ways to increase tourism, it is not realistic to expect that automotive companies will be willing to set up facilities in the area for testing purposes.

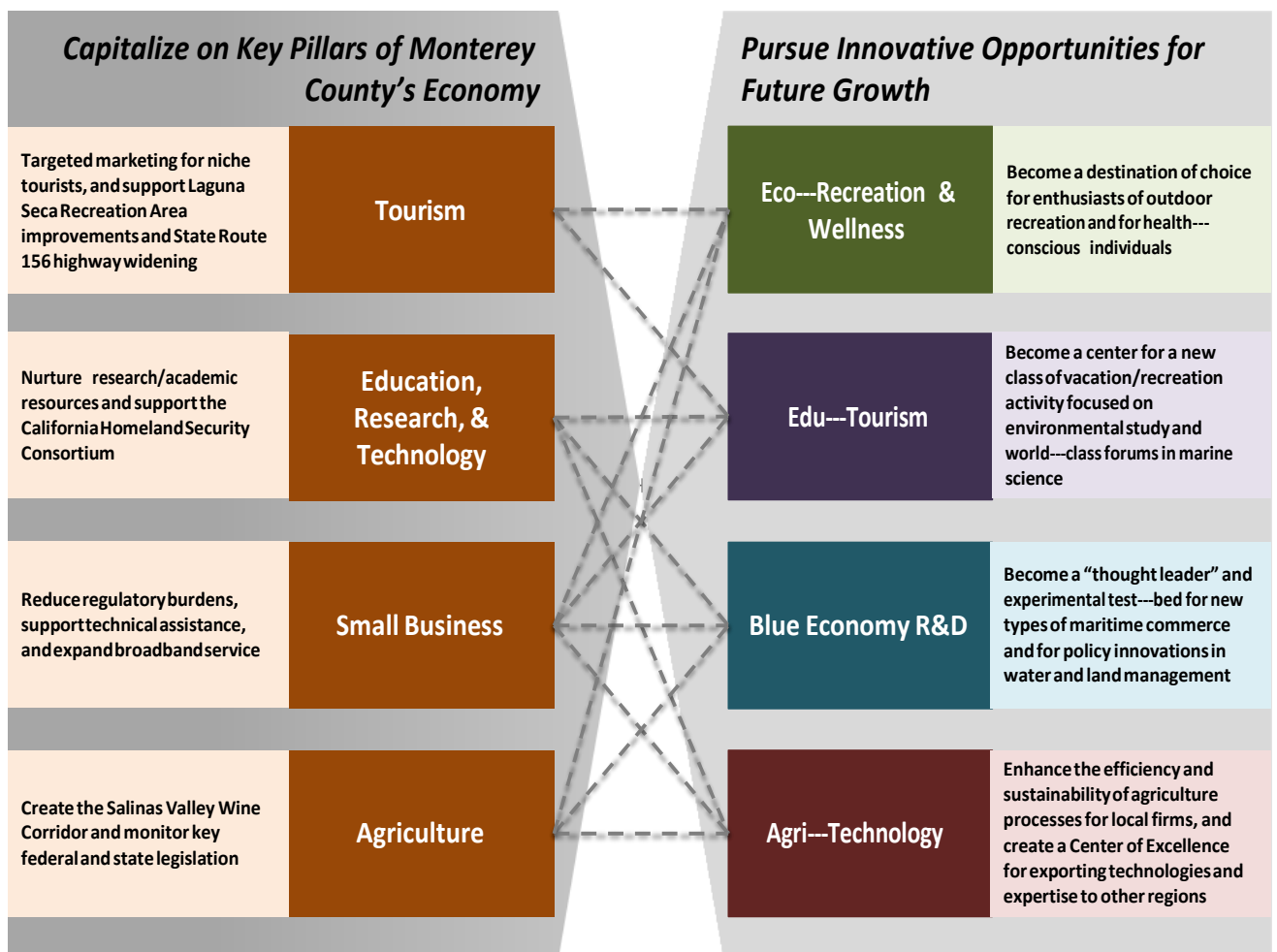
4.1 SRI-RECOMMENDATIONS

We determined that four (4) opportunities meet the criteria described above, and seem to offer a combination of relatively quick pay-off and unique regional advantage. The first two opportunities are more near-term in nature (1-2), while the second two (3-4) will require more sustained, long-term investment.

1. **Eco-Recreation and Wellness** (*short or near term*)
2. **Edu-Tourism** (*short or near term*)
3. **Blue Economy- Research & Development** (*long term*)
4. **Agri-technology** (*long term*)

Recommended Opportunities

A Vision for Economic Development In Monterey County



4.2 Eco-Recreation & Wellness

Objective: Convince visitors to extend periods of stay in the County and spend more time and money in the region by promoting the integration of the County’s natural environment and assets with tourism and hospitality offerings.

Impact: Become a destination of choice for enthusiasts of outdoor recreation and for health-conscious individuals

Initiative 4.1.1 - Marketing Monterey’s holistic travel experiences — Leveraging products and services across sectors to create unique wellness travel experiences

Monterey already offers myriad wellness assets (eco-recreation, natural/outdoor assets, spas, arts & culture, and farms/wineries/cuisine) that are well suited to creating the holistic, authentic, and local experiences desired by a new breed of consumers. A new marketing approach is needed to combine these components to create compelling holistic travel experiences for wellness-minded travelers at different price points, for both corporate and leisure markets. This effort will require forming strategic partnerships across the tourism, hospitality, wellness, agriculture, and related sectors.

Potential Activities:

- Create and market “wellness itineraries”
- Create a “wellness” section/portal on the MCCVB website
- Create an integrated booking system for wellness vacations
- Create a comprehensive inventory of wellness assets
- Create a few travel packages at different price points
- Provide cross-industry training for operators/front-line workers in the philosophy of wellness and wellness offerings

Initiative 4.1.2 - Branding – Positioning Monterey as a recognized sustainable and wellness destination



As a longer-term initiative, Monterey may want to consider branding itself as a true sustainable and wellness destination. This effort may require some investment and structural changes. While Monterey does have significant assets to position itself as a sustainable and wellness destination, some claim that it is falling behind the curve. Benefits would include attracting more green meetings and becoming eligible for high-profile global tourism awards.

Potential Activities:

- Work toward sustainable destination accreditation through United Nations Global Sustainable Tourism Council by addressing issues such as water management, sustainable tourism strategy, and visitor management.
- Incorporate best practices from other wellness destinations, such as criteria/guidelines for hotels to cater to wellness-minded tourists.

4.3 Edu-Tourism

Objective: *Create a new and unique value proposition to visitors in various categories, by promoting the development of programs, activities, and facilities, which integrate the region's intellectual assets in marine and environmental sciences with tourism and hospitality.*

Impact: Enhance the visibility of the County as the center for a new class of vacation and recreation activity focused on environmental study and world-class forums in marine science.

Initiative 4.2.1 - *Create a steering committee to coordinate and generate edu-tourism programs in Monterey*

Potential edu-tourism programs would have to be structured and marketed very carefully. Better coordination is needed to determine which local researchers are suitable for leading such programs, and how their availability should be managed. A steering committee dedicated to these efforts would help coordinate among the tourism, research, and education institutions, and would include representatives from each of these areas. MCCVB could create a working group with the Monterey Bay Ocean Research Consortium or a similar forum of higher education institutions, and generate a catalog of existing programs with ideas for new programs.

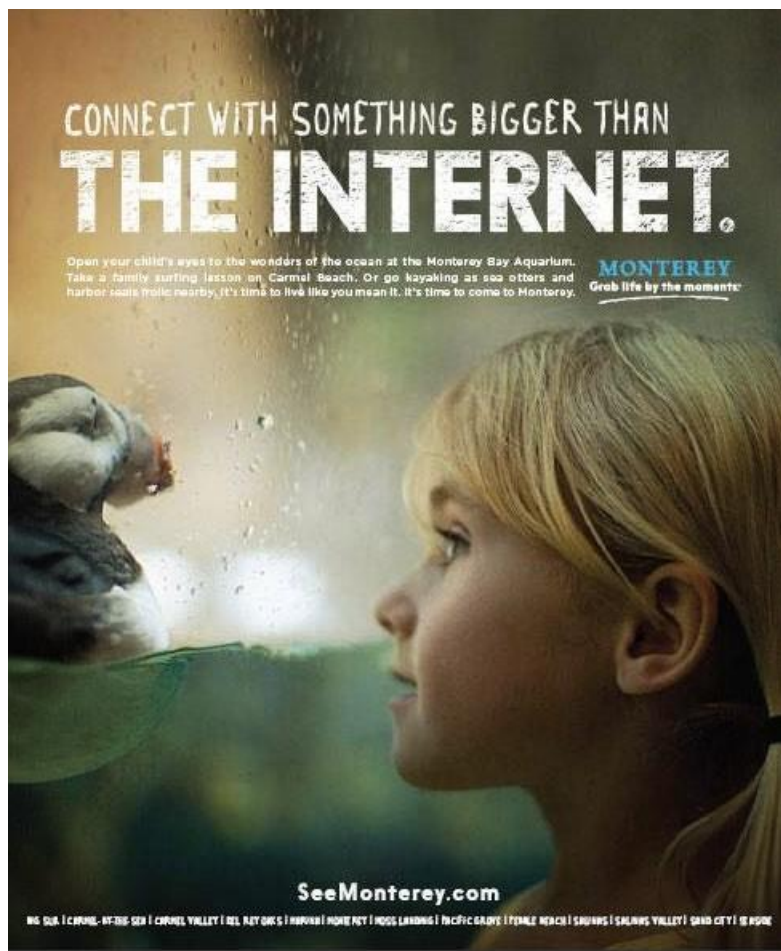
Initiative 4.2.2 - *Adopt a global executive education model for Monterey's language and international policy schools*

Enabled by the latest communication technologies, the recent trend for the executive education market is to move away from the local, part-time education model to a global one involving a network of partnerships with other institutions worldwide. This extends the reach and demand of the educational program for executive candidates, who are able to gain a more diverse education and on-campus experiences. Complemented by Internet-based delivery of material, executives will be able to engage in shorter periods of full-time study on campus. MIIS, NPS, and Panetta Institute for Public Policy could apply a similar model to target high-level policymakers, analysts, and other professionals. MIIS has already developed several partnerships, while the Panetta Institute has only one with CSUMB.

Creating a larger technology showcase may encourage more cluster development and interactions within the marine research industry...

Initiative 4.2.3 - *Expand the Open House activities at MBARI and MLML to become a larger marine technology showcase*

Currently, MBARI and MLML host public open house events with science exhibitions, technology demonstrations, research videos and presentations, and other family activities. However, there is no major event that provides an opportunity for other research institutions in Monterey, such as UCSC and NPS, to showcase their latest research findings and technologies. Creating a larger technology showcase may encourage more cluster development and interactions within the marine research industry in Monterey, as well as attract more edu-tourists and business executives who are more willing to come to a scaled event displaying the research findings and technologies of an entire region.



Initiative 4.2.4 - Create a research center providing short-term housing and meeting space for visiting students and researchers

Several institutions of higher education noted that they have limited capacity to host visiting scholars and graduate students, due to the lack of affordable short-term housing. In addition, the County’s current meeting facilities at the Monterey Conference Center and at Asilomar are not configured well for extended scientific meetings, and are in need of updating. The County can support upgrades to existing facilities but also create a new “mini-campus” that can be shared by several institutions for housing visitors. The Center for Ocean Solutions in Monterey could help with coordination and planning in this effort.

Initiative 4.2.5 - Explore partnerships between UCSC, veterinary schools, and Monterey Aquarium

Monterey Bay Aquarium should explore partnerships with other schools in the area to enhance the research and teaching capabilities of all parties involved. Benefits could include opening up new areas of study for students, enhancing students’ access to direct practice on marine animals, and accessing complementary faculty expertise. The nearest veterinary school is the University of California, Davis School of Veterinary Medicine, and the Monterey Aquarium could launch partnership discussions of opening a joint teaching hospital. Other partnerships beyond veterinary medicine should also be explored.



4.4 Blue Economy R&D

Objective: Position Monterey County as a global leader in business and civic approaches to redefine the interface between humans and marine resources, by promoting new types of research, technology commercialization, and policy development.

Impact: Encourage the County to become a “thought leader” and experimental test-bed for new types of maritime commerce and for policy innovations in water and land management.

Initiative 4.3.1 - Research-Technology Collaborative: *A regional intermediary to support collaboration and technology commercialization and development*

Strong coordination and collaboration is critical to support a Marine Research and Innovation initiative in the region. A new Research Technology Collaborative would serve multiple roles in supporting this effort, including ramping up communication and information-sharing across regional marine research institutions; building formal mechanisms for collaboration, community engagement, and technology transfer; and seeding development of a technology-based marine cluster in Monterey Bay. The RTC is not intended to replace or duplicate the efforts of any existing organization, but instead to fill gaps in the region’s marine innovation ecosystem and to fund, support, and coordinate inter-institutional activities to that end.

Monterey County has a rare opportunity to become the home for spin-off technology development...

Initiative 4.3.2 - Solutions-Oriented Growth: Monterey County as a pilot-scale policy laboratory

The Monterey Bay area has a number of significant assets that make it an ideal setting for becoming a pilot-scale “policy laboratory,” focusing on crafting new environmental policy solutions based on near-real-time scientific data and evidence. Key assets include the sheer concentration of marine and environmental science experts and institutions, the unique ecosystem of the Bay, the heavy presence of sensors in the Bay region, pioneering work in ecosystem-based management and marine spatial planning, and existing multi-disciplinary research programs on policy and the environment. The region’s regulatory authorities research community, and the private sector to develop and test new approaches to environmental management and mitigation, and to develop programs that educate and inform regulators and businesses about new concepts in environmental regulation. This process could make Monterey a destination where other governments can send representatives to learn about these new approaches and how they should be tailored for their home geographies.

Initiative 4.3.3 - Regional Venture Creation: Promoting research commercialization of marine technology

As a center of specialized, engineering-oriented applied research, Monterey County has a rare opportunity to become the home for spin-off technology development based on the results of research performed at those institutions. Currently, the Monterey region’s technology commercialization opportunities are hampered by several challenges: the region does not have a single research institution with sufficient scale to sustain its own technology commercialization center, and the area also lacks a community of local investors and a deep technical workforce. Collective activity is needed to address these challenges, and the Research Technology Collaborative can play an important role by coordinating and supporting research and commercialization activities across multiple institutions. In addition, sustaining a marine technology commercialization ecosystem will require Monterey Bay research institutions to internalize the goals of technology development and commercialization – not necessarily as their primary objective, but as an important priority. Creating an institutional culture that values entrepreneurship and commercialization will help to ensure that promising ideas are identified and pursued, generating the steady stream of high-quality research and innovation necessary for this endeavor to succeed.



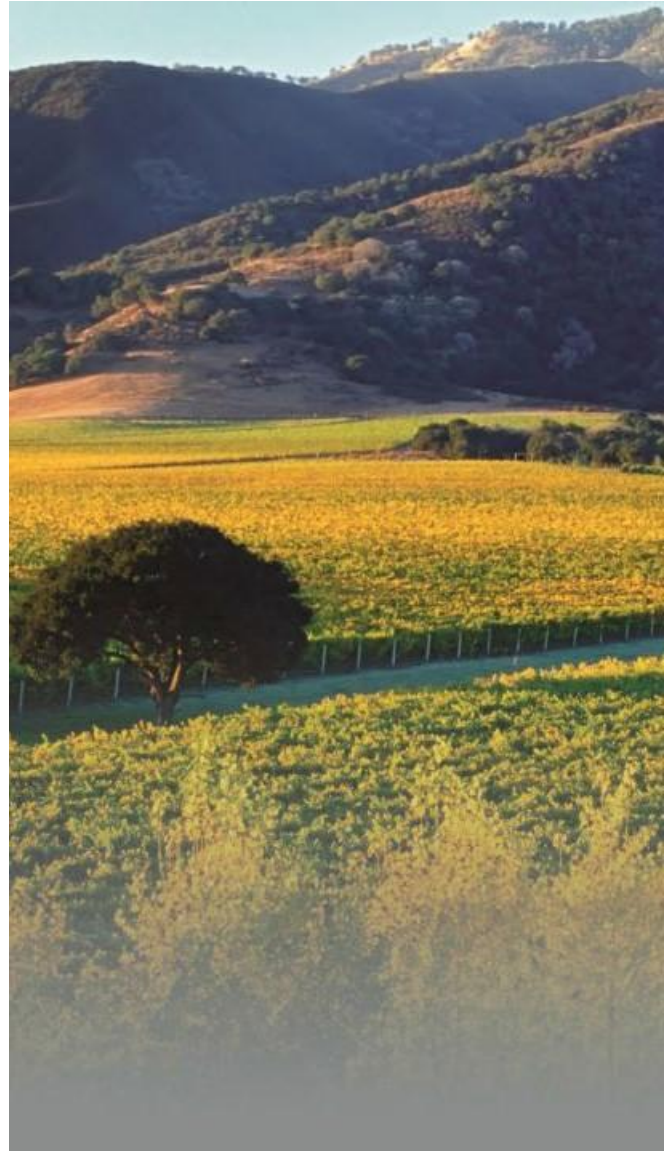
4.5 Agri-Technology

Objective: Enhance and extend the County's formidable competitive advantage in agriculture by supporting the development of a broad initiative in applied research and development, focused on science and technology to improve the processes of farming and harvesting in efficient and sustainable ways.

Impact: Enhance the efficiency and sustainability of agriculture processes for local firms, and create a Center of Excellence for exporting technologies and expertise to other regions.

Initiative 4.4.1 - Create a Center of Excellence for exporting agri-technologies and expertise to other regions

A joint effort to collaborate in pre-competitive R&D would help maintain the competitive strength of the agricultural industry in Monterey County in the face of several long-term challenges. The first step is to conduct initial scoping for a potential Center of Excellence in applied agricultural R&D. Key players on the industry side would be the growers, shippers, and related agricultural service companies. Key players on the research side would include the Agricultural Business & Technology Institute at Hartnell College, the University of California Cooperative Extension Monterey County, California State University Monterey Bay, and the Steinbeck Innovation Center initiative. Due to resource constraints, the activities of the pre-competitive alliance could be integrated with the Regional Technology Collaborative mentioned in the previous section (such as for technology commercialization projects). The Center of Excellence would help ensure the competitiveness of a major employer in the County, and also shift farming to become more visibly based on innovative new technologies that could become an export industry for the region.



5.1 Board, Committee and Department Recommendations

For our final recommendations, SRI offers some observations about the future of economic development in Monterey County, and specific steps that can be taken to improve the effectiveness and capabilities of the Economic Development Department.

SRI International recommends that the Board of Supervisors considers the following steps to strengthen and optimize County-level economic development activities:

1. Empower the Economic Development Department and its director to engage with other County departments and municipalities in developing and implementing proposed changes in processes, consultations, and decision-making that will promote business attraction, retention and creation.
2. Increase the budgetary and human resources available to the EDD to include the capacity to obtain and utilize data more effectively, develop marketing materials related to the strategic economic opportunity areas approved by the Economic Development Committee, and explore venues for promoting the assets and advantages of Monterey County to potential and existing employers.
3. Continue to provide support for partnerships between the EDD and external organizations for convening an annual economic development summit, a City-County economic conference, for the Research & Education and the Tourism/Event Management sectors, and for developing a regional economic data repository. Such partners will include city managers, the Monterey County Business Council, the Monterey County Convention & Visitors Bureau, and CSUMB.

5.2 Board of Supervisors' Proposed Recommendations

Objective: *Organizing to generate and leverage future opportunities*

Impact: *Enhance the well-being and prosperity of Monterey County Residents*

Outcome: *Create both jobs and revenue opportunities*

5.1.1 Recommendation: Craft a Clear Vision Statement

SRI recommends that the Economic Development Committee work with the Board of Supervisors, the Director of the Economic Development Department, and outside stakeholders to craft a clear, one-page statement answering the following questions:

- What are the core values of the County community that should determine priorities and directions for economic development?
- What should the County's economy look like in 10 years? What should remain constant, and what needs to change?
- How can members of the community help in realizing the economic vision for the County?

5.1.2 Recommendation: Strengthen and Optimize the Economic Development Department

As stated above SRI International recommends that the Board of Supervisors consider the following steps to strengthen and optimize County-level economic development activities:

- Empower the Economic Development Department and its director to engage with other County departments and municipalities in developing and implementing proposed changes in processes, consultations, and decision-making that will promote business attraction, retention and creation.
- Increase the budgetary and human resources available to the EDD to include the capacity to obtain and utilize data more effectively, develop marketing materials related to the strategic economic opportunity areas approved by the Economic Development Committee, and explore venues for promoting the assets and advantages of Monterey County to potential and existing employers.
- Continue to provide support for partnerships between the EDD and external organizations for convening an annual economic development summit, a City-County economic conference, and conferences for the Research & Education and the Tourism/Event Management sectors, and for developing a regional economic data repository. Such partners will include city managers, the Monterey County Business Council, the Monterey County Convention & Visitors Bureau, and CSUMB.

5.1.3 Recommendation: Formal MOU Authority to the Economic Development Department

SRI recommends that the EDD be given formal authority to negotiate new memoranda of understanding (MOUs) between the County and organizations spanning the greater Monterey Bay region that could promote economic opportunity within the County. The MOUs would not commit County resources to specific activities, but would establish parameters under which the County EDD could provide future cooperation, promotion, and support to those organizations.

5.1.4 Recommendation: Amend the Economic Development Committee Charter

SRI recommends that the charter of the Economic Development Committee be amended to specify the on-going responsibilities of the Committee as it transitions from a start-up organization overseeing the establishment of the EDD to a governance organization. The amended charter should include:

- Specific issues on which the Committee is expected to provide input to the Board of Supervisors, such as new strategic economic opportunities, parameters for evaluating potential new business attraction and retention activities, and changes to County government policies and processes to facilitate future economic development efforts.
- An evaluation framework guiding how the Committee monitors the performance and impact of the EDD. SRI further recommends that this evaluation framework NOT focus on conventional metrics such as “jobs created or retained,” but rather focus on how the EDD improves the business environment for current and potential employers. For example, the EDD can be evaluated on how well it helps existing employers in dealing with the County, or how well it is able to work with partner organizations to accomplish key economic development objectives.



5.2 Economic Opportunity Committee Initiatives

Objective: *Organizing to generate and leverage future opportunities*

Impact: *Enhance the well-being and prosperity of Monterey County Residents*

Outcome: *Create both jobs and revenue opportunities*

5.2.1 - Recommendation: Amend the Economic Opportunity Committee Charter

SRI recommends that the charter of the Economic Development Committee be amended to specify the on-going responsibilities of the Committee as it transitions from a start-up organization overseeing the establishment of the EDD to a governance organization. The amended charter should include:

1. Specific issues on which the Committee is expected to provide input to the Board of Supervisors, such as new strategic economic opportunities, parameters for evaluating potential new business attraction and retention activities, and changes to County government policies and processes to facilitate future economic development efforts.
2. An evaluation framework guiding how the Committee monitors the performance and impact of the EDD. SRI further recommends that this evaluation framework NOT focus on conventional metrics such as “jobs created or retained,” but rather focus on how the EDD improves the business environment for current and potential employers. For example, the EDD can be evaluated on how well it helps existing employers in dealing with the County, or how well it is able to work with partner organizations to accomplish key economic development objectives.

5.3 Economic Development Department (EDD)

Objective: *Organizing to generate and leverage future opportunities*

Impact: *Enhance the well-being and prosperity of Monterey County Residents*

Outcome: *Create both jobs and revenue opportunities (5,000-10,000 jobs over twenty years)*

Given the variety of other economic development organizations present in the County, the EDD needs to carve out a specific role to play, especially given the limited resources available. Ideally, the County EDD should have two primary responsibilities:

1. Identify opportunities that depend on specific County assets and responsibilities, and manage those opportunities to achieve economic development consistent with the directions from the Board of Supervisors and the EDD.
2. Act as a coordinating body (similar to an “air traffic controller”) to mediate among the different economic development organizations around the County, ensuring that they communicate with each other and avoid destructive internal competition for development opportunities.

The EDD’s budget and authority should be determined by the requirements to fulfill those responsibilities. Some implications of this approach include:

5.3.1 - Recommendation: *The EDD needs an internal database to track potential opportunities, monitor the status and position of existing employers, and provide helpful information on conditions and capabilities within the County economy.*

This involves providing both a staff member with adequate expertise in obtaining and analyzing economic data, and funding to subscribe to proprietary databases when necessary and to procure data management and analysis tools.

One option is to outsource this function to a partner organization, such as CSUMB. In that situation, the EDD will need an adequate budget to work with that outside partner, and an agreement to ensure that the partner is responsive to the needs and priorities of the EDD.

5.3.2 - Recommendation: *The EDD needs the latitude to convene broad meetings of economic stakeholders in the County, solicit input and ideas, and recruit other organizations to assist in pursuing the County’s economic goals.*

Regular meetings with city governments, business groups, and other key players will facilitate communication and engender greater collaboration among those parties. The Monterey County Business Council can be a very useful mechanism for organizing such gatherings. The agreement between the EDD and the Monterey County Business Council (MCBC) should include specific directions and objectives for the types of events organized by the Business Council on behalf of the EDD, with a framework for evaluating the work done by the Business Council.

5.3.3 - Recommendation: The authority and role of the EDD within the County government should be well defined and formalized.

A crucial factor in attracting or retaining employers in a region is the quality of the interactions between those employers and the regional government. The EDD can act as a type of ombudsman, representing the concerns of employers when dealing with other County agencies. It should be recognized explicitly that the EDD is not responsible for “fixing” other agencies or administrative processes. The EDD can bring complaints to other agencies or the Board of Supervisors, and work with local employers to ensure that county regulatory and administrative processes are not excessively burdensome, arbitrary, or unpredictable.

5.3.4 - Recommendation: The EDD needs resources to market the County actively in regional, and sometimes national, venues, targeting those efforts at opportunities aligned with the County economic vision and strategy.

Monterey County will not achieve necessary employment levels or influence the economic destiny of the region unless it takes a proactive approach to marketing its assets and advantages. Beyond developing a set of narratives around the types of development suitable for the County, the EDD must have the ability to bring that message to both external prospects and existing regional employers to ensure that it can be competitive with its counterparts in other regions.

5.4 Recommended Resources

The Economic Opportunity Committee (EOC) recommends the following budget in order to implement this Strategic Plan and to carry out the mission of providing food (ag-technology), shelter (affordable housing) and a job (workforce training + job placement) for our residents of Monterey County.

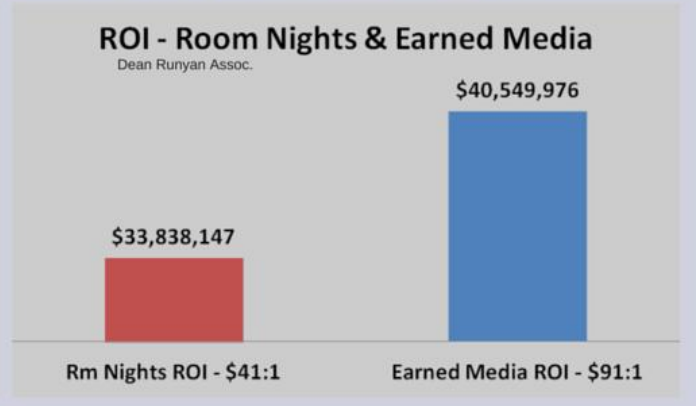
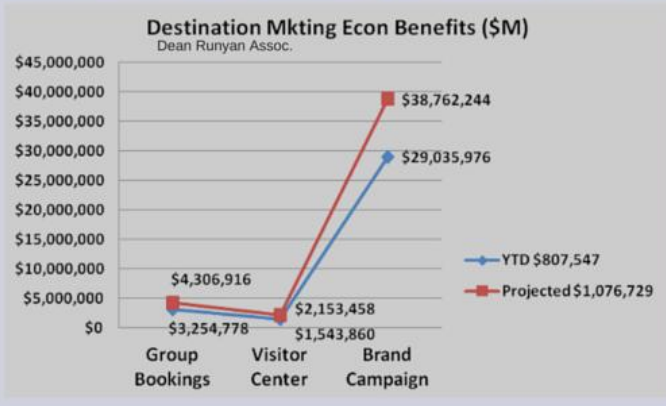
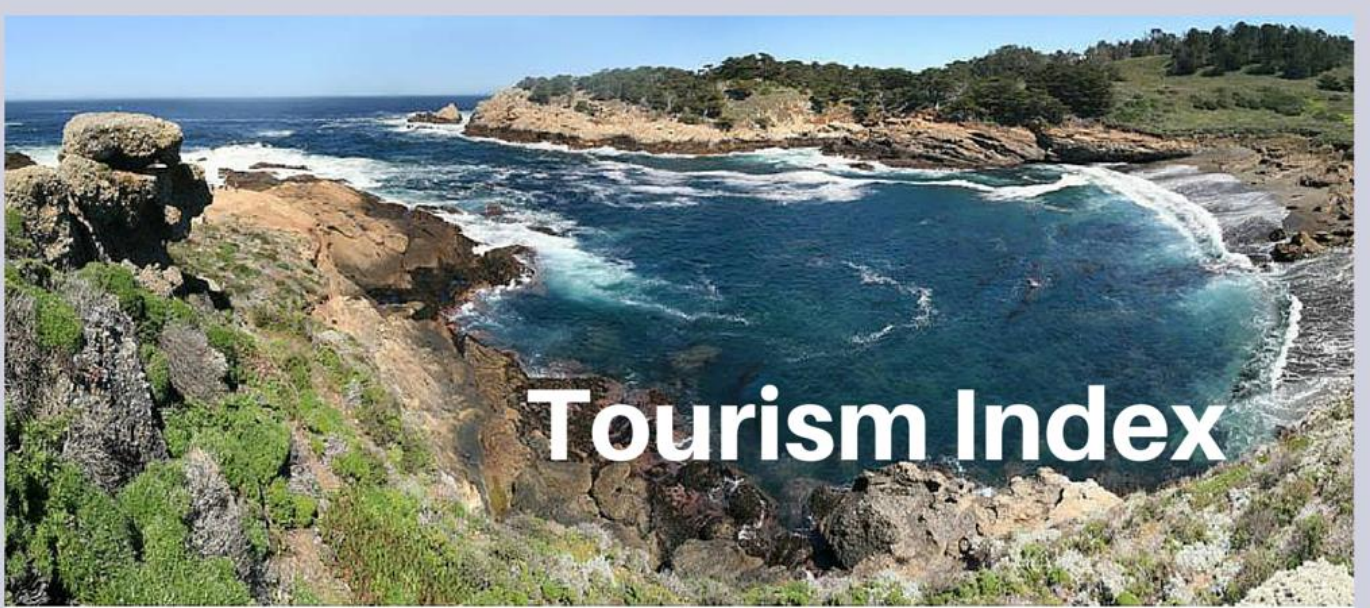
Recommended resources to implement this Strategic Plan will need to include the appropriate staff allocation, staff funding, marketing, membership, publishing, and website funding to implement and pursue the four “Opportunity” areas.

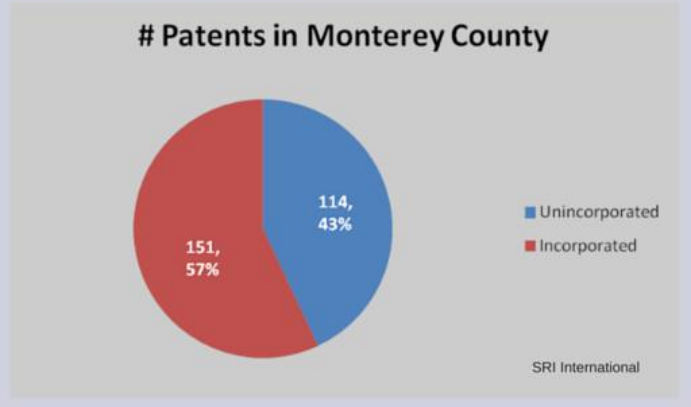
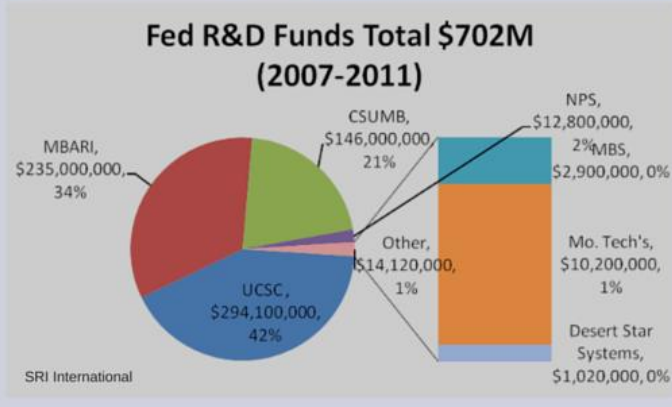
Recommended Resources would require support to implement the four Opportunity Areas approved by the Committee and Board of Supervisors. Additional funding required to implement the Strategic Plan is estimated to be \$400,000 for services, supplies and staff to support the four Opportunity Areas.

Assign and fund staff to provide support to each of the four recommended Opportunity Areas in this plan. This would require restoring a position to the Housing budget for grant monitoring and compliance purposes.

- Establish administration fund to support the Economic Opportunity Committee,
- Establish an Task Force or sub-committee for each of the four Opportunity areas,
- Establish an administration fund to support the Development Set-Aside projects,
- Link our strategic partners to each of the four Opportunity areas to create a “leverage,”
- Provide membership funds to join and collaborate with strategic partners on implementation,
- Provide funding for research, marketing, printing and travel for each of the four sectors,
- Provide funding for grant preparation, management and implementation,
- Provide staffing and oversight to the Comprehensive Economic Development Strategy-projects.

5.5 Measurement Matrix







Ag-Technology Opportunity Index

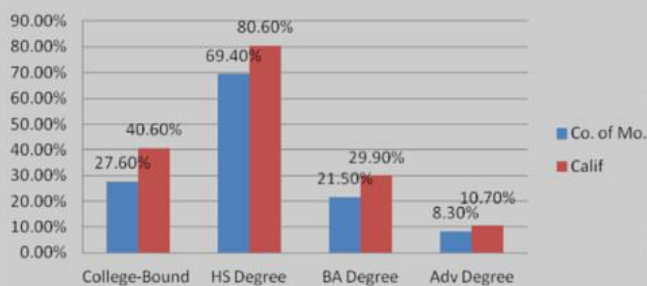
Category	Indicator #1	Indicator #2	Indicator #3
Economic Impact	HH Income	Employment	Wages
Research	Industry R&D expenditures	Academic R&D expenditures	Patents
Technology Development	Technology licensing	Federal Innovation Grants ("SBIR")	Federal Tech-Transfer Grants ("STTR")
Business Development	New business formation	Mergers & Acquisitions	Initial Public Offerings
Capital	Venture capital	Industry funding of university R&D	Gov't funding of university R&D
Talent	Education levels	Talent flow & attraction	Housing affordability

Source: Fig. 9 Potential Perf. Indicators for the Ag-Tech Innovation Cluster Economic Contributions of Monterey County Agriculture 2014 Mo. Co. Ag Commissioner

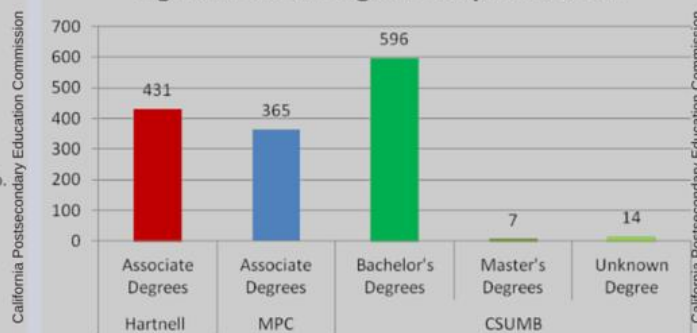


Education Index

Percent of population, 25 yrs and over from Mo. Co. vs. Calif who have earned:



High Education Degree Completed 2010



6.0 APPENDIX...

- 6.1 Monterey County Resource Business Directory (under separate cover)
- 6.2 WIB Local Strategic Workforce Plan 2013-2017 (under separate cover)
- 6.3 Approved Economic Development Administration Comprehensive Economic Development Strategy (under separate cover)