



**AGENDA
SPECIAL MEETING
Sonoma Mendocino Economic Development District
Board of Directors Meeting - Friday, February 21, at 10:00 a.m. PT**

Remote Attendance Link:

<https://us06web.zoom.us/j/84123985653>

Meeting ID: 841 2398 5653

In Person Meeting Location:

Cloverdale Library (707) 894-5271

Meeting Room

401 N Cloverdale Blvd, Cloverdale, CA 95425

CALL TO ORDER by Paul Garza, Chairperson

ROLL CALL by Bradley Johnson

- Chairperson Paul Garza
- Vice Chairperson Jeff Kelly
- Board Member Lisa Badenfort
- Board Member Robin Bartholow
- Board Member Tim Karas
- Board Member Craig Schlatter
- Board Member Nicholas Schwanz
- Board Member Anna Shaw

Vacancies:

- Board Member At-Large - Vacant Seat Board Member At-Large - Vacant Seat

AGENDA CHANGES AND DELETIONS - To Current Agenda Only

APPROVAL OF THE AGENDA

PUBLIC COMMENT - Open time for Public Expression

Time reserved for members of the public to speak on matters not otherwise appearing on the agenda.

MATTERS FOR CONSIDERATION - Action Items

- Item 1** Discuss Strategic Issues Regarding the SMEDD as an Organization and Provide Direction to the SMEDD Management Team If and As Appropriate

ADJOURNMENT by Paul Garza Jr., Chairperson

For a copy of Board Packet materials, please visit smedd.org or email Bradley Johnson, Bradley@smedd.org



ITEM: 1

DATE: February 21, 2025

TO: Board of Directors

FROM: Bradley Johnson, County of Sonoma, SMEDD Management Analyst
Anna Macken, County of Mendocino, SMEDD Administrative Analyst

SUBJECT: Discuss Strategic Issues Regarding the SMEDD as an Organization and Provide Direction to the SMEDD Management Team If and As Appropriate

STATEMENT OF ISSUE: As the SMEDD is ending its 3-year grant cycle on March 31, 2025, and filling out its Board with a full nine members, it is timely for the SMEDD to discuss strategic issues regarding the SMEDD as an organization and provide Direction to the SMEDD Management Team if and as appropriate, see *Attachment A* for discussion agenda.

SUMMARY OF RECOMMENDED ACTION:

Provide direction to the SMEDD Management Team if and as appropriate.

FINANCIAL IMPACTS:

None.

BACKGROUND:

The Sonoma Mendocino Economic Development District (SMEDD) was formed through the execution of a Joint Powers Agreement in July 2015, and then amended by resolution in July 2022. The purpose of the amendment was to allow for the SMEDD to be the custodian of its own funds by designating one of the Board's Directors as an officer to serve as the treasurer/auditor, see *Attachment B*. The SMEDD's basic function is to be an organization that aligns regional economic development goals and plans for their execution through the adopted 5-year Comprehensive Economic Development Strategy (CEDs). A summary of the current CEDs goals, objectives, and the evaluation metrics can be seen in *Attachment C*.

The SMEDD has historically operated on a thin budget of \$420,000 distributed in 3-year federal grant cycles from the Economic Development Administration (EDA). The \$420,000 of funding is composed of \$210,000 of federal dollars and required matching funds of \$210,000 from the counties, one half of which is to be contributed from each county. Those matching contributions of \$105,000 from each county may be in the form of in-kind services. This composition allows for federal funds to be used for planning activities and the staff capacity to execute them. Over the last 3-year grant cycle, Mendocino

County has provided their match in the form of \$35,000 cash contributions and \$70,000 in in-kind services. Sonoma has provided their match in the form of \$105,000 in in-kind services.

The SMEDD is governed by nine District Directors. Eight of the Nine Directors are evenly appointed by the Mendocino and Sonoma County Board of Supervisors, four each, the final Director is appointed at-large by the SMEDD Board of Directors. The at-large seat is currently vacant, but garnering interest from regional economic development professionals. An outline and roster of the basic governance structure can be *viewed in Attachment D*.

During the duration of its operation, the SMEDD has been engaged in various planning activities and regionally impactful CEDS-aligned grant applications. Below is a list of the SMEDD's accomplishments and supported projects that have been awarded. For a full list of supporting and planning activities, see *Attachment E*.

SMEDD's Key Accomplishments (2015-2024)

- **Economic Planning & Regional Coordination**
 - Developed [Comprehensive Economic Development Strategy \(CEDS\)](#) every 5 years (latest: 2022).
 - Secured **\$420k in federal and matching funds** for CEDS implementation.
 - [Renewal Planning Grant application](#) for **\$210k in Federal funding** and **\$210k in local in-kind match funding** approved for submission to EDA at the 11/15/24 Regular SMEDD Board of Directors Meeting.
- **Infrastructure & Business Development**
 - Assisted in obtaining an **\$8.1M grant** for Santa Rosa Junior College's **Construction Training Center**.
 - Facilitated **\$800,000** in small business loan funding.
 - Supported successful **SMART TIRCP** grant application for **\$81M** (*Awarded 7/23/24*).
 - Supported successful **Sonoma County Meat Company USDA** grant proposal securing **\$5M** for infrastructure improvements (*Awarded 6/21/23*).
- **Sector-Specific Initiatives**
 - **Ag-Tech Innovation:**
 - [Hosted regional conference](#) & [developed feasibility study plan](#).
 - Sonoma EDC submitted CA Jobs First - Agtech Innovation Hub Feasibility Study Proposal - Fall 2024 (*not awarded*).
 - On-going public and private sector network building and opportunity sourcing
 - **Broadband Expansion:** Partnered with CPUC & Golden State Connect for internet access projects.
 - **Biomass Utilization:**
 - [Convened symposium on sustainable forestry & energy solutions](#).
 - Supported successful **Regenerative Forest Solutions USDA and NCRP** grant applications securing **\$190k** for Feasibility Study (*Awarded 8/9/23*).

- Supported successful Mendocino Forest Products CalFIRE grant applications securing **\$500k** for Feasibility Study(Awarded 9/15/23).
 - **California Jobs First Engagement**
 - Advocated for SMEDD priorities despite the state dividing the region into separate economic planning zones.
 - Advanced proposals for funding **Ag-Tech** and **Biomass Utilization** projects.

DISCUSSION:

The intent of this item is to align the Board’s vision of executing regional economic development activities with the current CEDS, upcoming CEDS, and anticipated budget. To accomplish this, the Board will:

- 1) Define and reinforce SMEDD’s role in regional economic development.
- 2) Consider options to maintain, modify, or grow SMEDD’s operation capacity.
- 3) Discuss strategies to strengthen partnerships for workforce training, economic development, and economic resilience.
- 4) The potential of securing additional federal and state funding for regional projects.
- 5) Enhancing community, stakeholder, and public/private sector engagement.

The discussion will be moderated by Regional Government Services and attended by Sonoma County and Mendocino County staff to provide additional guidance and context as needed. The agenda for this discussion is attached as *Attachment A to this item*.

ALTERNATIVES:

- 1: Consider and Provide Direction to the SMEDD Management Team If and As Appropriate
- 2: Other approach(s) as may be developed after public comments and Board deliberations.
- 3: Decline to act.

ATTACHMENTS:

[Attachment A:](#) SMEDD Workshop Agenda

[Attachment B:](#) Joint Powers Agreement, as of 2022 amendment

[Attachment C:](#) Comprehensive Economic Development Strategy Summary

[Attachment D:](#) SMEDD Board Roster & Governance Overview

[Attachment E:](#) SMEDD Planning and Project Activity Overview

SMEDD Workshop Agenda
10 AM – 3 PM
February 21, 2025
Cloverdale Regional Library, 401 N. Cloverdale Blvd, Cloverdale, California

Focus on the SMEDD organization to
 Clarify vision – Identify where we want to focus
 Determine future of the organization

- Focus/Priorities
- Financial Strategy
- Structure

Time	Topic/Purpose	Who
10:00 - 10:15	Welcome/Introductions/Meeting Purpose Meeting Context (Plan will be written by staff)	Paul Garza, Board President; Josh Metz, General Manager
10:15 - 10:30	<u>Meeting Structure</u> <ul style="list-style-type: none"> ● Agenda Overview/Ground Rules ● Warm-up Activity Outcome: Board members get acquainted with each other's background, strengths and interests	Facilitators: (Chris Sliz & Tom Schwedhelm)
10:30 - 10:50	<u>Lay the Groundwork</u> <ul style="list-style-type: none"> ● Review current state of SMEDD <ul style="list-style-type: none"> ○ Purpose/Accomplishments ○ Finances ○ Staffing ○ Structure ○ Sustainability Outcome: Board will have a common understanding of the current state of the organization	Josh
10:50 – 12:00	<u>Where We Are and Where We Want to Go</u> <ul style="list-style-type: none"> ● What interest drives your participation in the SMEDD? ● What are our strengths as an organization? ● Our weaknesses? ● What external obstacles prevent us from being our most effective? 	All

	<ul style="list-style-type: none"> • What do we want to have happen that’s not happening now? • If we were to abandon the current model, and start over, what would we want to be different? • Review mission statement – how do we need to change this? (not word-smithing) <p>Outcomes: General consensus on where we want to go as an organization and general direction on changes to the mission statement</p>	
12:00 – 12:30	Grab lunch and break (Working Lunch)	All
12:30 – 1:30	<p><u>How Do We Get There?</u></p> <ul style="list-style-type: none"> • Small group discussion followed by large group report out: What 5 key areas do we need to focus on to accomplish the “desired” organization? (need to include finances, staffing, structure) • Prioritize as needed <p>Outcome: General consensus of list of three to five areas to focus on in the next three years</p>	All
1:30 – 1:45	Break	
1:45 – 2:45	<p>Goal-Setting</p> <ul style="list-style-type: none"> • Small group discussion followed by large group report out (topic areas split up between groups) • What three specific goals do we need to accomplish in the next three years? (At least one needs to be short term and one needs to be long term) • Prioritize as needed <p>Outcome: General consensus of short and long term goals to include in the strategic plan</p>	All
2:45 – 3:00	Summary and Next Steps	Paul Garza, Board President; Josh Metz, General Manager

RESOLUTION NO. 22-185

RESOLUTION OF THE MENDOCINO COUNTY BOARD OF SUPERVISORS APPROVING A JOINT RESOLUTION OF THE BOARDS OF MENDOCINO COUNTY AND SONOMA COUNTY AMENDING THE JOINT POWERS AGREEMENT (JPA) BETWEEN SONOMA AND MENDOCINO COUNTIES FOR THE SONOMA MENDOCINO ECONOMIC DEVELOPMENT DISTRICT (SMEDD)

WHEREAS, the Sonoma Mendocino Economic Development District (“the District”) is a separate public entity created in July 2015 by a Joint Powers Agreement (“JPA”) between Sonoma and Mendocino Counties, pursuant to the Joint Exercise of Powers Act (Government Code section 6500 et seq.); and

WHEREAS, the JPA creating the District initially designated the County of Sonoma as financial agent for the District, pursuant to Government Code section 6505.5; and

WHEREAS, Government Code section 6505.6 specifically authorizes the District Board of Directors to appoint one of its officers or employees as treasurer and auditor in lieu of the designation process set forth in Government Code section 6505.5; and

WHEREAS, the District Board of Directors can determine it is in the best interests of the District and the regional stakeholders the District serves for the District to exercise its authority pursuant to Government Code section 6505.6 to serve as its own financial agent and provide its own financial services, including, but not limited to, appointing a District Treasurer and a District Auditor, opening District bank accounts, and other related steps necessary to comply with the duties and responsibilities set forth in Government Code section 6505.5; and

WHEREAS, pursuant to paragraph 16 of the JPA, the Boards of Supervisors of Sonoma and Mendocino Counties jointly desire and intend to amend the JPA to expressly authorize the District to exercise its authority under Government Code section 6505.6.

NOW, THEREFORE, BE IT RESOLVED by the Boards of Supervisors of Mendocino and Sonoma Counties that the Joint Powers Agreement creating the Sonoma Mendocino Economic Development District is amended as follows

1. Existing paragraph 9 of the JPA dated July 2015 designating the County of Sonoma as fiscal agent for the District is deleted in its entirety.
2. The following replacement language for a new paragraph 9 is added to the amended JPA:

“9. Custody of Funds – Reporting – Financial Agent: Government Code section 6505.6 specifically authorizes the District Board of Directors to appoint one of its officers or employees as treasurer and auditor in lieu of the designation process set forth in Government Code section 6505.5. In accordance with Government Code section 6505.6, the District Board of Directors may adopt a District Resolution that makes these appointments and directing that all revenues and funds received by the District, or which have been received or held on the District’s behalf, shall be placed in an operating account designated by the District Board of Directors. A treasurer or auditor appointed under this section shall perform all duties in accordance with applicable law, including but not limited to Government

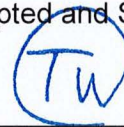
Code sections 6505 and 6505.5. The District shall be responsible for any such appointee performing these legal duties and completing audits in accordance with local, state and federal reporting and accounting requirements.

- a. All payments of public funds shall be paid to and disbursed by the District which shall be strictly accountable for all funds and responsible for reporting to the members hereof concerning all receipts and disbursements.
- b. The District and District Directors shall comply with all Federal and State financial assistance reporting requirements and conflict of interest provisions as set forth in 13 CFR III.”
- 3. Except to the extent specifically amended herein, the provisions of the JPA shall continue to be in full force and effect as originally executed, and nothing contained herein shall, or shall be construed to modify, invalidate or otherwise affect any provision of the JPA or any right of the members thereof.

The foregoing Resolution introduced by Supervisor Mulheren, seconded by Supervisor McGourty, and carried this 13th day of September, 2022, by the following vote:


AYES: Supervisors McGourty, Mulheren, Haschak, Gjerde, and Williams
NOES: None
ABSENT: None

WHEREUPON, the Chair declared said Resolution adopted and SO ORDERED.



ATTEST: DARCIE ANTLE
Clerk of the Board

TED WILLIAMS, Chair
Mendocino County Board of Supervisors




Deputy

I hereby certify that according to the provisions of Government Code Section 25103, delivery of this document has been made.

APPROVED AS TO FORM:
CHRISTIAN M. CURTIS
County Counsel

BY: DARCIE ANTLE
Clerk of the Board





Deputy



APPROVED

August 9, 2022

COUNTY OF SONOMA

SUMMARY REPORT

575 ADMINISTRATION
DRIVE, ROOM 102A
SANTA ROSA, CA 95403
THE WITHIN INSTRUMENT IS A
CORRECT COPY OF THE ORIGINAL
ON FILE IN THIS OFFICE

ATTEST: August 9, 2022
SHERYL BRATTON, Clerk/Secretary

BY *Noelle Francis*

Agenda Date: 8/9/2022

#7

To: Board of Supervisors
Department or Agency Name(s): Economic Development Board
Staff Name and Phone Number: Ethan Brown 707-565-7170
Vote Requirement: Majority
Supervisorial District(s): Countywide

	Aye	No
Gorin	X	
Rabbitt	X	
Coursey	X	
Hopkins	X	
Gore	X	

Title:

Sonoma Mendocino Economic Development District Amendment to Joint Powers Agreement

Recommended Action:

Adopt a resolution amending the existing Joint Powers Agreement (JPA) agreement with the Sonoma-Mendocino Economic Development District (SMEDD). The amendment would provide that SMEDD could appoint its own treasurer or auditor and relieve Sonoma County of those obligations. The amendment requires approval by Sonoma and Mendocino Counties. Authorize the Interim Director of the Economic Development Board to execute an amendment to the JPA in accordance with the terms set forth in the resolution.

Executive Summary:

The Board of the Sonoma-Mendocino Economic Development District (SMEDD or "District") seeks a minor amendment to the 2015 Joint Powers Agreement (JPA) that governs its operation through an agreement between Sonoma and Mendocino Counties. The amendment concerns Section 9 of the attached agreement, wherein currently the County of Sonoma is designated as custodian of funds and serves as the financial agent for the District.

The amendment would allow SMEDD to appoint its own treasurer and auditor to perform required financial duties. This change is being sought in accordance with a request from the United States Economic Development Administration (EDA), which oversees the operation of such regional districts, to allow the District more direct management of its funds.

Mendocino County has indicated it will bring the amendment to the JPA before its board by August 16, 2022. The amendment will go into effect upon approval by both counties.

Discussion:

SMEDD is a two-county partnership, created through a Joint Powers Agreement (JPA) approved separately by the Sonoma and Mendocino Boards of Supervisors in 2015. The District is recognized by the United States Economic Development Administration (EDA) and engages in regional economic planning through the creation of a Comprehensive Economic Development Strategy (CEDS) as required every five years by the EDA.

In addition to the planning role required by the EDA, SMEDD also serves as a conduit to help local organizations access federal funding to launch economic projects. Two recent examples of this include an \$8.1 million grant received by the Santa Rosa Junior College for its Construction Training Center, and an \$800,000 grant received by the Economic Development Board to capitalize a revolving loan fund for small businesses.

Agenda Date: 8/9/2022

grant received by the Economic Development Board to capitalize a revolving loan fund for small businesses. Each of these planned projects leveraged local dollars to secure additional grant funding.

In 2015, when SMEDD was created, the nascent organization did not have sufficient resources to undertake the responsibilities associated with financial accounting, grant reporting or contracting. As such, since that time, the Economic Development Board (EDB) has provided these services, while the Auditor-Controller-Treasurer-Tax Collector (ACTTC) has acted as the custodian of funds. Over the past year, EDB staff have worked with the SMEDD Board of Directors to create processes that will allow the organization to contract these financial services to a qualified vendor, and act as its own custodian of funds, as provided by statute in Government Code 6505.

Per the amended JPA, Sonoma County would no longer serve as the treasurer or auditor for SMEDD, once the JPA appoints its own officer or employee to perform those functions, which are set forth in Government Code §§ 6505 and 6505.5.

Mendocino County has indicated it will bring the amendment to the JPA before its board by August 16, 2022. The amendment will go into effect upon approval by both counties.

Strategic Plan:

N/A

Prior Board Actions:

10/13/2020 - Sonoma Mendocino Economic Development District Board Appointments

12/13/2016 - Adopted a resolution accepting the Sonoma-Mendocino Comprehensive Economic Development Strategy (CEDS) and endorsing and application to the Economic Development Administration for Economic Development District (EDD) designation.

FISCAL SUMMARY

Narrative Explanation of Fiscal Impacts:

N/A

Narrative Explanation of Staffing Impacts (If Required):

N/A

Attachments:

Resolution of the Board of Supervisors

Sonoma-Mendocino Economic Development District Joint Powers Agreement

Related Items "On File" with the Clerk of the Board:

N/A

BOS Copy
item # 12
6.16.15
EDB

JOINT POWERS AGREEMENT
BETWEEN SONOMA AND MENDOCINO COUNTIES FOR THE SONOMA MENDOCINO
ECONOMIC DEVELOPMENT DISTRICT

This Joint Powers Agreement (hereinafter referred to as Agreement) is entered into this first day of July 2015, by and between the Counties of Sonoma and Mendocino.

RECITALS

1. Each county is empowered by law to provide economic development planning and to participate in federal programs relating to economic development.
2. Each has a County Economic Development Strategy (CEDS) approved by the Board of Supervisors and Economic Development Administration (EDA).
3. Each party is of the opinion that there should be regional planning for economic development.
4. The purposes for entering into this Agreement include;
 - a. Establishing a regional organization for discussion and evaluation of regional socio-economic problems of mutual interest and concern to Sonoma and Mendocino counties.
 - b. To identify and comprehensively plan for the resolution of regional socio-economic problems requiring multi-jurisdictional resources and cooperation.
 - c. To seek and secure resources to address economic challenges common to it members.
5. The Economic Development Act of 1965, PL 89-136 (13 Code of Federal Regulations Section 304), as amended (hereinafter referred to as the "Act") provides that public agencies may combine to form Economic Development Districts; and
6. The geographical area of the parties represents an Economic Development District for the purposes of the Act; and
7. The parties deem it necessary and proper to create a separate public entity by Joint Powers Agreement to devise and create an organizational and administrative structure for the operation of an economic development district encompassing the geographical territory of the member agencies and to secure approval of the federal government for designation as an Economic Development District pursuant to the Act and to assist member agencies in applying to the federal and state governments for grants, funds and assistance.

DEFINITIONS

"Agreement" means this Joint Power Agreement.

"District" means the Sonoma Mendocino Economic Development District (SMEDD).

"District Board" means the Board of Directors of the SMEDD.

“Director” means a member of the Board of Directors representing a Party.

“Effective Date” means the date on which this Agreement shall become effective and the (SMEDD shall exist as a separate public agency, as further described in Section 3 of this Agreement.)

“Parties” means, collectively, the County of Sonoma and the County of Mendocino.

“Party” means the County of Sonoma or the County of Mendocino.

AGREEMENT

The Board of Supervisors of the Counties of Sonoma and Mendocino do agree as follows:

1. Formation of Agency. Sonoma Mendocino Economic Development District (SMEDD) (hereinafter referred to as the "District") is established upon the execution hereof by all designated Parties.
2. Purpose. The purpose of this Agreement shall be to provide for the joint participation by the parties to:
 - a) Promote economic growth by means of planning and coordinating efforts of members and the private sector within the territorial limits of the members;
 - b) Promote more jobs for the unemployed and underemployed residents of the members;
 - c) To improve the social and physical environments of the members;
 - d) Prevent unnecessary duplication of effort on behalf of members; and
 - e) Assume any additional purposes, duties and functions as may be determined by all parties to this Agreement.
3. Effective Date. This District shall exist as a separate public agency on the date the Mendocino Sonoma Comprehensive Economic Development Strategy is approved by the EDA (“Effective Date”).
4. Governing Board. The District Board is representative of the principal economic interests of the region.
 - a) Directors
 - a. The District Board shall consist of nine (9) Directors who are appointed representatives from the counties of Mendocino and Sonoma.
 - b. Appointments to the District Board shall be made so that said District Board will be representative of, although not necessarily consist of representatives of the principal economic interests of the region and may include business, labor, tribal, government, education, minorities and the economically handicapped.
 - c. The number of Directors of the District Board may be modified by a majority vote of the District Board with the concurrence of both the Mendocino and

Sonoma County Boards of Supervisors, however there shall be a maximum of fifteen (15) members.

- d. Any elected official serving on the District Board who no longer serves in said elected capacity shall upon leaving office vacate his or her position on the District Board. The vacancy shall be filled in accordance with Section 4b below.
- e. The District Board shall have at least a simple majority of its members who are elected officials, their appointees, or employees representing general purpose local governments, including counties and tribal governments.
- f. The District Board shall elect from the Directors a Chair and Vice Chair, each of whom shall serve for a term of one year, unless sooner replaced by majority vote of the Board of Directors. The District Board shall conduct the election of officers annually.
- g. The District Board shall appoint a Secretary who need not be a Director, who shall be responsible for keeping minutes of all meetings of the District Board and all other official records of the District.
- h. A majority of the Directors shall constitute a quorum, except that less than a quorum may adjourn from time to time in accordance with the law.
- i. A simple majority of the Directors of said District Board shall be required to vote affirmatively for any action in order for said action to be valid and effective.
- j. Directors shall serve without compensation from the District. However, Directors may be compensated by their respective appointing authorities. The District Board may adopt by resolution a policy related to reimbursement by the District for expenses incurred by Directors.
- k. Per Government Code § 54956.96(a)(1), all information presented to the Directors in closed session is confidential. However, a member of the Board of a member Party who is present in closed session may disclose information obtained in that closed session that has direct financial or liability implications for the Party's agency to the following individuals:
 - i. Legal counsel of that member Party for purposes of obtaining advice on whether the matter has direct financial or liability implications for that member Party; and/or
 - ii. Other members of the legislative body of the member Party present in a closed session of that member Party.
- b) The governing Board of Directors shall be made up the following members:
 - a. Mendocino County Directors: The Mendocino County Board of Supervisors shall appoint four (4) Directors. Three of those Directors shall be from the Mendocino County business community, the Mendocino Economic Development Financing Corporation or Mendocino Workforce Investment Board. Directors may be employees or representative of the Mendocino County.

- b. Sonoma County Directors: The Sonoma County Board of Supervisors shall appoint four (4) Directors. Three of those Directors shall be from the Sonoma County business community, the Sonoma County Economic Development Board or Sonoma County Workforce Investment Board. Directors may be employees or representatives of Sonoma County.
 - c. The District Board shall have the authority to appoint one Director who shall be selected from the private sector representing the business community.
 - d. Vacancies on the Board. Vacancies shall be filled in the same manner as Directors are selected.
 - e. Director Terms of Office. The terms of office of directors shall be four (4) years and at the pleasure of their respective appointing board of supervisors be re-appointed for four (4) year terms.
5. Powers of Governing Board. The District Board shall have the following powers:
- a. To adopt rules, policies, bylaws and procedures governing the operation of the District;
 - b. To approve an annual budget for the District;
 - c. The District Board shall hold meetings open to the public at least twice each year and shall notice and conduct such meeting in accordance with Ralph M. Brown Act (California Government Code Section 54950 et seq.);
 - d. To delegate to staff to the extent the District Board deems appropriate and is otherwise in accordance with law;
 - e. To enter into contracts and to accept and expend funds from federal, state, member agencies and other sources for the purposes specified herein;
 - f. To prepare, review and update a Comprehensive Economic Development Strategy for the District, establish priorities for grant applications, make annual progress reports to the U.S. Economic Development Administration pursuant to the Act, and make such other reports as may be required or appropriate;
 - g. To assist, upon request, area and local Comprehensive Economic Development Strategy committees of member agencies in the preparation of applications to state and federal agencies for grants, loans, and technical assistance;
 - h. To assist the private sector in making applications for loans, and work with local development corporations to assist the private enterprise in the development of new business and the expansion of existing business.
 - i. To establish advisory committees as deemed appropriate to assist the District in carrying out its functions. The Directors may establish rules, policies or procedures to govern any such advisory committees.

- j. To work with local committees of member agencies to coordinate programs complying with local community desires;
 - k. To appoint or hire such staff or contract with such entities or individuals as said District Board deems necessary to carry out the District's functions and purposes;
 - l. To lease any property; (to enter into leases for real or personal property)
 - m. To amend the geographic boundaries of the District, including the addition of member counties, if it is determined that such amendments will contribute to a more effective program for economic development. Any such modifications may be conditionally approved subject to review and approval of the State and Economic Development Administration in accordance with the Act.
 - n. To review applications of member and other agencies for grants from the U.S. Economic Development Administration. Upon review of such applications, the District Board may establish priorities for funding.
6. Budget. The Fiscal Year for the District shall begin July 1st and end June 30th. An annual budget for the operation of the district shall be adopted by the Board. The Board shall control all expenditures in accordance with the adopted work program and budget and shall have the power to amend the work program and budget to meet unanticipated needs or changed conditions.
7. Financing. It is understood that the Federal Government and Sonoma and Mendocino counties will provide a portion of the District's cost of operation. Counties' contributions are to be determined annually at budget preparation time. Participating county contributions may be in-kind including the provision of staff, office space, equipment and supplies. County contributions shall be paid by parties hereto on or before September 1 of the Fiscal Year for which assessed, or within 30 days of written notice.
8. A review of the districts activities will be included with each Parties Comprehensive Economic Development Strategy Annual Report.
9. Custody of Funds-Reporting - Financial Agent: Financial agent for the District is the County of Sonoma. All revenues and funds received by the District shall be placed in a separate general operating account with Sonoma County under the name Sonoma Mendocino Economic Development District. Sonoma County shall be responsible for completing audits in accordance with local, state and federal reporting and accounting requirements. Sonoma County shall be reimbursed for audit costs.

- a. All payments of public funds shall be paid to and disbursed by the District which shall be strictly accountable for all funds and responsible for reporting to the members hereof concerning all receipts and disbursements.
 - b. The District and District Directors shall comply with all Federal and State financial assistance reporting requirements and conflict of interest provisions as set forth in 13 CFR III.
10. Donations, Grants and Gifts. The District Board shall have the power to receive bequests, donations and grants and to carry out the purposes of grants and donations if otherwise authorized by this Agreement.
11. Limitations on Expenditures. The Board and every Director or employee of the District shall be limited in the making of expenditures or the incurring of liabilities to the amount of appropriations allowed by the work program and budget as adopted by the Board or thereafter revised by said Board. No expenditures of any kind or contract entered into on behalf of the District without approval by the Board, except as otherwise provided by law, warrants issued, expenditures made or liabilities incurred in excess of any budget appropriation are not a liability of the District or a liability of any part to this Agreement.
12. Members Not Liable for Debts of District. Pursuant to Section 6508.1 of the California Government Code, the debts, liabilities, and obligations of the District shall be those of the District and not of the parties to this Agreement.
13. Term of Agreement and Termination Provisions. This Agreement shall continue in full force and effect until rescinded or terminated, as set forth below.
- (A) Termination of Individual Membership. Any member Party may terminate its participation in this Agreement by giving written notice to the District Board not less than thirty (30) days before the start of the fiscal year, which termination shall be effective only on the beginning of the fiscal year immediately following the one in which notice of termination was given, and thereby dissolve the District.
 - (B) If a member County terminates its participation in this Agreement, it shall pay its portion of the costs for which it is responsible for paying up to the date of termination. Any payments due under this section shall be paid within ninety (90) days after the effective date of termination.
 - (C) Termination of this Membership by any member County shall not be construed as a completion of the purpose of this Agreement, and shall not require the

repayment or return to the remaining member County or Counties of all or any part of any contributions, payments, or advances made by the parties until this Agreement is rescinded or terminated as to all member counties.

(D) Rescission of Agreement by All Member Counties. At any time, this Agreement may be rescinded and terminated, and the SMEDD may be dissolved, by a unanimous vote of all Parties. In such an event, the remaining assets and liabilities shall be apportioned among all member counties according to the relative assessments paid by those member counties.

14. Disposition of Property Upon Termination. In the event that said District is terminated by agreement, the property and monies on hand at the time of termination after all debts and liabilities are paid shall be distributed among the parties then Parties of said District in accordance with their proportionate contributions thereto. Any member who withdraws from said District shall forfeit all of its right, title and monies.
15. Members Option to Bypass District. It is the option of Parties to submit U.S. Economic Development Administration grant applications through the District to the Economic Development Administration, or directly to the Economic Development Administration, bypassing District.
16. Amendment. This Agreement may be amended at any time by the mutual written agreement of all the Parties thereof.
17. Execution by Counterparts. This Agreement shall be executed in counterpart and when so executed by each and every Party hereto shall be deemed to be executed by all Parties as if it were a single document. Executed counterparts shall be delivered forthwith to the District. Said executed counterparts shall be retained by District and the District shall distribute to all other Parties' copies of said original counterparts as said other parties' executed copies.
18. Dispute Resolution. The Parties to this Agreement and the District shall make reasonable efforts to settle all disputes arising out of or in connection with this Agreement.
19. Liability of District Directors, Officers, and Employees. The District Directors, officers, and employees of the District shall use ordinary care and reasonable diligence in the exercise of their powers and in the performance of their duties pursuant to this Agreement. No current or former District Director or employee will be responsible for any act or omission by another District Director or employee. The District shall defend, indemnify and hold harmless the individual current and former District Directors and employees for any acts or omissions in the scope of their employment or duties in the

manner provided by Government Code Sections 995 et seq. Nothing in this section shall be construed to limit the defenses available under the law, to the Parties, the District or its District Directors, or employees.

20. Indemnification of Parties. The District shall acquire such insurance coverage as is necessary to protect the interests of the District, the Parties, and the public. The District shall defend, indemnify, and hold harmless the Parties and each of their respective District Board or Council members, officers, agents and employees, from any and all claims, losses, damages, costs, injuries, and liabilities of every kind arising directly or indirectly from the conduct, activities, operations, acts, and omissions of the District under this Agreement.
21. Parties to be Served Notice. Any notice authorized or required to be given pursuant to this Agreement shall be validly given if served in writing either personally, by deposit in the United States mail, first class postage if prepaid with return receipt requested, or by a recognized courier service. Notice given personally or by courier shall be conclusively deemed received at the time the delivery and receipt and by mail shall be conclusively deemed given forty-eight (48) hours after the deposit thereof (excluding Saturdays, Sundays and holidays) if the sender receives the return receipt. All notices shall be delivered to the Secretary of the District or Party, as the case may be, or such other person designated in writing by the District or Party. Notices given to one Party shall be copied to all other Parties. Notices given to the District shall be copied to all Parties.
22. Severability. If one or more clauses, sentences, paragraphs or provisions of this Agreement shall be held to be unlawful, invalid or unenforceable, it is hereby agreed by the Parties, that the remainder of the Agreement shall not be affected thereby. Such clauses, sentences, paragraphs or provision shall be deemed reformed so as to be lawful, valid and enforced to the maximum extent possible.

IN WITNESS WHEREOF, the undersigned counties and cities of the State of California do execute the Memorandum of Understanding/Letter Agreement upon the respective dates set forth after signatures.

COUNTY OF SONOMA

By:

Susan Green

Date:

6/16/15

COUNTY OF MENDOCINO

By:

Camille J. Ayer

Date:

7/21/15



COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY SUMMARY

Goal 1: Develop Innovative and Value-Added Economic Sectors

1.1 **Grow the Blue Economy through partnerships to add Jobs**, strengthen business sectors and build infrastructure related to the ocean.

Both Sonoma and Mendocino counties are coastal communities with a long tradition of ocean related economic activities. Today the Blue Economy continues to be a key economic cluster for the region and is evolving into the sustainable development of coastal resources in a wide range of economic sectors, including fisheries; aquaculture; maritime transport; coastal, marine and maritime tourism; coastal renewable energy; marine ecosystem services (i.e., blue carbon); seabed mining; and bioprospecting.

Blue Economy development will include harbor infrastructure upgrades, building resilience against sea level rise, and science-based resource utilization. This innovative initiative has many partners focused on success and extends across the region from Fort Bragg in the North to Bodega Bay in the south. The initiative brings together the efforts of local governments, non-profits, tribes, and local universities to strengthen our economy around our region's unparalleled access to the ocean.

Evaluation Metrics

- At least 5 new business formations in the Blue Economy
- At least 100 new jobs in Blue Economy sector
- Implementation of at least two of the projects described (in CEDS)

1.2 **Grow the Green Economy** through innovative partnerships to strengthen key value-added sectors: specialty food products, beer & wine, furniture and other finish products.

There are several proposed green economy development projects across the region, including initiatives focused on startups and food entrepreneurs, agricultural extension facilities, and the unique products of the region. Implementing the actions below will strengthen various specialties of the region, increase value added in the green sector, serve expanded local markets, and support the economic development of both local communities and the region.

Evaluation Metrics

- At least 5 new business formations in the Green Economy
- At least 50 new jobs in Green Economy sector
- Implementation of at least two of the projects described (in CEDS)

1.3 Build Synergisms Between Tourism & Creative Clusters: Strengthen the synergisms between the Tourism Cluster, Arts and Entertainment & the Creative Class

Sonoma & Mendocino County are home to a strong and vital tourism sector which strengthens our arts, entertainment and dining scene. These are the very features that the tech creative class appreciates, which combined with our unparalleled access to amazing nature experiences, proximity to the Bay Area and Silicon Valley, and the new remote working culture, our region could become the next natural location for the expansion of tech jobs. Additionally, augmenting the arts and creative sectors will also increase the quality of life for all residents and expand visitor experiences. The projects under this objective, when taken together begin to honor our arts and creative communities and the natural synergisms between tourism, the creative class and our own unique and artful, nature filled quality of life.

Evaluation Metrics

- At least 5 new business or non-profit formations in the creative and or tourism sectors
- At least 75 new jobs in tourism, arts, entertainment and creative sector
- Implementation of at least two of the projects described (in CEDS)

Goal 2: Increase Equitable Community-Wide Prosperity

2.1 Strengthen rural and tribal communities

2.1.1 Bring connectivity/broadband/GMRS networks to rural communities.

Evaluation Metrics:

- Bring internet connectivity to at least three remote rural communities

2.1.2 Establish community hubs in rural areas for collaborative work, business training, disaster preparedness, internet connectivity and community health.

Evaluation Metrics:

- Establish at least two community hubs

2.1.3 Increase access to basic services such as water, wastewater & transit

Evaluation Metrics

- Complete at least two sewer treatment plant rehabilitation/replacement projects
- Implement at least three alternative transportation projects
- Implement two new arts projects

2.2. Increase housing development for all incomes: improve permitting predictability and process; increase the number of workforce and affordable units; and increase zoning flexibility. This objective will be achieved through a variety of local initiatives and projects that increase the supply of housing in the region, particularly workforce housing. Increasing the supply of workforce housing will require pursuing a broad range of regulatory and housing solutions across the full spectrum of residential product types to attract and retain workers and their families.

Evaluation Metrics

Construct at least 750 Units of workforce housing and 500 units of affordable housing per year.

Five percent increase in annual construction of new units at all income levels (refer to Housing Elements, Housing Action Plans, 6th Cycle RHNA Progress Reports, etc.)

Rezone 150 acres for infill and/or higher density housing and mixed-use development in the five-year period.

Create innovative models for affordable and workforce housing development. The following (in CEDS) projects and initiatives will help implement this objective.

Goal 3: Support People

3.1 Increase equity and access to childcare for underserved populations (rural, BIPOC, low income, and struggling communities).

Evaluation Metrics

- Three successful new initiatives focused on increasing access to, and supply of, childcare facilities and childcare workers within the next five years.

3.2 Upskill workforce in technology, soft, trade business and vocational skills for livable wages and career growth opportunities.

(Success in this objective is critical to the success of all economic development objectives.)

Evaluation Metrics

- Number of new training and internship initiatives that are focused on augmenting and increasing tech, soft skills, trade and/or vocational skills.
- Employer survey responses indicating improvement in workforce readiness.

3.3 Leverage workers and entrepreneurs from all backgrounds to foster equitable wealth creation and employment. Increase training around cooperative development and operations.

No Evaluation Metrics Listed

Goal 4. Plan for & Implement Resilience

4.1 Plan for Resiliency

Evaluation Metrics

Complete at least two community resiliency planning initiatives.

4.2 Develop water infrastructure to protect against drought and build capacity

Climate change is making droughts more common and more severe and will continue to impact regional industry clusters, such as tourism and agriculture, affect the livability of the region, and create long and short-term impacts on our economic, environmental, and community resilience. Both counties have many economically isolated rural areas and water projects are critically needed in these areas to secure existing businesses and allow for modest growth. This objective will be fulfilled by a variety of different projects, including but not limited to the priority water source development and water infrastructure projects listed below. Some of these projects serve

multiple strategy priorities including climate resiliency, economic development, housing development and economic equity goals.

Evaluation Metrics

- Increase investments in new water infrastructure by local and regional agencies by 15%.
- Implement five new water projects at the local or regional levels per year.
- Reduce the days of declared water emergencies at the County and local level by 10%.

4.3 Build emergency transportation routes

Recent and widespread deadly fires have clarified the need for emergency egress routes for community safety and economic development. The following are just some of the projects that were identified through our extensive community outreach efforts to address emergency routes.

Evaluation Metrics

- Increase investments in new emergency egress infrastructure by local and regional agencies by 15%.
- Implement three new egress projects (in CEDS) at the local or regional levels per year.

4.4 Increase community fire safety by building community and fire-fighting facilities and reducing vulnerability

Firefighting equipment and facilities are critical to economic and environmental resiliency. The projects below (in CEDS) are needed in our rural communities to adequately address fire risk.

4.5 Develop green energy solutions.

This objective is focused on mitigating and reducing the severity of climate change through a variety of regional and local action and projects.

Evaluation Metrics:

- Carbon neutrality by 2030 for government operations of both Sonoma and Mendocino County.
- Carbon Neutrality by 2050 for the region as a whole (residential, commercial and non-profit sectors).
- Communities are more prepared and can escape from and recover from wildfires more quickly
- New evacuation routes constructed in at least 5 communities with only one way out. Creative innovative and a variety of new initiatives and projects will be needed to achieve these goals. The Action Plan for this objective includes implementing the key projects and initiatives below (in CEDS).

4.6 Mitigate the impacts of the climate crisis.

The climate crisis has caused and exacerbated environmental decline and destruction; these initiatives are focused on restoration activities to mitigate the impacts of climate change.

Evaluation Metrics:

- Complete the Safe Communities Planning Initiative.
- Implement two or three model Climate Crisis mitigation projects over
- the five-year period.

Sonoma Mendocino Economic Development District Board Roster & Governance Overview

The SMEDD is governed by nine directors of the Board. Eight of the Nine Board members are evenly appointed by the Mendocino and Sonoma County Board of Supervisors, four each, the final Board member is appointed at large by the SMEDD Board of Directors. The at-large seat is currently vacant, but garnering interest from regional economic development professionals.

- **Board Composition:** 9 members (Equal representation from Sonoma & Mendocino Counties + 1 at-large seat).
- **Appointment Authority:** County Board of Supervisors for respective representatives. SMEDD Board appoints At-Large member.
- **Conflict of Interest & Ethical Standards** (Adheres to **Brown Act**, **Form 700 filing**, and **Federal Grant Compliance**).

Board Roster (as of 02/21/2025)

First	Last	Organization/Affiliation	Industry	County
Robin	Bartholow	Goodwill Industries of the North Bay and Redwood Coast, Director of Sustainability	Private Industry	Sonoma
Tim	Karas	Mendocino College, President	Education	Mendocino
Craig	Schlatter	City of Ukiah Community Development, Director	Public Sector	Mendocino
Lisa	Badenfort	North Bay Realtors Association	Real Estate / Housing	Sonoma
Jeff	Kelly	Marin Housing Authority	Finance	Sonoma
Nicholas	Schwanz	Solar Punk Farms	Agriculture / Private industry	Sonoma
Anna	Shaw	Mendocino Community Health Clinic, Director of Development	Healthcare	Mendocino
Paul	Garza Jr.	Sonoma Mendocino Economic Development District, Chair	Economic Development	Mendocino
Board Seat 9	Vacant	At Large – Decided by District		Son/Men



SMEDD Planning and Project Activity Overview

Below is a table that summarizes the recorded status of grant applications that the SMEDD has had a role in their application or completion. Note that levels of effort vary from award to award, but nonetheless SMEDD was the acting regional economic development organization that provided support and assistance from a federally recognized regional perspective.

Request From	Topic/Project	SMEDD Assist	Status of Grant Award	Amount	County
Sonoma Clean Power	Geothermal Planning	12/23/2024	U... ▾	\$1,360,000	Sonoma / Mendocino
County of Mendocino	Home Hardening Workforce Development	1/9/2025	U... ▾	\$204,000	Mendocino
Manzanita Cooperative	Local Food Systems - Acorn Harvesting and Processing	1/9/2025	U... ▾		Mendocino
Northern Circle Housing Authority	Elder Village with Community Center - Ukiah	9/16/2024	U... ▾		Mendocino
Mendocino Community Health Clinic	1 Madrone Health Clinic in Willits CA	7/23/2024	U... ▾	\$554,000	Mendocino
Sonoma-Marin Area Rail Transit District (SMART)	Transit and Intercity Rail Capital (TIRCP)	07/23/2024	A... ▾	\$81,000,000	Sonoma
Sonoma-Marin Area Rail Transit District (SMART)	Connecting Cloverdale to the Bay – Equitable Transportation Access & Resilience Project	2/26/2024	D... ▾		Sonoma
Mendocino College	Willits Campus Fire Science and Construction	10/30/2023	U... ▾	\$4,800,000	Mendocino



	Programs Training Center				
Regenerative Forest Solutions	Woody FeedStock Pilot Project (CalFire)	9/27/2023	U... ▾		Sonoma
Regenerative Forest Solutions	Woody FeedStock Pilot Project (Bay Area Council)	9/27/2023	A... ▾	\$115,000	Sonoma
Mendocino Forest Products	Biomass-to-Hydrogen Grant Application	9/15/2023	A... ▾	\$500,000	Mendocino
West Business Development Center	CalOSBA Blue Economy iHub	8/31/2023	D... ▾		Mendocino
Regenerative Forest Solutions	Woody FeedStock Pilot Project USDA Forest Service	8/9/2023	A... ▾	50,000	Sonoma
Regenerative Forest Solutions	NCRP Woody FeedStock Pilot Project	8/9/2023	A... ▾	\$75,000	Sonoma
Sonoma County Meat Company	USDA Local Meat Capacity Grant	6/21/2023	A... ▾	\$5,000,000	Sonoma
Noyo Harbor	Noyo Harbor District Port Infrastructure Development	4/24/2023	U... ▾		Mendocino
Construction Training Center	Development of the SRJC Construction Training Center	2019 / 2023	A... ▾	\$12,000,000	Sonoma
Sonoma Mendocino Revolving Loan Fund	EDFC Managed fund for fixed rate small business loans \$50k-\$250k	2021	A... ▾	\$1,000,000	Sonoma / Mendocino
CARES Act Supplemental EDD Funding	Develop a regional economic development plan (CEDS) and facilitate workshops, education, and business friendliness tool	2020	A... ▾	\$400,000	Sonoma / Mendocino
Sonoma County Sub-Total				\$99,620,000+	



Mendocino County Sub-total	\$7,438,000+	
SMEDD Sub-Total	\$1,400,000+	
Comprehensive Total	\$107,058,000+	

The record of grant awards and applications listed above are likely incomplete due to an incomplete record of assistance prior to 2019. Additionally, it is impossible to know if the assistance or existence of SMEDD was a deciding factor for the awarding of grant proposals. Nonetheless, the regional economic development perspective was provided in the grant applications, an organization / institution was assisted, and economic regional development goals outlined in the CEDS were progressed by each of the above actions and awards.

Additionally, it should be noted that the SMEDD is engaged in efforts that are not directly tied to monetary awards, but move the needle on CEDS goals by providing facilitation, coordination, and collaboration in regional economic development. Some efforts include, but are not limited to: The 2023 Ag-Tech event hosted in Hopland CA (attendance ~50 people), the 2024 Biomass Utilization Symposium hosted in Hopland CA (attendance ~160 people), Regional economic development project tours and connections (2023 People, Places and Issues Tour & 2024 Federal EDA Regional Director Tour), and facilitations of regional economic development applications / connections (NOAA Climate Action and Resiliency Working Group). These efforts have resulted in connecting networks and organizations that would have otherwise not have been connected, including: numerous tribes, government organizations, businesses, non profits, and more.