



ECONOMIC DEVELOPMENT STRATEGY

CONTENTS

Participants	1
Introduction	2
What is Economic Development	3
Keys to Economic Development	5
Community Profile	9
Strengths, Weaknesses, Opportunity, and Treats (SWOT)	12
Action Plan	15
Economic Development Management	15
Industrial Development	16
Commercial Development	18
Tourism	19
Attachments	21
Action Plan	21
Target Industry Analysis – Executive Summary	25



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INTRODUCTION

Purpose Statement

The City of Kerman is initiating a strategy to focus on economic development efforts aligned with the Mission Statement.

The purpose is to identify steps that can better position Kerman for future growth that can provide further opportunity to all of its residents. The recommendations offered in this strategy are reflective of the City's Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis and provides a basic foundation to proactively address future economic development opportunities.

The City of Kerman's economic development efforts are vital element to the City's overall goal of continuing to provide quality services in a diverse family-oriented community. A strong foundation of cooperation and support working for a common mission is necessary.

Mission Statement

Enhance the quality of life for all citizens of Kerman by developing and implementing policies, programs and activities that will stimulate business startups, facilitate the expansion of existing businesses, and encourage the location of new businesses in order to create new jobs, offer additional amenities and expand the City of Kerman's revenue base.



WHAT IS ECONOMIC DEVELOPMENT

A City's role in economic development is to encourage and support business investment decisions by:

- Investing in supporting infrastructure
- Adopting supportive taxing and regulatory policies
- Providing high levels of customer service, being "business friendly"
- Creating smart, sustainable incentives
- Understanding trends in the local economy
- Communicating effectively with the business community

Economic development success will lead to:

- An increased tax base (without increasing taxes) to support vital municipal services
- Employment opportunities for its citizens
- Greater economic diversification
- More productive use of land and property
- Enhanced performance and retention of its businesses
- An improved quality of life for its citizens

To be successful in its economic development effort, Kerman must establish a strong collaborative relationship with a variety of organizations that share a stake in the community's success. These include schools, workforce training agencies, utilities, chambers of commerce and other business groups, local community organizations, lenders, regional economic development organizations, state and federal agencies, and the list goes on.

There is much at stake in this effort, but by continuing to make wise choices and take effective actions, the City will make an important contribution to the economic viability and high quality of life of its community.

It is important to remember, successful economic development requires that a community take the "long view". Many great economic development plans end up collecting dust in a city storage room not because of lack of noble intent or initiative, but because expectations were unrealistic, particularly in regard to the time it takes to see success. A steady effort at implementation, frequent review of progress by community leaders and the willingness to amend a plan as the environment changes, greatly enhances the likelihood of an economic development strategy's success.

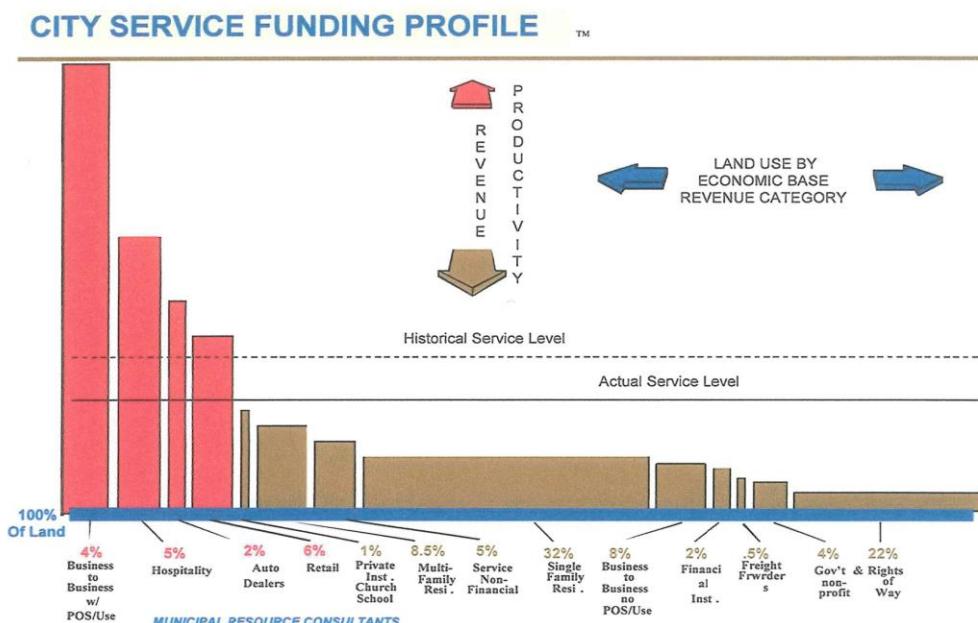
Why is local economic development important?

- Business Retention - businesses that feel appreciated, and in turn feel they are contributing to the economy, will stay in town.
- Job Development - to provide better wages, benefits, and employment opportunities.
- Economic Diversification - helps expand the economy and reduces a community's vulnerability to a single business sector.

- Self-sufficiency - public services would be less dependent on intergovernmental transfers that change with each election.
- Productive Use of Property - property used for its "highest and best use" maximizes the productivity of that property.
- Quality of Life - more local tax dollars and jobs raise the economic tide for the community, which generally increases the overall standard of living of the residents, so long as the disenfranchised segment of the population participates in the economic growth via business startups, new employment, etc.
- Recognition of Local Products – often times, successful economic development will occur when locally produced goods are consumed to a greater degree in the local or regional market.
- Increased Tax Base - additional revenue to support, maintain, and improve local services such as roads, parks, community facilities, and public safety services.

The chart below illustrates all land uses within a typical city. Notice that out of 13 different types of uses, only four generate enough funds to support the required services of the city: Business to Business, Hospitality, Auto Dealers, and Retail. Although Single Family Residential takes up 32% of all land within the city limits, and Multi-Family Residential takes up 8.5%, neither one comes close to generating enough tax revenue to pay for the services that are actually received by residents. This chart should also serve to illustrate the importance of those four business types that do generate tax revenue that pay for the services received by the entire community:

Figure 1



Why have an economic development strategy?

- Provides direction – Which industrial/commercial exporters do we target?
- Sets overall framework – How will we target them?
- Links future to present – How will we recognize success?
- Builds consensus – Gets everyone with the program
- Inclusivity – Welcome those in the community who have not participate before
- Is a foundation for change – What is our first step?
- Shows action vs. reaction – We are in charge of our fate
- Helps focus on the right things – Spending resources wisely
- Harnesses creativity – “You want me to do what? OK!”

KEYS TO ECONOMIC DEVELOPMENT

Economic Development Partners

Economic Development is a team activity. No one person or entity can know everything needed to assist in the process. It is important to create a team of partners, and cultivate the relationship. Also important is to realize all partners have something to gain by the relationship. With City staff, it is important that everyone understands that they are crucial to the economic development process. A grouchy and uncooperative person at a counter can be an impediment to the process. Conversely, a strong customer service attitude by all may well be more important than any other assistance. Passing the buck should be prohibited.

Here is a list of partners the City should use in their economic development program. Each of these partners have a specific mission that falls in line with the needs of the City's economic development strategy.

- Fresno County Economic Development Corporation
- Team California
- San Joaquin Valley Manufacturing Alliance (SJVMA)
- Commercial/Industrial Brokers
- Kerman Chamber of Commerce
- Central California SBDC Network
- Government:
 - Kerman City Council and Staff
 - Fresno County Board of Supervisors and Staff
 - State of California
 - GoBiz
 - Federal Government
 - Small Business Development Center (SBDC)
 - Small Business Administration (SBA)
 - Economic Development Administration (EDA)
 - United States Department of Agriculture (USDA)
- San Joaquin Valley Railroad
- Education & Workforce Training
 - Kerman Unified School District (KUSD)
 - State Center Community College District (SCCCD)
 - Fresno State
 - Fresno Pacific
 - Fresno Workforce Development Board
- Private sector



Retention and Expansion

When considering economic development activities, most people consider attracting new industry and businesses as the main focus. While that is an important exercise, its importance to the strategy does not equal a retention and expansion program.

A good retention and expansion program will attract more business than an attraction program. Focusing on existing business to ensure they are not going to relocate and assist in their expansion when possible both saves and increases jobs.

When a business is making a decision on a future location there are many sources considered in the decision making. A deciding factor may very well be asking existing businesses how the city treats them and how their experience has been.

In this respect a good retention and expansion program is much more effective attracting industry than simply marketing to potential industry.

Therefore, a retention and expansion program should be the City's primary economic development function. Unfortunately, the only press that results in retention tends to be negative. When X business leaves, the City leaders may be blamed. Expansion efforts do see positive press when a business decides to stay and expand. Very seldom, however, is there a ground breaking where elected officials have the opportunity to show the results of their long range focus to make existing businesses happy.

It is important that everyone from the City Council to City staff understand the importance of this effort.

- 70% of all business growth comes from businesses already located in the community.
- 15% comes from start-up businesses in the community.
- 15% comes from relocation of existing businesses from one community to another.

City staff should consider the following in their efforts to support existing businesses:

- Maintain knowledge of local industry
- Maintain knowledge of local businesses
- Serve as government liaison
- Maintain a results-oriented atmosphere
- Focus on long-term business climate
- Proactively coordinate services
- Maintain a current inventory of available land and properties

Attraction

Ask most people to define economic development and their answer would most likely focus on attracting new businesses. Attraction makes the biggest splash. It gets the most attention from elected officials and citizens. There is no doubt that attracting new business is important, but there are limitations for smaller communities like Kerman.

The cost to market to potential businesses includes attending industry specific trade shows, advertising in industry related magazines, and reaching out to site selectors. These efforts are very time consuming and extremely expensive. So, what can a city like Kerman do to attract industry? In a word, collaboration.

It is important for Kerman to be prepared for future business attraction. The best we can do individually is to identify available land and property, provide necessary infrastructure (water, sewer, gas/electric, broadband, etc.) to the sites, and ensure that the properties are zoned appropriately.

Acting as an intermediary between property owners and future businesses may also be desired. However, the City should not get involved in terms and conditions of sale.

Finally, collaborating with Fresno EDC for marketing is very important, as it is their primary function. Provide Fresno EDC with an inventory of available properties to ensure that available sites are brought to the attention of potential relocating business. Understand that Fresno EDC's mission is to market Fresno County as the premiere location for business prosperity. They do not direct business to any specific community in Fresno County.

While this approach to attraction is economical and collaborative, there are some drawbacks. One is community envy. If a business looks at Kerman but decides on Selma, some may say that Selma was given preferential treatment. It is important to trust Fresno EDC and the attraction point person. It is important to understand that if business X locates in Selma or any other community outside of Kerman, there is still a benefit to Kerman. It is not a zero-sum gain. It is more like "the rising tide lifts all boats". Regardless, Kerman gets more bang for its attraction buck collaborating than going at it alone. The City still needs to provide a point person to work with Fresno EDC and provide all the information necessary for success.

Another resource for business attraction and marketing is Team California. They are a collaboration of cities, counties and EDCs throughout California that attend trade shows and market member's attraction opportunities. There is a cost associated with being a member of Team California, which should be considered from the outset. Kerman needs to determine what advantage there would be in being a member of Team California, Fresno EDC, or both. Compare, contrast, and react.

Startup

According to the US Census bureau, startup businesses created over 2 million jobs per year. These numbers are expected to grow in the future. Businesses younger than 6 years old have created 11% of employment and 27% of job creation.

Small cities like Kerman are very limited on what they can do to assist business startup. Identifying available property and providing small incentives are good approaches. However, most of the needs of startups, such as financing, business plans, and marketing are outside of a city's expertise. Therefore, it is very important to collaborate with agencies who primary task is to provide assistance to small businesses. Most of these agencies provide free services such as counseling, access to capital, business plan formation, and start up assistance. Kerman needs to be aware of and work with these different resource providers, including:

- Small Business Development Center (SBDC)
- Small Business administration (SBA)
- Service Corps of Retire Executives (SCORE)



COMMUNITY PROFILE



The City of Kerman is located just 16 miles west of Fresno in the heart of California's San Joaquin Valley. Kerman is one of the fastest growing cities in California. Kerman places great emphasis on quality of life, while still keeping a small-town flavor. Throughout the years, Kerman management and the City Council have planned, financed and developed the necessary support infrastructure to properly accommodate this growth.

A recent survey indicated Kerman has one of the lowest crime rates of incorporated cities in Fresno County. In addition to an extensive parks system, (over 47 acres of developed parks) the City of Kerman offers a wide variety of youth and senior citizen recreational activities, programs and transit services

The community is served by the Kerman Unified School District (KUSD), a district of approximately 4,840 students with seven campuses: Goldenrod Elementary School (K-6); Kerman-Floyd Elementary (Preschool-6); Liberty Elementary (K-6); Sun Empire Elementary (K-6); Kerman Middle School (7-8); Kerman High School (9-12); and alternative education programs at Enterprise High School. A new elementary school is in the planning phase. KUSD continues to be one of the strongest small school districts in the Central Valley.

The number one goal of the Mayor and City Council is to support business and encourages new development. Focus on economic development has resulted in great successes for Kerman. The City's strong economic base and favorable business climate have attracted a number of new retailers and led to major industrial expansions. Kerman is becoming the center of opportunity in the Fresno County region where families and businesses thrive.

Kerman is a place "Where Community Comes First". Come visit Kerman and experience the *Service, Safety and Livability* of our City!



History of Kerman

The site of Kerman was first established by the Southern Pacific Railroad Company as a station with a pump and watering tank in 1891. This site was originally named Collis in honor of the president of the railroad, Collis P. Huntington. It was at this site in 1892, the famous Sontag and Evans gang held up the San Francisco-Los Angeles passenger train; one of the last train robberies in the country and perhaps the most historical event to occur in Kerman.

Settlement and cultivation of the Kerman area began and continued through the turn of the century as irrigation projects brought water to the area, primarily from the Kings River, to the south.

In 1900, William G. Kerckhoff and Jacob Mansar purchased some 3,027 acres of land from the Bank of California. These men formed the Fresno Irrigated Farms Company.

In 1906, Collis was renamed Kerman from the men's names Kerckhoff and Mansar. At this time, the Company began promoting land sales near Kerman to locations across the country. The Company also filed the original town site subdivision map with Fresno County, establishing the street grid encompassed by California Avenue, "G" Street, First Street and Ninth Street.

By 1914, Kerman had an estimated population of 400 people surrounded by 29,000 acres of producing cropland. The Kerman Creamery was producing about 1,600 pounds of butter daily. In 1921, Madera Avenue was paved from the Southern Pacific railroad tracks north to the San Joaquin River and streetlights were installed from the tracks to Whitesbridge Road. By 1936, development of Kerckhoff Park had begun.

Oil and gas exploration was being conducted several miles south of town and in 1941 culminated with (at the time) the development of the largest gas well in the state.

In 1946, the residents of Kerman voted to incorporate, and the City of Kerman was born, with a population of 1,050 residents. Kerman remains predominantly agricultural, but is reaching out to industry through the development of an industrial park and development of strong business

Kerman at Glance

Population	15,767
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Race/Ethnic Distribution

White	18.2%
Hispanic	71.7%
Black	0.3%
Am. Indian /Alaskan Native	0.4%
Asian & Pacific Islander	7.9%
Other	1.4%

Age Distribution

% under 5 years	10.3%
% under 18 years	34.3%
% 21 years and over	60.7%
% 55 years and over	15.4%
% 60 years and over	10.8%
% 65 years and over	7.2%
Median Age	28.2

Occupied Housing Unit Tenure

Number of Housing Units	4,215
Vacancy Rate	5.53%
Average Household Size	3.67
Percent Renter-Occupied	41.4%
Percent Owner-Occupied	58.6%

Schools

The [Kerman Unified School District](#) continues to be one of the strongest school districts in the Central Valley. Dedicated and competent staff led the way in providing quality education for Kerman's youth.

Kerman Unified District Office is located at 15218 W. Whitesbridge Ave., Kerman, CA 93630, (559) 843-9000.



STRENGTHS WEAKNESSES OPPORTUNITY AND THREATS ANALYSIS

A precursor to establishing a good strategy is to honestly state the City's strength, weaknesses, opportunities and threats (SWOT).

Strengths should be used to market the City to outside individuals, businesses, and agencies. Identifying weaknesses provides the City the opportunity to address those weaknesses as much as possible thus assisting in ways to better attract and retain businesses.

Opportunities and threats provide a glimpse into the near future and is considered when developing the strategy implementation steps.

Strengths

- Strong customer base, loyal to local businesses
- Kerman is located at the intersection of two main highways, 145 & 180
- Provides shopping and service options to surrounding Westside County communities
- New National Commercial Chains – Walmart, Starbucks, etc. are drawing customers to Kerman
- Attractive, clean City with a positive hometown feel
- Steady population growth
- Well planned community
- Dedicated local police force - New Police Department
- Designated Industrial Park
- Strong progressive City government
- Commitment to vision for the future
- New animal shelter
- Refrigerated food bank
- Kerman Unified School District
- North Central Fire District
- Good Infrastructure - City utilities and broadband
- Community partnership
- Ethnic diversity
- Strong sense of community
- Good leadership and knowledgeable staff
- Good City Council that is proactive and cares for community
- Access to railroad spur
- Room for industrial job growth
- Centrally located to Westside Fresno County communities
- Efficient and responsive Building Division
- Strong Parks and Recreation Department
- Youth Programming



Weaknesses

- Lack of design theme for commercial/industrial development
- Limited public parking for downtown shops
- Development is occurring along Highway 180, but potential customers are not drawn to the shops located in the downtown area (Madera Ave./Hwy 145)
- City does not have commercial entertainment – Movie Theater, arcade, etc.
- Hwy 145 Traffic
- Limited availability of Jobs
- Brain drain – youth going elsewhere for jobs
- Lack of skilled or qualified people
- Lack of higher education presence
- Lack of affordable housing – rentals
- Lack of central point of economic development opportunities information within the city
- Employee staffing limits
- Congested intersections
- Limited downtown Investment – poor curb appeal
- Trade area population/income is too small to support many national retail chains
- Older commercial centers are antiquated and need revitalization
- Lack of restaurant and retail diversity
- Lack of entertainment venues
- Lack of medical facilities including hospitals, specialist to serve Kerman and surrounding communities (San Joaquin, Tranquility, Mendota, Firebaugh). Residents commute to Fresno for these services.
- Lack of educational services for surrounding communities like vocational training facility.
- Lack of enough economic development to attract businesses to Kerman. Kerman now is over 15,000 population and should be able to attract more business, chains, etc., that follow residential growth.
- Lack of chain hotel

Opportunities

- Room for residential development to help attract retail commercial
- San Joaquin Valley Railroad provides opportunity for Kerman to attract industry reliant on rail transportation
- Redevelopment of Downtown
- Retail commercial development
 - Design guidelines
 - Sign guidelines
 - Available property
 - Residential growth
- Growing need for agriculture and water technology
- City Council and staff focused on future economic development opportunities
- Collaborations with economic and workforce development partners
- Building capacity of Kerman Chamber of Commerce
- Continue commercial and housing infill development
- Further integrating non-English speaking residents into activities of community
- Establish a Transit Occupancy Tax (TOT)

Threats

- State highways run through the City
- Available affordable housing
- Out of town property owners lack motivation to revitalize property
- COVID-19 hangover – funding future services
- Poor air quality
- On line shopping option
- Competition for, and reliance on retail to fund city services
- Increased cost of development
- Limited funds to put toward economic development
- High cost of living and doing business in California

ACTION PLAN

Economic Development Management

In larger cities, economic development function is sometimes located in the city manager's office, community development department, or is a department in and of itself.

Currently, Kerman does not have a single office responsible for economic development. The city should strongly consider establishing an Office of Economic Development within the City Manager's office. Doing so tells the community and outside agencies that Kerman is serious about economic development and that it is important function of the city. Implementation of the priorities established in this plan would be the responsibility of the Office.

Many of the action steps identified below cannot be done in a week, month or year, they are ongoing. Some do not require much action at all. Just being cognizant and aware of opportunity when it appears on the doorstep might be enough. The key is to be aware and do something on a regular basis.

Action Steps:

- Establish the Office of Economic Development
 - Include the functions of the office within the City Manager's office
- When opportunity presents itself, collaborate with economic and workforce development organizations, which include:
 - Kerman Chamber of Commerce
 - Fresno EDC
 - WIB
 - SJVMA
 - CALED
 - State Center Community College
 - Fresno State
 - SBA
 - KUSD
 - Fresno Visitors and Convention Bureau
 - Team California
- Train all City departments on the basics and importance of economic development
- Update the Economic Development section on the City's website
 - Identify single point of contact
 - Add available property and business links
 - Identify commercial and industrial areas
 - Top employers
 - Workforce analysis and resources (WIB/Community College, universities)

- Publish a semi-annual (annual at least) community development newsletter
- Establish an incentives program
 - Identify existing incentives for commercial and Industrial at a local, state and national level
 - Develop a list of potential incentives based on community goals and objectives
- Develop a marketing plan for the city's economic development, which would include marketing materials
- Develop design guidelines for commercial and industrial development
- Explore state and federal economic development grant programs for potential assistance and funding opportunities
- Protect existing job generating land uses and plan for more opportunity for the future.
 - Housing Development – workforce housing – retail attraction – economic and residential balance
 - Collaborate with property owners for the development of job and tax revenue development

Industrial Development

Another economic development axiom of the past was shoot at everything that flies and take credit for everything that falls. That approach is extremely antiquated and inefficient. Concentrating on industry clusters that fit Kerman and catering to that industry saves everyone time and money.

In 2012, a comprehensive Regional Industry Cluster Analysis and Action Plan was carried out by a group of economic development consultants on behalf of the California Partnership for the San Joaquin Valley and sponsored by the Office of Community and Economic Development at CSU Fresno.

The Plan identified seven regional industry clusters as strategic priorities for the San Joaquin Valley. The purpose of the plan was to identify industries that currently exist in the Valley and growth industries that fit the characteristics and strengths of the Valley. It is understood that not all of the clustered industries are good fits for individual communities. It is the community's responsibility to review the clusters and identify which are a best fit. Attached is a copy of the Regional Industry Cluster Executive Summary (Attachment A).

While the plan was completed in 2012, the information regarding clusters is still relevant. With that in mind, the industry best targeted by Kerman are as follows:

- Agriculture
- Manufacturing – Ag related
 - Food/beverage processing
 - Chemical plants
 - Supply Chain
- Water technology
 - Experimental development
- Energy
- Telecommunications



Action Steps:

- Brand the Industrial Park
- Explore opportunities to establish a timed area for truck parking
- Develop a Business Retention and expansion Program
 - Recognize Business and Top Employers for being in Kerman
 - Maintain a data base of all businesses, including contact information (business license info)
 - Contact businesses to inform of changes in laws and regulations that might affect them.
 - Collaborate with Fresno EDC on business visitation program
- Business Attraction Program
 - Maintain membership in EDC
 - Collaborate with regional economic development partners
 - Work with property owners to encourage development opportunities
 - Evaluate the cost of development in Kerman to ensure competitiveness within Fresno County.
 - Maintain close relationship with Commercial/Industrial Brokers
 - Attend Food Processing show in Sacramento
 - Target industries that fit the strengths and needs of the city
 - Target “point of sale” industries
- Develop a Business start-Up Program by collaborating with the following agencies:
 - Small Business Development Corporation (SBDC)
 - Small Business administration (SBA)
 - Service Corps of Retire Executives (SCORE)
- Partner with workforce and educational providers to provide skills training for Kerman businesses and residents

Commercial Development (Retail/Office/Health)

The Commercial Development Strategy includes both retail and office commercial uses. Commercial development is the service sector of the Kerman economy. Both retail and office relies on industry, the public sector and/or residents to perform a service, sell a product, and ultimately make a profit.

Retail jobs, in general, tend to be lower wages, little or no benefits, and rely on part-time employment. Conversely, office commercial, in general, are higher wages, with benefits, and mostly full-time employment. Naturally, there are exceptions in both cases.

While retail jobs offer lower wages and do not have the benefit of generating a great job multiplier for the local economy, it does benefit local government with tax dollars and provide needed services for the residents of the community (see Figure 1 – City Service Funding Profile).

There is an accepted axiom in real estate that “retail follows rooftops”. This axiom either makes it difficult or easy to attract the best businesses to our community. Retailers use demographers to identify communities that fit their businesses best. Because of their astute awareness of their demographic profile and that of the community, marketing for retail businesses is different.

To attract a larger retail business, Kerman is best served to advertise itself as business friendly and provide preliminary demographics. The cost of development (land and fees) is less a concern than the market demographics and willingness of a community to work to locate the retailer. In most cases, the retailer will not deal directly with the city, but will work directly with a realtor/broker, landlord and/or developer. It is important for Kerman to maintain close positive relationships with all of these people.

Professional office development in Kerman has consisted of 1,000 to 5,000 sq. ft. buildings housing doctors, CPA's, and lawyers catering to local needs. It will be difficult for Kerman to attract large office users due to limited workforce, and access to market. Transportation time and convenience to downtown Fresno make it difficult to attract office users such as state and federal courts; county, state, and federal offices; and financial institutions.

Kerman has needs for medical offices that provide services to the population. Therefore, Kerman is best served to reach out to this sector for attraction. Working with the various hospital and clinics to encourage satellite offices is a good approach.



Action Steps:

- Consult and Collaborate with Commercial/Industrial Real Estate Brokers
- Collaborate with Central California Small Business Development Center to provide resources and consulting for new and existing business
- Initiate Downtown Revitalization
 - Create incentives to encourage development of vacant lots and redevelopment of existing buildings
 - Storefront Improvement Program
 - Explore potential Downtown Business Association
 - Identify potential locations for public parking
 - Establish Downtown Design Guidelines
 - Improve walkability
- Attend at least one International Council of Shopping Center events to represent Kerman. Provide information like available property and demographics.
 - Monterey ICSC Exchange
 - Western ICSC Conference – Los Angeles
 - National Convention – Las Vegas
- Work with the Kerman Chamber of Commerce on business visitation for retention and expansion opportunities
- Encourage commercial retail development that will increase the quality of life of Kerman and increase revenue for city services.
- Encourage the planned growth of the Whitesbridge commercial corridor

Tourism

Tourism can be broken down into four distinct categories, each one delivering a different level of tourism activity and economic impact, as follows:

- Tourism Retention - provides opportunities for local residents to spend disposable money in their own community.
- Immediate Destination Tourism - provides opportunities for neighboring residents (people who live within 50 miles outside of the community) to spend disposable money in the community.
- Intermediate Destination Tourism - provides opportunities for the community to serve as an intermediate tourist destination. Many people travel to various destinations and must travel through or near the community. By providing opportunities for them to spend disposable money in the community, the community becomes an intermediate tourist destination.
- End Destination Tourism - describes an event, community or attraction to which tourists travel, specifically, to experience and enjoy.

Action Steps:

- Collaborate with local organizations and agencies for development of regional and community events that will attract Kerman residents and those from neighboring communities
- Identify and develop areas of town to be used for community events and tourism attraction
- Start the process for establishing a Transient Occupancy Tax (TOT) in 2022 to help pay for future economic development programs.
- Identify sports and recreational programs and determine if Kerman can be the home to regional events
- Support, promote, and encourage activities that lead to tourism opportunities
- Recruit hotel developers to locate a national brand in Kerman



ATTACHMENTS

Action Plan

ECONOMIC DEVELOPMENT		
1. Establish the Office of Economic Development - Include the functions of the office within the City Manager's office	Immediately	City manager/City Council
2. When opportunity presents itself, collaborate with economic and workforce development organizations, which include: <ul style="list-style-type: none">▪ Kerman Chamber of Commerce▪ Fresno EDC▪ WIB▪ SJVMA▪ CALED▪ State Center Community College▪ Fresno State▪ SBA▪ KUSD▪ Fresno Visitors and Convention Bureau▪ Team California	On- going	City Staff
3. Train all City departments on the basics and importance of economic development	6 Months	
4. Update the Economic Development section on the City's website	1 year	Office of Economic Development
5. Publish a semi-annual (annual at least) community development newsletter	1 Year	Office of Economic Development
6. Establish an incentives program	1 Year	Office of Economic Development
7. Develop a marketing plan for the City's economic development, which would include marketing materials	1 Year	Office of Economic Development
8. Develop design guidelines for commercial and industrial development	1 Year	Planning Staff and Contractors
9. Explore state and federal economic development grant programs for potential assistance and funding opportunities	On-Going	Office of Economic Development
10. Protect existing job generating land uses and plan for more opportunity for the future.	On-Going	Planning Staff and Contractors

INDUSTRIAL DEVELOPMENT

1. Brand the Industrial Park	1 year	City manager/City Council
2. Explore opportunities to establish a timed area for truck parking	1 year	Office of Economic Development/Planning/ Police Department
3. Create a Business Retention and Expansion Program	6 Months	Office of Economic Development/EDC
▪ Recognize Business and Top Employers for being in Kerman	1 year	Office of Economic Development
▪ Maintain a data base of all businesses, including contact information (business license info)	6 Months	Office of Economic Development
▪ Contact businesses to inform of changes in laws and regulations that might affect them.	On-Going	Office of Economic Development
▪ Collaborate with Fresno EDC on business visitation program	On- Going	Office of Economic Development
4. Develop a Business Attraction Program	6 Months	Office of Economic Development/EDC
▪ Maintain membership in EDC	Annually	City Council
▪ Collaborate with regional economic development partners		Office of Economic Development
▪ Work with property owners to encourage development opportunities		Office of Economic Development
▪ Evaluate the cost of development in Kerman to ensure competitiveness within Fresno County		Office of Economic Development/Finance Department
▪ Maintain close relationship with Commercial/Industrial Brokers		Office of Economic Development
▪ Attend Food Processing show in Sacramento	Annually	Office of Economic Development
▪ Target industries that fit the strengths and needs of the city		Office of Economic Development
▪ Target “point of sale” industries		Office of Economic Development
5. Develop a Business start-Up Program by collaborating with the following agencies:	On-Going	Office of Economic Development
▪ Small Business Development Corporation (SBDC)		
▪ Small Business administration (SBA)		
▪ Service Corps of Retire Executives (SCORE)		
6. Partner with workforce and educational providers to provide skills training for Kerman businesses and residents	On-Going	Office of Economic Development

COMMERCIAL DEVELOPMENT

1. Consult and Collaborate with Commercial/Industrial Real Estate Brokers	6 Months On-Going	Office of Economic Development - Planning Department
2. Collaborate with Central Valley Small Business Development Center to provide resources and consulting for new and existing business	On-Going	Office of Economic Development
3. Initiate Downtown Revitalization	6 Months	Office of Economic Development
▪ Create incentives to encourage development of vacant lots and redevelopment of existing buildings		
▪ Establish Storefront Improvement Program		
▪ Explore potential Downtown Business Association		
▪ Identify potential locations for public parking		
▪ Establish Downtown Design Guidelines	1 Year	Planning Department
4. Attend at least one International Council of Shopping Center events to represent Kerman. Provide information like available property and demographics.	Annually	City Manager
5. Work with the Kerman Chamber of Commerce on business visitation for retention and expansion opportunities	3 Months	City Manager - Chamber of Commerce
6. Encourage commercial retail development that will increase the quality of life of Kerman and increase revenue for city services.	On-Going	Office of Economic Development/Planning Department
7. Encourage the planned growth of the Whitesbridge commercial corridor	On-Going	Office of Economic Development

TOURISM

1. Collaborate with local organizations and agencies for development of regional and community events that will attract Kerman residents and those from neighboring communities	On-Going	Parks and Recreation
2. Identify and develop areas of town to be used for community events and tourism attraction	1 Year	Parks and Recreation - Office of economic Development - Police department
3. Start the process for establishing a Transient Occupancy Tax (TOT) in 2022 to help pay for future economic development programs.	1 Year	City Manager - Finance Department
4. Identify sports and recreational programs and determine if Kerman can be the home to regional events	On-Going	Parks and Recreation
5. Support, promote, and encourage activities that lead to tourism opportunities	On-Going	Parks and Recreation - Office of economic Development
6. Recruit hotel developers to locate a national brand in Kerman	On-Going	Office of Economic Development

EXECUTIVE SUMMARY

“CHARTING THE COURSE FOR THE SAN JOAQUIN VALLEY’S ECONOMIC FUTURE”

PROJECT OVERVIEW

In August 2011, the Office of Community and Economic Development (OCED), California State University, Fresno received an Economic Adjustment grant from the Economic Development Administration (EDA), U.S. Department of Commerce, to prepare a valley-wide industry cluster analysis and a regional strategy – Action Plan – to catalyze the growth of priority clusters. They have been prepared for OCED on behalf of the California Partnership for the San Joaquin Valley (Partnership). The Project’s goal is to support improved regional economic performance, sustainability, and shared opportunity for Valley residents, businesses and communities.

The Partnership is an unprecedented public-private sector partnership between the Valley and the state of California. It was created in 2005 to address the Valley’s persistent economic, environmental and social challenges and disparities compared to other regions in the state and nationally, while acknowledging the statewide and national significance of the Valley, and changing the pathway for its economic future and overall well-being.

As part of its charge, in 2006 Partnership leaders prepared a Strategic Action Proposal (SAP), *The San Joaquin Valley, California’s 21st Century Opportunity*. OCED serves as the Secretariat for the Partnership and manages the SAP through the “New Valley” program, through which ten Work Groups were created to develop and implement the New Valley’s first five year action plans (2006-2011). Most of the Work Groups are led by OCED partner organizations at the regional level. OCED also manages or supports many other synergistic programs, aligning university resources with Valley initiatives and leveraging state, federal, philanthropic and other resources on behalf of regional and local initiatives.

The Cluster Action Plan provides recommendations for the New Valley’s next stage. According to Corwin Harper, Partnership Deputy Chair, Senior Vice President, Kaiser Permanente Central Valley, and co-convenor for one of the project’s Health and Wellness Cluster meetings, “This is an opportunity to achieve big outcomes for the Valley, focusing on the key few “big things” the Partnership can do, where the Valley has a regional competitive advantage.”

THE NEED FOR A REGIONAL CLUSTER UPDATE

Clusters are geographic concentrations of firms and industries that do business with each other and have common needs for talent, technology, and infrastructure. According to EDA, Regional Innovation Clusters (RIC) are a proven way to create jobs and grow the economy. They benefit from a well-developed regional strategy that leverages core regional strengths.¹

The Valley has been a leader in cluster-based strategies, starting with *The Economic Future of the San Joaquin Valley* report in 2000 and the Fresno Regional Jobs Initiative (RJI) in 2003. The RJI resulted in the creation of 12 clusters. Building upon these efforts, the SAP identified five regional clusters of opportunity for focused action: agribusiness, health and medical, manufacturing, renewable energy, and supply chain management and logistics. These clusters reflected shared priorities across the Valley and sectors where the region's comparative advantage was considered to be strong or emerging.

The clusters have been a touchstone for the work of the New Valley, in particular for the economic development, education and workforce development partners who serve as champions for several of the New Valley Work Groups. Much progress has been made in terms of regional collaboration around demand-driven cluster and sector strategies. However, a valley-wide regional cluster analysis had not been prepared since 2004, and updated "market intelligence" was needed to help guide the next stage of the New Valley cluster implementation.

This Project addresses a number of concerns and issues:

- The Valley has been more severely impacted by the "Great Recession" than most other California regions and needs to reposition itself for economic recovery.
- The global economy is experiencing structural changes and new opportunities are emerging which demand new responses at the regional level.
- Local budget challenges constrain the ability of many jurisdictions, partners and business champions to manage, implement and support county and regional cluster initiatives.
- There are emerging areas of opportunity that can best be leveraged through collaboration at the regional level, bringing efforts to scale for increased competitiveness. These areas include renewable energy and water technology innovations, and regional food systems.

The planning process involved economic analysis; research; documentation of cluster-related initiatives and resources; cluster stakeholder meetings which were co-convened with many partners throughout the Valley; meetings and ongoing consultation with partners, cluster leaders, subject area experts, state and federal agencies, and Partnership Board members; and review of cluster innovation models.

¹ <http://www.eda.gov/AboutEDA/RIC/>

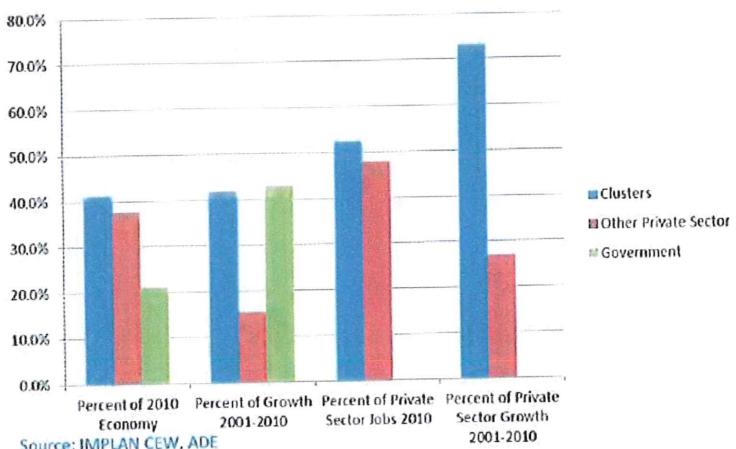
IMPORTANCE OF THE CLUSTERS

The San Joaquin Valley is an economic powerhouse. Recent estimates place the Gross Domestic Product (GDP) of the Valley at \$140 billion, and total industry production including intermediate and final goods at \$228.6 billion in 2010.²

ADE analyzed the Valley's major economic sectors and validated that the five original New Valley clusters continue to be the shared priorities across the region, although they have been adapted or expanded upon through the value chain concept. Each cluster contains several "components," each with sets of industries that comprise the value chain. For example, the Agriculture Cluster includes production, processing and packaging, distribution and diverse support activities. The Health Cluster now incorporates dimensions of wellness. Two clusters have been added – water technology and public sector infrastructure, based on their current and emerging importance and potential for the Valley. The 2012 Action Plan priority clusters are:

- Agriculture
- Energy
- Health and Wellness
- Logistics
- Manufacturing (which is connected to all of the clusters)
- Water Technology
- Public Sector Infrastructure (Construction)

The analysis indicates that as of 2010, these clusters (with the exception of public sector infrastructure, for which information was provided in a separate analysis sponsored by the Central California Workforce Collaborative) represent about 41 percent of total employment in the region, but during the 2001-2010 period were responsible for 73 percent of private sector job growth, as shown below.



² GDP obtained from Center for Continuing Study of the California Economy, *Numbers in the News*, September 2012. Industry output calculated by ADE from the IMPLAN3 input-output model used for the cluster analysis.

CAPTURING THE “VALUE CHAIN”

Even in clusters where the Valley has comparative advantage, such as agriculture and logistics, the Valley is not capturing the “value chain” – where value is added along the continuum of economic activity within the components of a cluster. Instead, goods flow out of the Valley where value is added later, and businesses and industries that buy goods and services from other businesses are buying a significant share of those goods and services outside the Valley, representing a leakage of economic potential.

This report documents other kinds of leakage that occur as well, including skilled workers who commute to jobs located outside of the Valley; jobs within the Valley going to workers who live outside of the Valley; and loss of innovation. This loss of innovation is related to intellectual capital (inventions, patents, etc.) leaving the Valley in pursuit of investment capital or a more supportive entrepreneurial environment, including for specialized research and development, legal and business services.

CAPTURING THE “VALUE CHAIN” FOR THE SAN JOAQUIN VALLEY ECONOMY



The cluster analysis identified areas of potential growth across the Valley and for the eight counties based on trends in size of the clusters; rates of employment growth, especially in specific cluster "components" or industry groupings; concentration in the Valley compared to the state; and rate of growth compared to the state's rate. This information provides insight into the region's areas of comparative advantage. The analysis also identified trade flows indicators – output of goods and services produced by each cluster, and leakage outside of the Valley based on business-to-business supplier inputs of goods and services in 2010. Regional demand for each cluster's goods and services by non-cluster-related consumers (households, institutions and other businesses) also was estimated.

The leakage analysis was conducted for individual clusters, resulting in a potential list of economic development targets for business expansion, start-ups and attraction to meet these gaps. The findings were reviewed at several industry cluster meetings convened by OCED and ADE along with partners across the Valley, and have been validated as a high priority for implementation action. ADE also aggregated these estimates of leakage by commodity type across the clusters to identify those with high levels of leakage, further screening them for business types that realistically could be developed in the region. The table below summarizes the potential economic development targets by type of commodity supplied from outside the region and the estimated level of "leakage" – and therefore market support – for new or expanded businesses. The gaps are very large in some commodity areas.

AGGREGATED ECONOMIC DEVELOPMENT LEAKAGE TARGETS	
Description	Market Support
Lessors of nonfinancial intangible assets	\$712,685,000
Scientific research and development services	\$699,203,000
Paper mills	\$611,657,000
Oilseed farming	\$457,940,000
Other basic organic chemical manufacturing	\$395,251,000
Petrochemical manufacturing	\$388,308,000
Artificial and synthetic fibers and filaments manufacturing	\$385,175,000
Software publishers	\$375,381,000
Plastics material and resin manufacturing	\$363,584,000
Automotive equipment rental and leasing	\$336,797,000
Plastics bottle manufacturing	\$336,107,000
Management, scientific, and technical consulting services	\$323,597,000
Aluminum product manufacturing from purchased aluminum	\$303,463,000
Advertising and related services	\$284,775,000
Paperboard Mills	\$257,934,000
Other plastics product manufacturing	\$244,702,000
Semiconductor and related device manufacturing	\$241,775,000
Metal can, box, and other metal container (light gauge) manufacturing	\$222,663,000
Plastics packaging materials and unlaminated film and sheet manufacturing	\$220,031,000
Motor vehicle parts manufacturing	\$212,772,000
All other chemical product and preparation manufacturing	\$169,215,000
All other basic inorganic chemical manufacturing	\$166,139,000
Architectural, engineering, and related services	\$165,780,000

Source: IMPLAN 3 I-O Model, ADE

"Lessors of nonfinancial intangible assets" was the largest category shown. Activities in this industry include brand name licensing; franchising agreements, leasing, selling or licensing; oil royalty companies; oil royalty leasing; industrial design licensing; patent buying and licensing; patent leasing; and trademark licensing. This industry represents specialization of business services, including legal expertise, which is sought outside of the Valley.

"Scientific research and development services" was the next largest market gap. Combined with management, scientific and consulting services, these industries provide another professional services target for developing specialized expertise within the Valley. Research and scientific consulting services are a growth opportunity in both the Energy and Health and Wellness Clusters. Oilseed farming was the fourth largest gap and relates to the Agriculture and Energy Clusters, including as an input for biofuels. Most of the other potential targets are in manufacturing industries. The architectural, engineering, and related services industry is another potential growth area, especially with opportunities related to planned public sector infrastructure construction (estimated at more than \$36 billion from 2010-2020 across several infrastructure categories).

CLUSTER ACTION PLAN PRIORITIES

The economic and cluster analyses and partner/stakeholder engagement process provide: 1) a platform for the evolution of the Valley's cluster initiatives; 2) a framework to align initiatives and resources to capture value chain opportunities; and 3) articulation of the role for the Partnership and OCED for the next phase of the New Valley, including the organization of the Work Groups to lead or support the clusters.

The Valley has significant assets. There are an almost overwhelming number of initiatives underway across the Valley and related to the clusters, as well as efforts that are increasingly a convergence across the clusters, such as with Agriculture, Energy and Water Technology. A great deal of leadership and expertise resides with the partners involved in these initiatives, but they are dealing with diminished resources, the very large scale of the Valley, a diversity of issues facing the clusters, and the inherent challenges of collaboration such as capacity and dedication of time. However, partners increasingly are developing the capacity to regionalize their networks and ways to engage in specific initiatives on behalf of their networks. This network-to-network process is proving to be very beneficial. The Partnership and OCED's goal should be to connect, support and optimize these assets and initiatives.

The Project planning process led to the identification of many cluster-related issues, opportunities and recommendations. The highlights are discussed in Chapter 5 and are summarized on the following page. They constitute the basis for development or refinement of cluster-specific implementation plans by the New Valley Work Groups and associated cluster leaders and partners. They are a starting point for focusing on a "few big things" in 2013 – a core set of tangible initiatives with targeted outcomes and metrics that are the platform for engagement. There is an especially strong emphasis on education and workforce initiatives, around which the Valley has been mobilizing for several years to meet critical skills gaps and provide a pathway from poverty to prosperity for workers.

KEY CLUSTER ACTION PLAN PRIORITIES		
Cluster	Issues/Opportunities	Recommended Actions
Agriculture	<ul style="list-style-type: none"> All 5 issue areas addressed in Regional Economic Summit 	<ul style="list-style-type: none"> All actions have designated champions and recommended actions; Partnership & OCED are tracking progress. See www.sjvpartnership.org
Energy	<ul style="list-style-type: none"> Regional focus on cluster development & coordination needed; opportunity to develop biofuels; better define cluster components Conditional Use permits vary by county – frustrating for international companies willing to invest in the Valley; results in project delays or cancellations Increase entrepreneurial climate; need to create culture of early stage investment, create dialogue with entrepreneurs, & encourage students to create the next generation of solar technology Leakage of energy use 	<ul style="list-style-type: none"> SJV Clean Energy Organization should be lead for cluster development action plan; expand networking to connect more stakeholders Advocate for funding for SJV Regional Energy Plan Roadmap Coordinate with County Planners (CSAC) working on simpler expedited solar permitting process throughout the state; coordinate locally Coordinate with UC Solar Research Institute, CVBI, Lyles Center for Innovation and Entrepreneurship, Central Valley Fund, Business and Entrepreneurship Center, UC Merced SBDC Regional Network, CalFOR & others to accelerate technology commercialization & entrepreneurship Provide input to PUC on energy facilities sitings See Regional Economic Summit Strategy recommendations
Health and Wellness	<ul style="list-style-type: none"> Difficult to coordinate with so many initiatives across the Valley Need for consistent and regionalized standards and curriculum for same occupations/certificates, & for transferability of credits from Community Colleges to CSUs Need to standardize residency requirements for nurses Address gaps in workforce skills – need for better information, programs to increase skill levels Need to prepare for health information technologies; expand broadband infrastructure Need improved access to jobs and health care services in rural areas Wellness/prevention focus will increase demand for services and workers 	<ul style="list-style-type: none"> Partnership health leaders should convene high level cluster meetings Advocate for transfers within regional network of accredited courses (C6 project is opportunity to standardize curriculum), including for nursing Collaborate with hospitals to unify employee competencies, translate to college curriculum Expand nursing residencies across the Valley; coordinate with hospitals, community colleges, universities Advocate for Regional Industry Clusters of Opportunity (RICO) funding Expand mentoring programs Coordinate with SJV Regional Broadband Consortium, employer networks like Central Valley Health Network, WIBs, etc. for e-health Collaborate with Councils of Government, employers, transit agencies to develop more regional, coordinated transportation systems Expand Patient Navigator, Promotora and other model programs Coordinate with UC Merced Health Sciences Research Institute, CVBI, and entrepreneurship centers
Logistics	<ul style="list-style-type: none"> Additional options for goods movement needed (non-truck) Foreign Trade Zones underutilized Emissions impact air quality and health Issues identified at Regional Economic Summit 	<ul style="list-style-type: none"> Ensure coordination between Regional Policy Council/COGs (stakeholder planning process underway), SJV Air Pollution Control District, CCVEDC, Caltrans, Partnership Sustainable Communities Work Group, railroad companies on planning/projects See Regional Economic Summit Strategy recommendations
Manufacturing	<ul style="list-style-type: none"> Main issue for employers is workforce development Lack of high-level engineering jobs in the Valley, so many students leave the region Need cross-pollination of engineering workplace skills with existing workforce Need appropriate infrastructure to create new products out of recycled products; waste commodities being shipped overseas 	<ul style="list-style-type: none"> Identify lead cluster partners Coordinate with C6 and California Center for Applied Competitive Technologies for increased training; including in skilled trades Match resources of the universities to the manufacturers; connect internships with employers; support UCAM Develop a strategy to close supplier gaps Do policy advocacy (coordinated by REACON) on increase markets for recycling in California (Recycling BIN – Build Infrastructure Now)
Water Technology	<ul style="list-style-type: none"> Demand for clean water, sustainable water resources & infrastructure is creating new business opportunities beyond agriculture Issues identified at Regional Economic Summit 	<ul style="list-style-type: none"> Broaden focus of R&D to address diverse water supply and quality issues across an increased range of industries; coordinate with WET Center, Lyles College of Engineering, CVBI & other partners Focus on growth of specific technologies (BlueTech Valley) See Regional Economic Summit Strategy recommendations
Public Sector Infrastructure - (CCWC Project)	<ul style="list-style-type: none"> RJI Construction Cluster not active Lack of awareness regarding aggregated impact of public sector investments Updated inventory of projects & schedules needed on ongoing basis Coordination needed with economic development and planning to secure project funding 	<ul style="list-style-type: none"> Implement CCWC Regional Plan as Cluster Strategy for workforce Coordinate with Partnership to advocate for public sector investment/local hiring Identify lead to update project inventory and schedule Coordinate with Regional Policy Council and SJV Economic Development District to link project priorities with possible funding sources

LEVERAGING COLLECTIVE IMPACT

The recent conference *Meeting of the Minds in Monterey*, sponsored by the California Workforce Association, was framed around the concept of “Collective Impact.” Research and practice have documented early successes based on this concept, finding “that large-scale social change comes from better cross-sector coordination rather than from isolated intervention of individual organizations.”³

The California Partnership for the San Joaquin Valley and many of the regional collaboration initiatives underway across the Valley are in and of themselves innovation models. They exemplify many of the characteristics of successful collective impact initiatives: a common agenda, shared measurement systems, mutually reinforcing activities, continuous communication, and backbone support organizations. They provide a strong foundation for advancing the Cluster Action Plan priorities and charting the pathway for the Valley’s future, especially if their knowledge and expertise can be leveraged and brought to scale. They are referenced throughout the report.

Concurrently, there are major new initiatives, especially at the state, federal and philanthropic levels, that are aligning with regional cluster-based economic strategies, including linking economic and workforce development from the ground up. These are catalytic initiatives and the Valley is well-positioned to contribute to and benefit from these initiatives. They also are referenced in the report and a few of the key ones are summarized as follows:

“Doing What Matters for Jobs and the Economy” – an initiative of the California Community Colleges, Division of Workforce and Economic Development. Goals are to supply in-demand skills for employers, create relevant career pathways and stackable credentials, promote student success and get Californians into open jobs. The focus is on spurring job creation and bridging skills gaps in priority/emergent sectors and clusters; taking effective practices to scale; integrating and leveraging programming between funding streams; promoting metrics for students success; and removing structural barriers. This initiative is a collaboration with the California Workforce Investment Board, which is preparing the State Strategic Workforce Plan; a priority is supporting regional economies and Regional Industry Clusters of Opportunity (RICO). The Central Region Consortium and the Central California Community Colleges Committed to Change Initiative (C6) include the Valley’s Community Colleges which are partners in the development of the Cluster Action Plan. The C6 Initiative is supported by a major federal grant, focused on systemic changes for academic success and skills building in the areas of agriculture, energy, health and manufacturing. The California Workforce Investment Board’s investment in the Valley’s RICO project is seen as a foundation for health-related cluster efforts.

California Financial Opportunities Roundtable (CalFOR) – is part of a statewide initiative supporting regional industry clusters to provide jobs, entrepreneurial opportunities, business growth, and public and private sector investment in value-chain infrastructure and sustainable communities. CalFOR has developed the “Access to Capital” guide to support innovation in capital markets and provide new

³ Kania, John and Mark Kramer, “Collective Impact,” Stanford Social Innovation Review, 48, Winter 2011, p. 3.

sources of investment; expansion of regional food systems; growth of biomass utilization, biofuels and renewable energies; and improved Rural-Urban collaboration. USDA Rural California is a core partner and one of the lead federal agencies in the Fresno area's Strong Cities Strong Communities Initiative as well in many other Valley initiatives, including the San Joaquin Valley Broadband Consortium managed by OCED, development of the Valley's "Ag Tech Cluster," and support for "buy local/invest local" efforts.

California Stewardship Network – a network of regional collaboratives throughout the State, including the California Partnership for the San Joaquin Valley, participating in the development of the California Economic Action Plan, based on priorities identified through regional economic summits and the statewide Economic Summit held in May 2012. The Action Plan is moving forward.

With consideration of opportunities to leverage collective impact through the implementation of the Cluster Action Plan, the following section addresses the roles of the Partnership, OCED and the New Valley Work Groups in driving the progress and success of the Valley's Regional Innovation Clusters for the next five years of the New Valley initiative.

ROLE OF THE PARTNERSHIP

Given its mission and role, how and where can the Partnership best add value at the regional level for successful on-the-ground implementation and long-term impact on the Valley's key measures of economic, environmental and community progress? Participants in the Project planning process identified the following desired roles for the Partnership in advancing an agenda for regional prosperity:

Network – Help connect the many efforts across the region that are cluster-based or support the clusters (cluster foundations such as infrastructure – including broadband, sustainable communities, financing, environmental quality, and education and workforce).

Convene – Play a convening role for the bigger valley-wide issues that are not being addressed in other forums, to drive the agenda for the growth and vitality of the clusters.

Integrate – Provide synergy across the region, helping to knit together the clusters, the issues and the initiatives to pursue shared priorities.

Advocate – Promote and advocate regarding cluster priorities on behalf of the Valley, including the removal of barriers, elevation of regional issues and opportunities, resource needs, and networking with partners and investors outside of the region.

Catalyze – Be a catalyst for collaboration and the diffusion of innovation, including through the elevation of models.

The Partnership plays many of these roles already. The next step is for more intentional engagement around cluster-based economic strategy. Cluster processes are by their nature vehicles for engagement of champions, businesses, stakeholders and partners in regional strategies. During the course of the project, ADE found that awareness of the Partnership was varied. Proactive engagement of the Partnership in the implementation of the Action Plan will increase this awareness and expand its impact.

This process can be guided by the Executive Committee of the Partnership. At the Partnership's September 2012 Board meeting, Executive Committee members indicated they would convene specifically to discuss the next steps for Action Plan implementation, including the identification of a set of tangible strategic initiatives for 2013, and its role in overall implementation. Participation of individual Partnership Board members in the New Valley Work Groups, especially as OCED coordinates with the Work Groups to identify their priorities for 2013 implementation initiatives, will be most valuable, building on their expertise and leadership role provided during the Project planning process.

ROLE OF OCED/NEW VALLEY WORK GROUPS

One of the key elements for successful collective impact efforts is the presence of backbone support organizations. Successful collaboration requires a supporting infrastructure. This requirement is extremely important for effective cluster initiatives. As Secretariat for the Partnership, OCED plays a critical backbone role. Implementation of the Cluster Action Plan will require an increase in or realignment of existing OCED capacity to support or lead the New Valley Work Groups; continue OCED's outreach, networking, coordination and consultation process around the cluster opportunities; and engage new partners, stakeholders and leaders in Work Group and Action Plan initiatives.

The Work Groups are at varying levels of capacity and operational status; some need to be revitalized or refocused. Several of the Work Groups have updated their work plans within the past year, while others are in process of updating them. The Health and Human Services Work Group has not been active and is being reorganized by OCED as the Health and Wellness Work Group, to align with Action Plan recommendations. It will be managed by OCED during this process. OCED will continue as the lead for the San Joaquin Valley Regional Broadband Consortium (Advanced Communications Work Group) and the Housing Work Group, and will continue in its support of the other Work Groups.

OCED has been discussing with partner organizations, including those which currently lead or support the Work Groups, the role they can and would like to play in Action Plan implementation. Staff will be following up with the Work Group leads and key partners to discuss specific Action Plan findings and recommendations, to see how they fit with Work Group goals and activities, and determine how OCED can support the Work Groups to integrate Action Plan recommendations into their existing scopes of work. A key OCED role will be to help connect and coordinate partners and initiatives across the Work Groups and with other major initiatives, and to be a liaison with the Partnership Executive Committee. OCED will designate a lead staff for this role.

NEXT STEPS

OCED has been working on implementation next steps since the summer of 2012, based on the emerging findings of the Cluster Analysis; the results of the Cluster stakeholder meetings; ongoing consultation and meetings with partners – especially economic and workforce development networks (CCVEDC, CCWC, Central Region Consortium, and C6); and connecting with new initiatives such as

“Doing What Matters for Jobs and the Economy.” As noted, the Partnership’s Executive Committee will play an important role in the Project’s implementation, along with individual Board members engaged with specific clusters. OCED is working with the Committee and the Board on this process. The following is a list of recommended next steps for the Partnership and OCED to carry forward the Action Plan.

1.	Work Group Leads/Work Plans. OCED staff will meet with Work Group leads and partners to review Project findings and recommendations and alignment with existing work plans; confirm lead partners and expanded/refined roles; identify 2013 priority cluster initiatives; and support work plan updates and expanded engagement of stakeholders. OCED should convene the stakeholders from the June meeting of the Manufacturing/Energy/Logistics Clusters to identify cross-cluster priorities and actions. This process will be coordinated with the Partnership’s Executive Committee. OCED should coordinate with USDA Rural Development and other champions on the implementation of the Ag Value Chain Regional Economic Summit action priorities.
2.	Health and Wellness Cluster Work Group. OCED should work with Partnership board members to convene the Cluster stakeholders to identify priorities, develop the work plan around Action Plan recommendations, and drive the implementation of the work plan.
3.	Economic Development Targets. OCED is working with CCVEDC and other partners on the process to develop a strategy for the Economic Development Targets (aggregated and cluster-specific), and identify a lead for implementation of the strategy. Partners should coordinate with TeamCalifornia to enhance marketing and outreach opportunities on the Valley’s cluster priorities.
4.	Economic Development/Education/Workforce Coordination. OCED should develop a process for increased, systemic linkages between economic development, education, and workforce development partners (CCVEDC, CCWC, Central Region Consortium, C6, universities) around regionalized cluster-focused issues. The partners should collaborate to seek funding support for: research to identify priority workforce gaps and occupational demand; designated staff to facilitate the coordination process across the clusters and the systems; expanding the reach of innovative training programs. OCED should facilitate integrated connections with state partners such as the California Workforce Investment Board, California Labor and Workforce Development Agency, Chancellor’s Office, the Employment Training Panel, and the U.S. Dept. of Labor.
5.	Public Sector Infrastructure/Logistics. OCED should convene the CCWC, the SJV Regional Policy Council, CCVEDC, Caltrans, labor, and other partners to link the interregional goods movement planning process and CCWC’s Public Sector Infrastructure Workforce Plan, including for identification of project funding priorities, funding sources for construction projects, and workforce development needs. Leverage the new Economic Development District.
6.	Work Group Coordination. OCED should convene the leadership of the New Valley Work Groups quarterly for updates on their work plans, and facilitate coordination across Work Groups and initiatives on an ongoing basis.
7.	Regional/State Economic Summits. The Partnership and OCED will continue coordination with the statewide economic summit process, and align the annual outcomes of the Work Group work plans for the Valley’s next regional economic summit (fall of 2013) and state-wide summit (late 2013). OCED and the Work Groups should report on the progress of the 2013 cluster initiatives at the next Regional Economic Summit.
8.	Reporting Process. OCED should develop a process to report on Cluster Action Plan activities, metrics and progress to the Partnership’s Executive Committee on an ongoing basis. The growth of the clusters should be tracked as an annual metric.
9.	Communications. OCED should create a dedicated location on the Partnership’s website for the Cluster Action Plan and resource materials, building upon the Regional Economic Summit materials. It should use the Cluster Action Plan implementation as a vehicle for communications about the Partnership, and as a portal to partner initiatives and resources.