

MINUTES
EDC-VC EXECUTIVE COMMITTEE MEETING

January 8, 2019

Location:	EDC-VC, 4001 Mission Oaks Blvd., Founder’s Room, Suite A-1, Camarillo, CA 93012
Attendance:	Haider Alawami– Economic Roundtable Representative, City of Thousand Oaks Harold Edwards – Limoneira Company Cheryl Heitmann – City of Ventura Chris Meissner, <i>Chair</i> – Meissner Filtration Products Carmen Ramirez, <i>Vice Chair</i> – City of Oxnard Sim Tang-Paradis – City National Bank
Absent:	Anthony Trembley – City of Camarillo Peter Zierhut, <i>Secretary/Treasurer</i> – Haas Automation
Legal Counsel:	Nancy Kierstyn Schreiner – Law Offices of Nancy Kierstyn Schreiner
Guests:	Alexandria Wright, VCCCD
Staff:	Ray Bowman, EDCSBDC Director Kelly Noble, Office Manager Bruce Stenslie, President/CEO
Call to Order:	8:34 a.m. Chair Chris Meissner thanked everyone for attending his last Executive Committee meeting as this past year’s chair.
Roll Call:	Kelly Noble
Amendment to the Agenda:	None
Public Comment:	None
Approval of Executive Committee Minutes	Executive Committee Meeting December 11, 2018 Chair Meissner asked for a motion to approve the minutes from December 11 2018 Executive Committee meeting. Carmen Ramirez moved to approve and file the minutes from December 11, 2018 Executive Committee meeting. Cheryl Heitmann seconded the motion. All Executive Members listed in attendance in favor, motion carried.
Presentation & Discussion	Preparation of a Comprehensive Economic Development Strategy (CEDS), per Guidance of the US Economic Development Administration Stenslie reminded the Executive Committee that In June 2018 our Board of Directors approved an agreement with the Ventura County Community College District, securing their services for the development of a Comprehensive Economic Development Strategy (CEDS) for the Ventura County area.

The development of a CEDS is many ways a compliance issue, a prerequisite or requirement for the receipt of grant funds distributed by the U.S. Department of Commerce, Economic Development Administration (or EDA). A new CEDS is required every five years.

The core elements of a CEDS include:

- Summary of the local economic condition;
- Strengths/Weaknesses/Opportunities/Threats (SWOT) analysis,
- Identification and prioritization of overall goals and objectives,
- Development of measures to track progress on the goals and objectives.

Much of the CEDS content may be drawn from recent prior work that informs the Ventura County Economic Vitality Strategic Plan, though our new work will be informed also by the recent fires and other new or emerging opportunities and threats to the region's economic competitiveness.

EDC-VC did develop a CEDS some four years ago, but that document is at the end of its shelf-life. The urgency on moving on a new CEDS is to assure that both in the short and long-term recovery from the Thomas Fire we have the core eligibility documents in place.

Stenslie introduced Alexandra Wright, Director of Workforce & Economic Development for the VCCCD Chancellor's Office is providing the lead service for developing the CEDS and will attend our meeting today.

Wright stated that the purpose of today's discussion is to consider, identify and validate our regional economic development priorities moving forward. Wright went through the preliminary report looking for more input on the economic development priorities, threats and opportunities, retrieving information from the Executive Committee. In conclusion, Wright stated that she'll put these ideas into context and we will take another shot on this at the February Executive Meeting.

Administration

Consideration of the Structures and Agreements Necessary and Optimal to Advance a Technology Transfer Economic Development Agenda: Partnership Intermediary Agreement, Technology Exchange Consortium Articles of Collaboration, a Consortium Management Firm Agreement between EDC and the Technology Exchange Consortium, and Lease Agreement for EDC and the Consortium to Access Space at the Port of Hueneme

Stenslie stated that at its meeting in December 2018 the Executive Committee approved a Memorandum of Understanding with the Naval Surface Warfare Center-Port Hueneme Division, Matter Labs and the Port of Hueneme, for the purpose of beginning to identify and define the roles of the parties for advancing regional economic sustainability and competitiveness.

The purpose of this memorandum is to provide an update on the status of moving that agenda forward, with particular attention to the several structures and agreements essential for supporting it.

In February 2016 the EDC Board of Directors approved a Partnership Intermediary

Agreement with NSWC-PHD. While approved and signed by EDC, the agreement was never executed by our counterparts at NWSC-PHD. Just recently, in December 2018, the current staff at NWSC-PHD presented the PIA for our signature. A copy of that agreement is attached.

Though staff has signed the agreement as consistent with our Board's prior approval, the staff recommendation is to re-submit the agreement to our full board on January 17 for ratification.

The PIA is a standard agreement, developed by the US government for use by any of its several departments, agencies or research laboratories; PIA's are intended to increase the likelihood of success in the conduct of cooperative or joint activities with small business firms, institutions of higher education and other private sector parties.

Securing this agreement improves and advances our capacity to facilitate regional private sector participation in DoD sponsored research and development. Our particular interests are for supporting regional entrepreneurship and technology innovation, enabling public/private collaboration in R&D and commercialization of technologies, and to advance a structure for mentoring innovative companies.

Stenslie stated that a widely practiced strategy and structure for *organizing* private small business and nontraditional defense contractor participation in DoD sponsored research and development, prototyping and production is through a privately led technology *consortium*. Though it is not required to be separately incorporated, a consortium may seek to enter into an "Other Transaction Agreement," or OTA, with the government (as represented, for example, by any of the several "commands" at NBVC).

An OTA is essentially a streamlined purchasing vehicle that enables DoD fast acquisition of private sector capacity and expertise to advance its mission in any area of its interest, ranging, for example, from armaments to medical devices. OTA's provide the flexibility to incorporate business practices that reflect commercial industry standards and best practices into DoD purchasing.

Our research indicates that the standard organizing structure for Technology Consortia is through *Articles of Collaboration*. A draft of the Articles we are using to recruit and organize the founding members of the Technology Exchange Consortium has been circulated with today's agenda.

The draft Articles articulate the Consortium's purpose and organizational structure, conforming to standard practice for entering into an OTA agreement. *The Consortium's concentration is on the rapid deployment of emerging technologies.*

As indicated in our adopted MOU, Matter Labs is serving in the lead role for recruiting and organizing firms for participating in the Consortium. Staff will provide further detail at the time of our meeting on the status of that recruitment and organizational formation.

The standard operating procedure for supporting a technology consortium and OTA is through a "Consortium Management Firm." That role is essentially to serve as the fiscal agent for managing the business affairs of the Consortium. Staff believes that such a convening and intermediary role is wholly appropriate for EDC, consistent

with our organizational purpose and capacity.

Functions and responsibilities of the Management Firm include:

- a) Act as the administrative point of contact for the Technology Exchange Consortium under the Articles of Collaboration and any amendments hereto;
- b) Assist the Consortium's Formation Committee/Executive Committee and Executive Director in negotiating with the Government on issues involving the OTA;
- c) Provide "single point contracting" functions as needed to execute the OTA;
- d) Guard against the disclosure of competitively sensitive information and, together with the Consortium Executive Director and Executive Committee, institute policies and procedures to prevent potential violations of antitrust law;
- e) Together with the Consortium Executive Committee and Executive Director, take appropriate steps to avoid organizational conflicts of interest among the Members and to mitigate such conflicts if they cannot be avoided;
- f) Be responsible for obtaining signatures of the Consortium Members on any amendments to these Articles;
- g) Request nominations, prepare a slate of candidates for any open Consortium committee positions, provide notice of committee membership and membership changes to the members and the government, provide notice of the Executive Committee meetings and a request for agenda items to the members, and provide notice of member additions and deletions to the government; and
- h) Invoice, collect, and track membership dues/ projects assessments from Member Companies. Provide quarterly financial reports to the Consortium Executive Committee.

Staff is working on a draft of this agreement, borrowing from models that we're collecting from other Consortia and OTAs. The agreement will spell out the financial arrangement between the Consortium and EDC, assuring that we recover all costs related to the function. More specifically, the Consortium Articles of Collaboration identify a revenue stream, through membership dues for participation and a 1% assessment on all government funds awarded through Technology Project Agreements to members of the Consortium. We hope to have a clean draft agreement to share with the full Board on January 17.

As identified in the MOU, another element to this larger agenda for supporting technology transfer and entrepreneurship is the establishment of a location for making available to private sector partners a broad range of research and laboratory equipment, under the control of NSWC-PHD. The equipment—valued at over \$1.8 million—is currently in storage. Our notion is to make the equipment available to members of the Consortium, at a secure facility at the Port of Hueneme.

This plan requires our execution of a lease agreement with the Port. We anticipate the agreement will be for \$1 annually. We also anticipate either an amendment to the Partnership Intermediary Agreement, or separate agreement with NSWC-PHD,

for our role in securing the equipment at the Port location. NSWC-PHD has also agreed to provide a laboratory manager.

Staff hopes to have a draft of the lease and any other related agreements essential to this activity available for our Board's review at our January 17 meeting.

The value proposition of this technology transfer agenda is exceedingly clear: enhanced public/private partnerships, advancing entrepreneurship and innovation through the networking of DoD sponsored R&D to private firms, opportunity to grow the region's economy.

Any downsides are difficult to quantify, though may include:

- Potential liabilities in facilitating private sector access to NSWC-PHD research and laboratory equipment;
- Potential liabilities in providing management services for the technology consortium;
- Uncertain funding for the support of the operation.

Recognizing those risks, staff will continue its work to mitigate them. At a minimum, we are following and modeling our work after existing and successful similar enterprises from across the U.S. All considered, it appears the value proposition, the opportunities for growing the local economy, justify the managed risk.

This activity is on a relatively fast track for moving forward. Elements to be addressed include:

- Partnership Intermediary Agreement (for ratification by Board);
- Technology Exchange Consortium Articles of Collaboration and Consortium Membership Application Form (information only);
- Consortium Management Agreement (working on a draft);
- Lease agreement with the Port of Hueneme (working on a draft).

Officer Nominations for 2019

Stenslie stated that It is recommended that the Executive Committee nominate the following slate of officers for 2019, and present the nominations at our Board's Annual Meeting, January 17, 2019:

- Chair: Carmen Ramirez, Mayor Pro Tern, City of Oxnard
- Vice Chair: Nan Drake, Harrison Industries
- Secretary/Treasurer: Peter Zierhut, Haas Automation
- President: Bruce Stenslie, EDC CEO

Separately from the nomination and election of Officers, it is the responsibility of each new year's Choir to appoint the other Executive Committee members.

Meissner asked for a motion that the Executive Committee nominate this slate of officers for 2019. Harold Edwards motioned to nominate this slate of officers for 2019. Cheryl Heitmann seconded the motion. All Executive Committee members listed in attendance in favor, motion carried.

Annual Meeting Planning, for January 17, 2019

Stenslie advised the Executive Committee that our Annual Meeting for 2019 is scheduled for January 17. Following are some considerations for planning the

event. See attached for our “hold the date” invitation and a summary of prior years’ income and expense and projections for 2019.

- We will be meeting at Los Robles Greens, at 299 S. Moorpark Road in Thousand Oaks.
- We’ll convene a short board meeting at 3:00, until about 3:30 or 3:40.
- Registration and networking for our guests starts at 3:30.
- The formal agenda starts this year is 4:30 to 5:30, followed by a buffet dinner.

Following last year’s and now this year’s fires, we’ve settled on a theme of “Business Resiliency: Thriving in Seasons of Disruption.” Our focus is not so much on “recovery,” rather on what we should be thinking about in the business community about continuity and preparation. We’re looking at a definition of business strength embedded in resiliency.

We have several feelers out for speakers and/or panelists that we’ll share at the time of our meeting.

We have a faithful following of attendees, primarily the “usual” audience of local leadership. Attendance has generally been 160 to 180. The room at Los Robles Greens can accommodate just over 200.

That noted, ticket sales are not the primary revenue driver, rather, the larger share of revenue is in sponsorships. Per Executive Committee input last month, we’ve made an adjustment to the sponsorship levels. See attached “Save the Date” for detail.

Membership Report

Stenslie reminded the Executive Committee that we are actively recruiting new members, with a key consideration to fill vacancies relative to gaps in industry sector representation.

Our recruitment considerations include not only distribution and diversity by industry sector but also by region of the county, significance of the business and sector as well as the personal and professional characteristics of the individuals representing the industries and firms we recruit.

A review of our roster reveals several under-represented sectors:

- Wholesale and Retail Trade
- Real Estate and Development
- Health Services Sector
- Leisure and Hospitality
- Telecommunications
- Firms Highly Associated with Region’s Lifestyle Advantages

Several subsectors also remain high priorities, especially biotech and medical devices.

Discussion of a Draft Report on Business Relocations in Ventura and Santa Barbara Counties, 1990-2014

This is a continuation of a discussion initiated at a prior meeting. The Committee agreed to hold this for continuing future discussion.

President's Report

Stenslie shared information about our work as funded by the Morgan Family Foundation and in partnership with the California Stewardship Network.

New or Unfinished Business: None

Executive Committee Comments: None

Closed Session Conference with Legal Counsel, Anticipated Litigation Pursuant to Government Code 54956.9(b) The Executive Committee entered into closed session at 10:23 am.

Closed Session Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

Report Out of Closed Session The Executive Committee came out of closed session at 10:36 am with no action to report.

Recommendation by Executive Committee to Board of Directors for Amendment to President's Employment Agreement There was no action on this item.

Adjournment At 10:40 am, Chair Meissner announced that the meeting is adjourned to February 12, 2019.

Minutes taken by Kelly Noble