



MINUTES
EDC-VC BOARD OF DIRECTORS MEETING
March 21, 2019

- Location:** 4001 Mission Oaks Boulevard, Camarillo 93012
- Attendance:** Haider Alawami – City of Thousand Oaks, Liaison, ED Managers Roundtable
Gerhard Apfelthaler – California Lutheran University
Will Berg – City of Port Hueneme
Dee Dee Cavanaugh – City of Simi Valley
Gary Cushing – Chambers of Commerce Alliance
Amy Fonzo – California Resources Corporation
Greg Gillespie – Ventura County Community College District
Gregory Glover – City National Bank
Matt Guthrie – County of Ventura
Cheryl Heitmann – City of Ventura
Bob Huber – County of Ventura
Kelly Long, County of Ventura
Nancy Mayerson – Mayerson Marketing & Public Relations
Chris Meissner – Meissner Filtration Products
Roseann Mikos – City of Moorpark
Manuel Minjares – City of Fillmore
Shawn Mulchay – City of Camarillo
Michele Newell – VCEDA
Carmen Ramirez, *Chair* – City of Oxnard
William Weirick – City of Ojai
- Absent:** Kristin Decas – Port of Hueneme/Oxnard Harbor District
Victor Dollar – VCLA (Liaison)
Henry Dubroff – Pacific Coast Business Times
Nan Drake, *Vice Chair* – E.J. Harrison Industries
Harold Edwards – Limoneira Company
Bob Engler – City of Thousand Oaks
Clint Garman – City of Santa Paula
Susan Mulligan – Calleguas Municipal Water District (Liaison)
Jim Scanlon – Arthur J. Gallagher and Co
Alex Schneider – The Trade Desk
Laurel Shockley – Southern California Edison
Cari Shore – Rabobank
Tony Skinner – IBEW Local #952
Trace Stevenson – AeroVironment, Inc.
Ysabel Trinidad – California State University Channel Islands
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner
- Staff:** Ray Bowman, EDC SBDC Director
Clare Briglio, EDC Director of Communications
Shalene Hayman, Controller
Kelly Noble, Office Manager
Bruce Stenslie, President/CEO
- Guests:** Joel Angeles, County of Ventura
Alexandria Wright, VCCCD

Call to Order:	Chair Carmen Ramirez called the meeting to order at 3:41 p.m. Ramirez thanked everyone for being here today.
Amendment to the Agenda:	None
Public Comment:	None
Minutes:	<p>Approval of Meeting Minutes, February 21, 2019</p> <p>Chair Ramirez asked if there were any comments on the February 21, 2019 minutes. With None, Chair Ramirez asked for a motion to approve the minutes from February 21, 2019. Cheryl Heitmann motioned to approve the minutes from February 21, 2019. Dee Dee Cavanaugh seconded the motion. Chris Meissner and William Weirick were not present for this motion. With Bob Huber abstaining, all remaining Board members listed in attendance in favor, motion carried.</p>
Financial Report:	<p>February 2019 Financials</p> <p>Shalene Hayman reviewed the financials from February 2019. Hayman stated that the Auditors are here and will possibly finish up testing next week.</p> <p>Chair Ramirez asked if there were any questions. With none, Ramirez requested a motion to approve and file the February 2019 Financials. Amy Fonzo motioned to approve and file February 2019 Financials. Roseann Mikos seconded the motion. Chris Meissner was not present for this motion. All remaining Board members listed in attendance in favor, motion carried.</p>
Administration	<p>Recommendation to Appoint Vance Brahosky, Deputy Technical Director, Naval Surface Warfare Center – Port Hueneme Division, as Liaison to the EDC Board of Directors</p> <p>Stenslie noted for the Board that we have long had a vacancy in our designated Liaison seat representing Naval Base Ventura County. Our recommendation today is to appoint Vance Brahosky, Deputy Technical Director, Naval Surface Warfare Center – Port Hueneme Division, with Alan Jaeger, NSWC-PHD Office of Research and Technology Applications Manager as Alternate.</p> <p>Mr. Brahosky and Mr. Jaeger presented information on their work at our Board meeting in November 2018. The Naval Surface Warfare Center – Port Hueneme Division is signatory with EDC to a Partnership Intermediary Agreement and is a partner with EDC, the Port of Hueneme and Matter-Labs in a Memorandum of Understanding focused on technology transfer and leveraging Navy Lab resources.</p> <p>Our purposes in this partnership include:</p> <ul style="list-style-type: none"> • supporting a culture of regional technology innovation, leveraging Navy Lab resources, • enabling systems supportive of technology transfer, building a closer relationship between the Navy Labs and businesses seeking to commercialize Navy innovations, • accelerating a self-supporting network of innovative research aligned to identified technological needs and a clear path to transition and commercialization by utilizing SBIR/STTR funding, Navy R&D activities and other public and private capital. <p>Our current board roster identifies several new representatives from our public sector members, as appointed by the cities and county. We are actively recruiting new members to fill our four private sector vacancies, with a key consideration to fill gaps in industry sector representation.</p>

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.

Chair Ramirez requested a motion that the Board of Directors appoint as an EDC Board Advisor Vance Brahosky, Deputy Technical Director, Naval Surface Warfare Center – Port Hueneme Division, with Alan Jaeger, NSWC-PHD Office of Research and Technology Applications Manager as Alternate. Bob Huber motioned that the Board of Directors appoint as an EDC Board Advisor Vance Brahosky, Deputy Technical Director, Naval Surface Warfare Center – Port Hueneme Division, with Alan Jaeger, NSWC-PHD Office of Research and Technology Applications Manager as Alternate. Cheryl Heitmann seconded the motion. Chris Meissner was not present for this motion. All remaining Board members listed in attendance in favor, motion carried.

Recommendation to Delegate Authority to the President/CEO to Sign Approval of the 2019 Small Business Development Center Network Service Center Agreement, in the Amount of \$405,000

Stenslie noted that the Long Beach Community College District serves as the regional "Lead Center" for federal Small Business Development Center services for Los Angeles, Ventura and Santa Barbara Counties. Long Beach secures the core funding from the U.S. Small Business Administration, then sub-contracts to local direct "service centers," or "sub-recipients," of which EDC-VC is one.

Our service area is all of Ventura and Santa Barbara Counties. We have successfully operated this program since 2010, consistently exceeding performance benchmarks, earning contract renewals. For performance in 2018, we exceeded our contract goals for economic performance, achieving 60 business starts on a goal of 60, and helped our clients secure more than \$73 million in new capital infusion, versus a goal of \$35 million.

Though the contract has only just been received for our consideration, we had received from the Lead Center a letter of commitment in January. We have been up and running since January 1, based on that commitment. This delay in contract delivery has been constant since we began working with the Lead Center in 2010.

We anticipated the award of these funds and included the revenue and expenditures in our approved budget for this year.

The contract as delivered requires that we provide 100% in matching funds. Not less than half of the match must be in cash, the other half may be in-kind. We meet the in-kind obligation through such items as waived costs for access to operating and consulting space at SBCC, in-kind marketing, and "waived indirect" costs incurred by EDC-VC for "hosting" the SBDC operation.

While the contract is for \$405,000, we have been informed the agreement may be increased to \$475,000, more in line with prior years, though the Lead Center plays a wait and see approach on total federal allocations before committing.

Our budget projects cash match through several sources. Though actuals may vary, we have budgeted at a level that will either allow us to “over-match” our minimal contribution of \$202,500 or match a larger share of SBA funding should it materialize.

- Cuesta College: \$25,000
 - Santa Barbara City College: \$15,000
 - SBCC Scheinfeld Center: \$ 5,000
 - County of Ventura: \$30,000
 - Cities of Ventura County, BEP: \$88,000
 - GO-Biz \$115,000
- \$278,000**

As noted, these figures may fluctuate, though we have a high level of confidence in securing the cash match. EDC-VC operates, to our knowledge, the only, or one of the only SBDC’s in California that are *not* stressed for securing cash match. The other Centers are continually at-risk for leaving SBA funds on the table owing to the lack of matching funds.

Our service delivery is through the provision of direct, one-on-one professional consulting, using a corps of some 30 contract consultants. Our strategy is to develop direct consulting relationships with business clients, customized around specific scopes of work responsive to their needs for growth and profitability.

Our contract goals for the recommended agreement follow below. All outcomes (or “milestones”) must be documented by signed agreement from the businesses served.

<u>Performance Goals</u>	<u>Outcome Target</u>
Clients Served:	316
Capital Infusion	\$35,000,000
Business Starts	60

The goals and targets are assigned by the Lead Center. There is no change for Capital Infusion and Business Starts, though the “Clients Served” category is new, replacing the former “Long-Term Clients” measure. This is a minor shift, though welcome, as the “long-term clients” measure encouraged a commitment of hours served to clients, without regard to economic outcomes.

We are confident we’ll exceed these measures, though please recall, we have added a significant amount of new funds for this program through the Governor’s Office of Business and Economic Development, which drives the total number of clients served up to 900. That will be amore of a stretch goal this year.

Chair Ramirez requested a motion that the Board of Directors approve and delegate to the President/CEO authority to sign the FY 2019 Small Business Development Center (SBDC) Network Service Center Agreement (CN99765.6), between EDC-VC and the Long Beach Community College District, for \$405,000 in U.S. Small Business Administration funds. (The contract has been forwarded under separate cover and is available at today’s meeting.) Roseann Mikos motioned that the Board of Directors approve and delegate to the President/CEO authority to sign the FY 2019 Small Business Development Center (SBDC)

Network Service Center Agreement (CN99765.6), between EDC-VC and the Long Beach Community College District, for \$405,000 in U.S. Small Business Administration funds. (The contract has been forwarded under separate cover and is available at today's meeting.) Greg Glover seconded the motion. Chris Meissner was not present for this motion. All remaining Board members listed in attendance in favor, motion carried.

Recommendations to Ratify Agreement with the Morgan Family Foundation, for a \$60,000 Grant for Participation in the California Stewardship Network and to Delegate Authority to the President/CEO to Enter into a \$30,000 Agreement with the VC Community College District for a Project to Scale Apprenticeship in Ventura County

Stenslie noted, as previously reported, EDC has for over the last five years served as one of 15 members of the California Stewardship Network. The Network is self-governing, though essentially sustained through funding provided by the Morgan Family Foundation.

Members of the Network includes the San Diego and Los Angeles Economic Development Corporations, the Inland Empire Economic Partnership, San Luis Obispo Economic Vitality Corporation, Monterey Bay Economic Partnership, the Fresno Business Council, the Sierra Business Council, Tahoe Prosperity Center, the Silicon Valley Leadership Group, the Bay Area Council Economic Institute, Valley Vision (Greater Sacramento area), Sonoma Human Services, Chico Stewardship Network and Redwood Coast Rural Action.

The purpose of the network is to encourage innovative thinking, regional and statewide collaboration and exchange of ideas intended to address the state's economic, environmental and social challenges and opportunities.

A primary interest of the Stewardship Network is to look at these major California challenges from a "triple bottom line" perspective, that is, in consideration of the Economy, Social Equity and Environmental Balance.

Stenslie added, in each of the last several years, the Morgan Family Foundation has provided funding to each of the Network partners. Our projects have been the development of our regional Comprehensive Economic Development Strategy, an analysis of economic opportunity in local food processing and food systems, support for local work on developing market-based groundwater trading, developing a business resource guide for accessing career training and, this past year, continuing work on improving regional career education outcomes.

Our eligibility for this year's funding from the Morgan Family Foundation is based on the Foundation's determination of our satisfactory performance in each of these prior year projects.

While prior to 2017, each Network partner had wide latitude in developing local projects, starting in 2017 the Foundation and Network set a priority for concentrating on advancing the priorities of the California Economic Summit. In 2017 and 2018 the directed priorities were on contributing to the goal of "one million more skilled workers," specifically by strengthening relationships between workforce and community colleges. That priority has been extended into 2018

A copy of our Proposed 2019 Project is in the packet. In keeping with the Foundation's guidelines, an estimated \$40,000 of the grant is dedicated to the workforce/community college component, with up to \$20,000 to be used for continuing CSN engagement, including our leadership role as co-chair of the Network, attendance at statewide meetings,

activities contributing to the development of the 2019 California Economic Summit and participation in a statewide “steward leader” development initiative.

Stenslie commented that the Board that the Morgan Family Foundation has approved our grant proposal and already funded the project, which has been included in our adopted budget. The EDC Executive Committee reviewed and approved the recommended actions, for submittal to the full Board today.

The first recommended action is to ratify the President’s signature to the agreement. Moving forward, we are in discussions with the Community College District to finalize an agreement for their role in implementing this year’s project, anticipating an April 1 start date. The second recommended action is to delegate the President the authority to sign the agreement for up to \$30,000 with the Community College District.

Chair Ramirez requested a motion that the Board of Directors:

- Ratify the President’s approval of a \$60,000 grant agreement, for the term February 1, 2019 through December 2, 2019, with the Morgan Family Foundation, for continuing participation in the California Stewardship Network.
- Delegation of authority to the President/CEO, subject to legal review, to execute an agreement with the Ventura County Community College District, Division of Workforce and Economic Development, for up to \$30,000, for the term April 1, 2019 December 2, 2019, for implementation of a project to scale up the apprenticeship model for work-based learning in Ventura County.

Manuel Minjares motioned to:

- Ratify the President’s approval of a \$60,000 grant agreement, for the term February 1, 2019 through December 2, 2019, with the Morgan Family Foundation, for continuing participation in the California Stewardship Network.
- Delegation of authority to the President/CEO, subject to legal review, to execute an agreement with the Ventura County Community College District, Division of Workforce and Economic Development, for up to \$30,000, for the term April 1, 2019 December 2, 2019, for implementation of a project to scale up the apprenticeship model for work-based learning in Ventura County.

Bob Huber seconded the motion. With Greg Gillespie abstaining, all remaining Board members listed in attendance in favor, motion carried.

Recommendation to Ratify a Lease Agreement with the Oxnard Harbor District, Establishing a Base for Technology Experimentation, Testing and Development with Potential for Innovation and Technology Transfer

Stenslie noted for the Board that In previous meetings our Executive Committee and Board have approved a Partnership Intermediary Agreement with the Naval Surface Warfare Center-Port Hueneme Division (NSWC-PHD) and a Memorandum of Understanding (MOU) with NSWC-PHD, Matter Labs and the Port of Hueneme, for the purpose of advancing our activity as an intermediary for growing the economy through technology transfer and to identify and define the roles of the parties for advancing regional economic sustainability and competitiveness.

As identified in the MOU, one 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—has until just recently, with the approval of this lease, been sitting unused, in storage. Our purpose is to make the equipment available to members of a regional Technology Exchange Consortium, at a secure facility at the Port of Hueneme.

The lease is month-to-month, for the nominal expense of \$1.00/month, plus a share of utilities, yet to be calculated based on usage, but anticipated to be only a few thousand dollars annually. We have already begun to identify new sources of revenue to cover that expense, in partnership with the research centers at Naval Base Ventura County.

Following summarizes some of the key points about the property:

- The facility was built in 1972, of heavy steel construction throughout, as a 1 story 96,870 sf warehouse (our rental share is 13,000 sf).
- The building is sprinklered, located within the restricted area of the Port and monitored via camera and roving patrols 24/7/365. EDC and Matter Labs are coordinating efforts with the Port and Navy for an efficient means of businesses to establish the documents and approvals necessary to enter the secure space.
- The building has had several roofing, electrical and plumbing improvements made in the last several years, including a restroom remodel in 2017 for ADA compliance.
- The recent property improvements have been for the purpose of meeting standards for the hosting of public events.

Given our intended use of the property as a research laboratory, the Executive Committee advised securing an additional level of insurance, over the minimum of \$1 million per person, \$1 million per occurrence public liability and \$2 million property damage. Accordingly, staff is in the process of securing balloon coverage, up to \$5 million. The equipment will not be put into use until the expanded coverage is secured.

EDC is continuing to work with Matter Labs, the Port of Hueneme, NSWC-PHD and other partners to recruit business participation in the Technology Exchange Consortium, through which businesses may access the research equipment and identify opportunities to partner with Navy Labs for R&D and prototyping opportunities.

The last administrative/governance step in the partnership is to execute an agreement to serve as the Management Partner/Fiscal Agent for the Technology Exchange Consortium. We anticipate that agreement coming to the Executive Committee and full Board in April.

Staff is also continuing to work with the Naval Base and other private partners for securing funds to support this work. The early returns on that effort are extremely promising, with detail to come as agreements are executed.

Chair Ramirez requested a motion that the Board Ratify the Executive Committee's Approval and President's Signature to a Month-to-Month, \$1.00/Month Lease with the Oxnard Harbor District, for 13,000 Square Feet, Establishing a Base for Technology Experimentation, Testing and Development, with Potential for Innovation and Technology Transfer. William Weirick motioned that the Board Ratify the Executive Committee's Approval and President's Signature to a Month-to-Month, \$1.00/Month Lease with the Oxnard Harbor District, for 13,000 Square Feet, Establishing a Base for Technology Experimentation, Testing and Development, with Potential for Innovation and Technology Transfer. Will Berg seconded the motion. All Board members listed in attendance in favor, motion carried.

Review of Draft Elements for a Ventura County Comprehensive Economic Development Strategy

Stenslie noted for the Board that the development of a CEDS is in 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. Our last round of a CEDS was established just about five years ago.

We have contracted with the Ventura County Community College District, Workforce & Economic Development Office, to complete the CEDS.

VCCCD staff has led several forums and discussions for input on the SWOT analysis, strategic priorities, goals and objectives.

EDC staff and VCCCD are also in the process of soliciting from the cities, county and special districts their Capital Improvement Plans, for sample lists of projects to include in the CEDS that may qualify for EDA funding, distributed on a very limited and competitive basis.

The purpose of today's discussion is to review key excerpts from the economic analysis, the SWOT and Goals, securing direction for the final content of the report which will be presented to the Board at its meeting on April 18.

Alexandria Wright summarized the economic analysis, the SWOT and Goals asking for any input and reminding the Board that they are the strategic planning committee. With some discussion, Wright asked the Board to contact her with questions or suggestions.

President's Report

Stenslie drew attention to the Business Resource List Flyer that was handed out.

Stenslie announced that the MAST event is being held on April 10th at the Port of Hueneme. They will be showcasing the equipment as explained in the lease agreement with Oxnard Harbor District.

Stenslie stated that we are launching our SBA funded Ojai Portability grant activity next week.

If you haven't received one yet, you will be getting an invitation from First 5 Ventura County to Take 5 and read.

Stenslie mentioned that WEV has grants available for business affected by the disasters. A post card was distributed.

Committee/Liaison Reports:

VCEDA

Michele Newell announced that VCEDA is busy updating its policy platform. October 18th is the Business Outlook Conference, likely to be focused on Workforce Development. The event will be held this year at the Ventura County Office of Education facility on Adolpho in Camarillo.

Economic Developers Roundtable

None

Ventura County Lodging Association

None

Calleguas Municipal Water District

Chair Ramirez stated Susan Mulligan is not in attendance today but wanted to share with the Board the news that Susan has announced her retirement.

New or Unfinished Business:

None

Board Member Comments:

Gary Cushing announced that Start Up Weekend is April 5th through the 7th. Will Berg mentioned that he will be travelling to Washington DC in April as part of the RDP-21 group. Carmen Ramirez commented that she will be attending a meeting of the Local Government Commission at Yosemite focused on climate resiliency. Roseann Mikos provided information about statewide meetings focused on broadband and Smart City development. Cheryl Heitmann provided information about Congressional hearings on transportation she attended in DC, while participating in National League of Cities meetings. Federal transportation funding is increasingly dependent on local match, reinforcing the reality that Ventura County's lack of a local tax is an enormous competitive disadvantage.

Adjournment:

Meeting adjourned at 4:51 p.m. Our next meeting is April 18, 2019.