

MINUTES
EDC-VC BOARD OF DIRECTORS MEETING
October 17, 2019

- Location:** Meissner Filtration, 1001 Flynn Road, Camarillo 93012
- Attendance:** Haider Alawami – City of Thousand Oaks, Liaison, ED Managers Roundtable
Christina Birdsey – Port of Hueneme/Oxnard Harbor District
Gary Cushing – Chambers of Commerce Alliance
Skyler Ditchfield – Geolinks
Nan Drake, *Vice Chair* – E.J. Harrison Industries
Carol Dubias – Mechanics Bank
Amy Fonzo – California Resources Corporation
Anthony Goff – Calleguas Municipal Water District (Liaison)
Cheryl Heitmann – City of Ventura
Cynthia Herrera – Ventura County Community College District
Bob Huber – County of Ventura
Alan Jaeger – NSWC Port Hueneme Division
Carlos Juarez – City of Santa Paula
Jey Lacey – Southern California Edison
Kelly Long – County of Ventura
Chris Meissner – Meissner Filtration Products
Will Mitchell – Strata Solar Development
Marissa Nall – Pacific Coast Business Times
Michele Newell – VCEDA
Jim Scanlon – Arthur J. Gallagher and Co
Sim Tang Paradis – City National Bank
Peter Zierhut, *Secretary/Treasurer* – Haas Automation
- Absent:** Gerhard Apfelthaler– California Lutheran University
Will Berg – City of Port Hueneme
Dee Dee Cavanaugh – City of Simi Valley
Harold Edwards – Limoneira Company
Bob Engler – City of Thousand Oaks
Roseann Mikos – City of Moorpark
Manuel Minjares – City of Fillmore
Carmen Ramirez, *Chair* – City of Oxnard
Alex Schneider – The Trade Desk
Tony Skinner – IBEW Local #952
Trace Stevenson – AeroVironment, Inc.
Tony Trembley – City of Camarillo
Ysabel Trinidad – California State University Channel Islands
Brian Tucker – Ventura County West
William Weirick – City of Ojai
- Legal Counsel:** Nancy Kierstyn Schreiner, Law Offices of Nancy Kierstyn Schreiner

Staff: Marvin Boateng, Loan Officer
Alondra Gaytan, Client Services Manager
Stephanie Gonzalez, Client Services Specialist
Shalene Hayman, Controller
Kelly Noble, Office Manager
Bruce Stenslie, President/CEO

Guests: Bryan Went, Matter Labs
Erick Went, Matter Labs
Melody Rafelson, County of Ventura

Call to Order: Vice Chair Nan Drake called the meeting to order at 3:42 p.m. Chris Meissner thanked everyone for coming and gave a brief introduction to Meissner Filtration.

Amendment to the Agenda: None

Public Comment: Vice Chair Drake asked everyone to introduce themselves.

Minutes: **Approval of Meeting Minutes, September 19, 2019**
Vice Chair Drake asked if there were any comments on the September 19, 2019 minutes. With none, Drake asked for a motion to approve the minutes from September 19, 2019. Kelly Long motioned to approve the minutes from September 19, 2019. Bob Huber seconded the motion. All Board members listed in attendance in favor, motion carried.

Financial Report: **September 2019 Financials**
Shalene Hayman briefly reviewed the September 2019 financials explaining that the significant balance on the profit and loss will balance out as the year comes to an end.

Drake requested a motion to approve and file the September 2019 Financials. Kelly Long motioned to approve and file September 2019 Financials. Sim Tang-Paradis seconded the motion. All Board members listed in attendance in favor, motion carried.

Administration **Membership Report and Recommendation for Appointment of New Board Member, GeoLinks**
Looking back first at an appointment from one month ago, Stenslie introduced Will Mitchell from Strata Solar who briefly spoke about Strata Solar and what they do.

Stenslie introduced Phillip Deneef who spoke about Geolinks and their vision. Deneef thanked everyone for the seat on the Board.

Vice Chair Drake asked for a motion that the Board of Directors appoint GeoLinks to an EDC Private Sector Membership, represented by Skyler Ditchfield, Co-founder and CEO and, as alternate, Phillip Deneef, Chief Strategy Officer. Gary Cushing motioned that the Board of Directors appoint GeoLinks to an EDC Private Sector Membership, represented by Skyler Ditchfield, Co-founder and CEO and, as alternate, Phillip Deneef, Chief Strategy Officer. Sim Tang-Paradis seconded the motion. All Board members listed in attendance in favor, motion carried.

Ratification of Grant Agreements with the U.S. Navy for \$15,000 for a Technology Transfer Demonstration Project and \$79,000 for the Launch of the Fathomwerx Lab at the Port of Hueneme and Delegation of Authority to the President/CEO to Execute Contracts or Agreements for the Distribution of Grant Funds. Recommendation to Approve.

Stenslie noted that earlier this year, in January, we entered into a Memorandum of Understanding with the Naval Surface Warfare Center-Port Hueneme Division (NSWC-PHD), the Port of Hueneme and Matter Labs, with several purposes in mind:

- supporting a culture of regional technology innovation, leveraging Navy Laboratory and Port resources,
- enabling systems supportive of technology transfer, building a closer relationship between the Navy Labs and the Port and businesses seeking to commercialize Navy and Port 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 and Port R&D activities and other public and private capital.

One particular manifestation of the partnership is the development of a research laboratory, based at the Port of Hueneme, utilizing an extensive inventory of research and laboratory equipment, for the express purpose of sharing access to those assets with local students, businesses and entrepreneurs.

The outfitting of the research laboratory—branded Fathomwerx by the several partners identified above—is under the umbrella of Partnership Intermediary Agreements between EDC and NSWC-PHD and Naval Facilities Engineering Command (NAVFAC).

Toward advancing these purposes and toward fully supporting and launching the Fathomwerx lab, we have had the fortune recently to serve as the conduit for accessing additional Navy investment through two separate grants.

Both of the grant agreements, summarized below, were secured through late July into early September, and executed quickly in order to secure or obligate the funding in the federal fiscal year ending September 30. Copies of the agreements are available for review in our offices and will be available at the time of our meeting.

This past summer NAVFAC solicited proposals for a demonstration project intended to improve and increase the local Navy installation's relationships with local industry, particularly with firms that have the capacity to partner with the Navy in R&D, prototyping and rapid deployment. In response, EDC collaborated with Matter Labs to identify viable local technology transfer partners. Matter Labs conducted the entirety of the project; EDC served as the conduit for the grant funding. The Technology Hunter project involved outreach to firms, analysis of firm capacity and readiness for Navy partnership, selection of companies for participation and the development of 20 short videos on the firms for the purposes of helping prepare them for Navy engagement and for introducing the firms to the Navy commands.

While the lab at the Port of Hueneme is outfitted with some \$2 million in equipment contributed by NSWC-PHD, and the lease for the space is only \$1/month, there remains the need for financial resources to promote local industry and community awareness of the lab and to improve the infrastructure of the space and to build out some additional supports to house and deploy the equipment.

The Naval Surface Warfare Center-PHD, Office of Technology, in a manner consistent with our MOU, collaborated with EDC, Matter Labs and the Port for committing \$79,000 in grant funds to advance the Fathomwerx launch. The grant has been issued to EDC under a sole source order and designates the following:

- \$20,000 for program development, including a Shark Tank Technology Event, an Innovation Discovery Event and Technology Collaborations (the events have been completed);
- \$50,000 for Laboratory Infrastructure Improvements, including electrical, air circulation, plumbing and water systems, all currently in the design stage;
- \$20,000 Administrative, including logistical support for event planning and production, management and registrations.

Stenslie noted that the grant agreements anticipate EDC's distribution of the funds as outlined above. To execute that distribution, EDC needs to execute or amend agreements with Matter Labs and the Port of Hueneme, the latter for \$50,000 in infrastructure improvements to the Port's property housing the Fathomwerx lab.

Today's recommended action is to delegate authority to the President/CEO to execute those agreements, subject to legal review.

Finally, moving forward, we expect that these grants are just the beginning of new and recurring revenue streams in support of our larger technology transfer agenda and partnerships with the Navy, the Port of Hueneme and Matter Labs.

Erick and Bryan Went of Matter Labs provided an overview of the current activities of the partnership, concentrating on local firms participating in contract and grant opportunities with the several commands at the Naval Base.

Drake requested a motion to:

- 1) Ratify approval of grant agreements with the U.S. Navy, \$15,000 for a Technology Transfer Demonstration Project and \$79,000 for the launch of the Fathomwerx Lab at the Port of Hueneme, subject to legal review.
- 2) Delegate authority to the President/CEO to enter into contracts and agreements as appropriate for the distribution of the grant funds as stipulated in the grant agreements.
- 3) Direct the President/CEO to periodically report back to the Board of Directors on the progress of grant-stimulated technology transfer for the economic benefit of private businesses.

Bob Huber motioned to:

- 4) Ratify approval of grant agreements with the U.S. Navy, \$15,000 for a Technology Transfer Demonstration Project and \$79,000 for the launch of the Fathomwerx Lab at the Port of Hueneme, subject to legal review.
- 5) Delegate authority to the President/CEO to enter into contracts and agreements as appropriate for the distribution of the grant funds as stipulated in the grant agreements.
- 6) Direct the President/CEO to periodically report back to the Board of Directors on the progress of grant-stimulated technology transfer for the economic benefit of private businesses.

Kelly Long seconded the motion. All Board members listed in attendance in favor, motion carried.

Delegation of Authority to the President/CEO to Enter into Agreement with the CA Public Utilities Commission for a \$450,000 Grant Award to Serve as the Fiscal Agent for the Broadband Consortium of the Pacific Coast, for the Term November 1, 2019 through October 31, 2022, and Delegation of Authority to the President/CEO to Execute

Contracts and Agreements for Implementation. Recommendation to Approve.

Stenslie commented that broadband connectivity is increasingly recognized by both public and private sector leadership as essential infrastructure. Though highly valued, capacity levels vary widely, with several areas throughout California still suffering from no or very poor connection and with insufficient levels of competition among providers to help drive improvements. While Ventura County has better coverage than much of California, we still have significant gaps for adequate coverage, and in many areas only single providers, which impacts both capacity and affordability.

In response to the CPUC's invitation for regional consortia to help identify gaps in local broadband connectivity and capacity and to help identify priorities for improvement, EDC began in 2014 convening a broad range of stakeholders in Ventura, Santa Barbara and San Luis Obispo Counties, to solicit and sustain interest in a regional consortia to identify gaps in service, to promote broadband deployment and adoption, and to establish priorities for moving forward.

Those efforts resulted in our formation and management of the Broadband Consortium of the Pacific Coast, consisting of EDC as fiscal agent on behalf of regional stakeholders throughout Ventura, Santa Barbara and San Luis Obispo Counties.

The consortium was initially funded at \$300,000 for a two year cycle beginning in July 1, 2014. We applied for a two year renewal in January 2016 and were awarded \$250,000 for the period February 2017 through January 2019. In response to a CPUC solicitation for continuing work of the 15 broadband consortia statewide, the EDC in May 2019 submitted an application for \$450,000 for a three year contract term.

In response to our proposal, the CPUC has posted a draft Resolution on its agenda for October 24 to award us the full \$450,000, for a three year period starting November 1, 2019.

Over the last several years we have made considerable progress through the development of a three county state of the art assessment of broadband resources, both to the home and to business. We have developed strategic public/private partnerships in each of the three counties, each working regionally on strategies for deploying broadband to unserved areas and for improved broadband and communications assets in under-served regions. The consortium has continued to serve as a resource and catalyst for local government in defining broadband as a priority and for convening and connecting stakeholders for the identification of solutions for improved service.

Commitments for participation in this continuing effort are in hand from numerous partners, including county offices of education and local school districts, city and county offices in all three counties, private businesses, chambers of commerce and many more. While between funding cycles—since February 2019 until now—stakeholders in all three counties have continued to meet and work collaboratively toward broadband solutions.

Moving forward, activities are organized around three broad goals:

- Assist municipalities and other public sector agencies to accelerate broadband deployment (public sector focus);
- Support broadband provider investment for improved service in priority (under-served) areas (private sector focus);
- Identify opportunities and serve as a catalyst for public-private collaboration for advancing broadband deployment and adoption (partnership focus).

For implementation, Iprise Communications, with Bill Simmons as President, is proposed as our coordinator, for \$75,000 annually. Small contracts, up to 15,000 each, are proposed for issuance to the lead partners in Santa Barbara and San Luis Obispo Counties for coordination. EDC will access \$10,000 annually for our implementation and coordinating functions. The balance of the grant is dedicated to subject matter expertise on special projects, web support and software expenses and for additional intern or staff support.

Today's recommended actions are to formalize our commitment to serve as fiscal agent for the consortium and to delegate authority to the President/CEO to execute agreements with partners to continue the initiative.

The recommended actions—first at the Executive Committee, then the full Board later in January—will allow us to implement the activities expeditiously. All recommended agreements are subject to legal review and approval before finalizing.

Drake requested a motion that the Board of Directors delegate authority to the President/CEO, subject to legal review:

- 1) To sign agreements as required and appropriate committing EDC to serve as fiscal agent for the receipt of \$450,000 over the period November 1, 2019 through October 31, 2022, for the Broadband Consortium of the Pacific Coast and for compliance with the terms, conditions and requirements set forth in California Public Utilities Commission (CPUC) Resolution T-17669 dated October 24, 2019;
- 2) Enter into agreement with County Coordinators in Santa Barbara and San Luis Obispo Counties in amounts not to exceed \$15,000 each annually, for the term of the grant, as identified in the approved Work Plan as referenced in CPUC Resolution T-17669;
- 3) To enter into agreement with Iprise Communications, William Simmons President, in an amount not to exceed \$75,000 annually, for the term of the grant, to serve as the "Collaborative Developer" responsible for oversight and implementation of the Consortium activities as identified in the Work Plan.

Cheryl Heitmann motioned that the Board of Directors delegate authority to the President/CEO, subject to legal review:

- 4) To sign agreements as required and appropriate committing EDC to serve as fiscal agent for the receipt of \$450,000 over the period November 1, 2019 through October 31, 2022, for the Broadband Consortium of the Pacific Coast and for compliance with the terms, conditions and requirements set forth in California Public Utilities Commission (CPUC) Resolution T-17669 dated October 24, 2019;
- 5) Enter into agreement with County Coordinators in Santa Barbara and San Luis Obispo Counties in amounts not to exceed \$15,000 each annually, for the term of the grant, as identified in the approved Work Plan as referenced in CPUC Resolution T-17669;
- 6) To enter into agreement with Iprise Communications, William Simmons President, in an amount not to exceed \$75,000 annually, for the term of the grant, to serve as the "Collaborative Developer" responsible for oversight and implementation of the Consortium activities as identified in the Work Plan.

Bob Huber Seconded the motion. All Board members listed in attendance in favor, motion carried.

Resolution Authorizing Submittal of an Application for Certification as a Community Development Financial Institution (CDFI). Recommendation to Approve.

Stenslie stated that one of our core functions as an economic development organization has been assisting business in access to capital. We have long operated revolving loan programs capitalized by several public and private sector sources and have developed capacity and expertise as a community-based lender. In particular, we have considerable experience in making loans to businesses that have been denied commercial credit.

The recommended action by this item is to authorize our application for certification as a Community Development Financial Institution (CDFI). The purpose of the action is to improve our opportunities to leverage our expertise as a non-traditional lender to access additional resources through commercial credit institutions, other CDFI's and foundations and the U.S. Treasury Department.

CDFI is a certification overseen by the U.S. Treasury Department, establishing for its recipients access to a Treasury financed CDFI Fund. The mission of the CDFI Fund is to "expand the capacity of financial institutions to provide credit, capital, and financial services to underserved populations and communities in the U.S."

As further stated on its website, the CDFI fund promotes access to capital and economic growth by:

- Directly investing in, supporting and training CDFIs that provide loans, investments, financial services and technical assistance to underserved populations and communities;
- By providing an allocation of tax credits (New Markets Tax Credits, or NMTC) to community development entities which enable them to attract investment from the private sector and reinvest these amounts in low-income communities;
- By providing incentives to banks (through its Bank Enterprise Award, or BEA Program) to invest in their communities and in CDFIs.

Establishing the EDC as a CDFI will advance our goal of expanding our role as a community based lender, particularly through assisting disadvantaged communities in access to capital. Through the CDFI designation we can seek to raise funds through local banks, then leverage that local investment to bring in additional resources through the Treasury's CDFI Fund.

There are over 1,000 CDFI's nationally and at least three other organizations providing service in Ventura County who have the CDFI certification: California Coastal Rural Development Corporation (a chartered financial development corporation based in Monterey County, providing services along the central coast, Women's Economic Ventures (based in Santa Barbara County and operating also in Ventura, and Ventura County Community Development Corporation which concentrates on empowering families through home ownership and education. Given the need and opportunity for service to disadvantaged businesses throughout Ventura and Santa Barbara Counties, our gaining the designation should contribute positively by improving our access to additional lending capital and business technical assistance resources.

So far in developing the application we have not discovered any reason for which we would not be eligible for CDFI certification. That noted, today's action is for authorization to submit the application. Should we encounter any barriers we will share that information with the Board and will keep the Board apprised of our progress.

Drake requested a motion that the Board of Directors approve a Resolution, as attached, authorizing application for certification by the U.S. Treasury Department as a Community

Development Financial Institution. Sim Tang-Paradis motioned that the Board of Directors approve a Resolution, as attached, authorizing application for certification by the U.S. Treasury Department as a Community Development Financial Institution. Bob Huber seconded the motion. All Board members listed in attendance in favor, motion carried.

3rd Quarter Small Business Development Center Report

Stenslie explained that our service delivery is through the provision of direct, one-on-one professional consulting, using a corps of some 30 business advisors. 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 and current outcomes follow below; a copy of the scorecard that displays outcomes for the entire Los Angeles region and for our EDC specific performance is attached. All outcomes (or “milestones”) must be documented by signed agreement from the businesses served.

<u>Performance Goals</u>	<u>Annual Outcome Target</u>	<u>3rd Qtrr Outcomes</u>
Clients Served:	821	712
Capital Infusion	\$30,000,000	\$34,548,373
Business Starts	60	17

The goals and targets are assigned by the Lead Center. 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 wholly on track to exceed the measures for clients served and capital infusion, though we are well behind on new business starts, with considerable ground still to cover. We anticipate closing the gap on new starts considerably with clients in the system, though we may for the first time come up short in this measure. Our shortfall this year has two causes: one, a change in our partnership in Santa Barbara County, no longer contracted with the Scheinfeld Center for Entrepreneurship, which helped us generate and capture start up activity; and two, some turnover in our advisor roster, with fewer current advisors concentrating on very early stage business formation.

On the financial side, we previously reported that the new \$475,000 from the Governor’s Office restricts 80% of the fund to direct client counseling. That was not anticipated at the time we applied for and secured the fund. That restriction has put a considerable constraint on our ability to deploy it. Along with the rest of the statewide SBDC network, we anticipate about half of that allocation going unspent this year, rolling over to a second year. We are working within the network and through other channels, seeking changes to the contract conditions more conducive to growing regional capacity to serve more clients. That aside, we are on track to fully spend the core SBA allocation and the Governor’s Capital Infusion funds.

President’s Report

Stenslie announced that EDC has long recognized that a potentially higher contributing element to the region’s economic competitiveness is its “creative economy.” Defined as the set of industries that depend on individual creativity to generate employment and wealth, the creative economy manifests in several well defined sectors: architecture and design, art and art galleries, digital media, film and entertainment. We also find a strong

alignment of the creative economy with entrepreneurship and innovation, which have been widely recognized regionally and nationally as the most reliable foundations for sustainable economic growth.

With that background in mind, staff has developed a proposal for securing funds to develop a profile and assessment of the region's creative economy assets and condition. Our larger purpose in the study is to form the foundation for a targeted business assistance program for firms within the cluster.

Such a format or template for the profile already exists, executed for several years in collaboration with the Otis College of Arts and Design in Los Angeles. Unfortunately, the Otis reports do not provide county level data for Ventura and Santa Barbara Counties.

To move this initiative forward, we presented a \$10,000 proposal to the Ventura County Community Foundation. *The Foundation has approved and funded the proposal.* The second attachment is an earlier internal staff project development memo, providing additional background on the concept and considerations for implementation.

Our next step is to contract with the Los Angeles Economic Development Corporation—the initial designer and co-publisher of the Otis Reports—for gathering, analyzing and presenting both Ventura and Santa Barbara County data. By doing both counties, we address our core Small Business Development Center region, establishing a foundation to support a higher concentration of business technical assistance to the region's players in the creative economy.

Once we have the report, estimated to be complete by or near the end of the calendar year, we'll begin outreach and some limited convening for the purpose of connecting our core competency in business technical assistance to firms in the cluster. For that activity we have sufficient consulting budget. Moving forward we'll add to the advisor roster as appropriate to meet client volume, need and demand.

Staff will keep the board apprised of the timetable for implementation once we have agreement and an estimated completion date for the data analysis and report.

Stenslie informed the Board that EDC is being recognized by VCEDA for a "From Red Tape to Red Carpet" Public/Private Partnership Award. This award will be presented at VCEDA's Business Outlook Conference on October 31, event flyer is attached.

**Committee/Liaison
Reports:**

VCEDA

Michele Newell reminded the Board that VCEDA's Business Outlook Conference will be held at the Ventura County Office of Education in Camarillo on 10/31/2019. Michele shared information on the awardees to be recognized at the event.

Naval Surface Warfare Center-Port Hueneme Division

Alan Jaeger stated that they are excited and thankful for the partnership with the EDC, the Port and Matter Labs. Jaeger spoke of the SBIR Focus and the planning for 14th Annual Costal Trident.

Economic Developers Roundtable

None

Ventura County Lodging Association

None

Calleguas Municipal Water District

Anthony Goff gave a brief update stating that they are focusing on having all of their systems in place for disasters.

**New or Unfinished
Business:**

**Board Member
Comments:**

Nan Drake shared what is happening to the world of recycling in Ventura County. Explaining Harrison's new campaign and new equipment to clean up the recycled products. Please do not stop recycling. Spread the word.

Adjournment:

Meeting adjourned at 4:32 p.m. Our next meeting is November 21, 2019 at 4001 Mission Oaks Blvd, Camarillo, CA 93012.