

**THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
BOARD ACTION SUMMARY**

DEPT: Chief Executive Office

BOARD AGENDA: 7.1
AGENDA DATE: January 31, 2023

SUBJECT:

Acceptance of an Update on the Stanislaus 2030 Investment Blueprint Bioindustrial Manufacturing Strategy, Approval of Spending Plan of up to \$10 Million in American Rescue Plan Act Funds for the Bioindustrial Manufacturing Strategy and Related Actions

BOARD ACTION AS FOLLOWS:

RESOLUTION NO. 2023-0047

On motion of Supervisor Chiesa Seconded by Supervisor Grewal
and approved by the following vote,
Ayes: Supervisors: B. Condit, Chiesa, Withrow, Grewal, and Chairman C. Condit
Noes: Supervisors: None
Excused or Absent: Supervisors: None
Abstaining: Supervisor: None

- 1) X Approved as recommended
- 2) _____ Denied
- 3) _____ Approved as amended
- 4) _____ Other:

MOTION:

ATTEST: Kelly Rodriguez
KELLY RODRIGUEZ, Assistant Clerk of the Board of Supervisors

File No.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
AGENDA ITEM

DEPT: Chief Executive Office

BOARD AGENDA:7.1

AGENDA DATE: January 31, 2023

CONSENT ☐

CEO CONCURRENCE: YES

4/5 Vote Required: Yes

SUBJECT:

Acceptance of an Update on the Stanislaus 2030 Investment Blueprint Bioindustrial Manufacturing Strategy, Approval of Spending Plan of up to \$10 Million in American Rescue Plan Act Funds for the Bioindustrial Manufacturing Strategy and Related Actions

STAFF RECOMMENDATION:

1. Accept an update on the Stanislaus 2030 Investment Blueprint Bioindustrial Manufacturing Strategy.
2. Approve a spending plan of up to \$10 million in American Rescue Plan Act (ARPA) funds for the Stanislaus 2030 Investment Blueprint Bioindustrial Manufacturing Strategy.
3. Authorize the Chief Executive Officer to negotiate and execute an agreement with Stanislaus Business Alliance, dba Opportunity Stanislaus, including any amendments, in an amount not to exceed \$650,000 with a term of one year, to support the formation and operations of BioEconomy, Agriculture, & Manufacturing (BEAM) Circular.
4. Direct the Auditor-Controller to increase appropriations and estimated revenue by \$650,000 in County Operations – ARPA State and Local Fiscal Recovery Fund, as detailed in the attached budget journal.

DISCUSSION:

Background

The State and Local Coronavirus Fiscal Recovery Funds legislation, part of the American Rescue Plan Act (ARPA), was signed into law by President Biden on March 11, 2021. The bill includes \$65.1 billion in direct, flexible, aid to every county in America. An additional \$65.1 billion has been allocated to States, metropolitan cities, and nonentitlement units of local government. Stanislaus County was allocated \$106,959,250 through ARPA.

On May 18, 2021, the Board of Supervisors approved the following initial funding priority strategies for the use of \$90 million of the \$107 million ARPA funds to support the County's recovery from the economic impacts of the COVID-19 pandemic:

Community Infrastructure	\$50 million
Economic Development/Job Creation	\$30 million

Supporting Families/Individuals

\$5 million

Investment in Community Development Corporation (CDC)

\$5 million

The remaining ARPA balance has been reserved for additional consideration after the initial development of core funding priorities. Staff are currently working on potential strategies for reserve funds and will return to the Board with recommendations targeted in the next 30-60 days for consideration.

Economic Development/Job Creation

On August 10, 2021, the Board of Supervisors approved an agreement with the Stanislaus Community Foundation (SCF) to provide consulting engagement in support for Stanislaus 2030, a collaboration among business, government, and civic stakeholders to create and deliver a joint strategy and investment plan for regional economic growth and opportunity in the coming decade. The intention was to deliver a community-wide vision for Stanislaus County's future economy, and corresponding investment agenda to define the path necessary to achieve that vision. It also provides specific areas of potential investment for the County to consider in programming ARPA funding identified for Economic Development/Job Creation.

As part of the effort a community assessment was completed, community engagement efforts were initiated, and local researchers convened. Community outreach and public engagement augmented data analysis by providing a lived-experience perspective. This work uncovered some new insights:

- Over half of the County's population struggles to make ends meet, the majority of which, are struggling families with at least one adult in the family who is working. This equates to approximately 214,000 people.
- Stanislaus County's local job base does not provide opportunity for many residents to meet a basic level of economic self-sufficiency.
- Only 13% of jobs in Stanislaus County can be categorized as "good" jobs, an additional 22% can be categorized as "promising" and the remaining 65% of jobs, or approximately 124,000 positions, fail to meet standards for ensuring worker self-sufficiency.
- To reduce the share of children in struggling families by 50%, the region will need to create more than 40,000 "good" jobs than currently exist.

Equipped with this information, five workgroups, comprised of technical experts, local community members and key stakeholders, came together to move key focus areas from analysis to prototypes and solutions for inclusion in a comprehensive investment document. The workgroups focused on:

- Entrepreneurship and small business dynamism
- Talent development
- Addressing non-skill barriers to jobs and training
- Bioproducts and the circular economy growth strategy
- Technology and skill adoption in the Ag sector

The comprehensive investment document, the Stanislaus 2030 Investment Blueprint (Investment Blueprint), is based on the understanding of larger market forces and future trends; current and future state of Stanislaus County economy; knowledge of demographic shifts; and authentic community input. Four strategic focus areas were identified: (1) Bioindustrial Manufacturing; (2) Talent Development; (3) Removal of Non-Skill Barriers to Jobs & Training; and (4) Entrepreneurship and Small Business Dynamism. A copy of the Investment Blueprint is attached to this agenda item and is available in English and Spanish through the following link: www.stanislaus2030.com/resources.

The Investment Blueprint, accepted by the Board of Supervisors on November 1, 2022, identifies strategic focus areas with initial investment strategies and tactics; funding and policy aligned with each of the strategies and performance that is reported regularly to partners and the public. The investable strategies, totaling more than \$75 million, position the community in a new way to seek funding from public and private sources to implement the activation plans and build a resilient economy.

The Investment Blueprint culminated the first phase of Stanislaus 2030 which included the research and analysis that informed the Investment Blueprint. The second phase, or start-up phase, is anticipated to develop over the next 10-12 months. During this time, workplans identified in the Investment Blueprint will be built into actionable implementation plans. As implementation plans are completed, staff will evaluate potential alignment with County funding priorities and return to the Board of Supervisors to formally adopt specific funding strategies where applicable.

This agenda item focuses on recommendations specific to strategies in the Investment Blueprint related to Bioindustrial Manufacturing. Staff are working on the alignment of all other strategies under Stanislaus 2030 and expect additional recommendations to return to the Board in 30-60 days.

Bioindustrial Manufacturing

The Stanislaus 2030 - 2022 Market Assessment Executive Summary stated, "One factor driving the region's challenge is that it lags in growth of 'traded sectors' that sell goods or services outside the region, generating higher wages and big multiplier effects in the local economy; those sectors accounted for only 15% of job growth between 2010 and 2020." Analysis of market, talent, innovation, and infrastructure factors identified Bioindustrial Manufacturing as a novel competitive niche for Stanislaus and the North San Joaquin Valley. This emerging sector holds potential to diversify the economy and generate many accessible good and promising jobs for residents, while building upon and complementing historic strengths in agriculture and food processing. The initial case for investment in Bioindustrial Manufacturing as a potential traded sector growth opportunity is provided in the Investment Blueprint (pages 37-47).

BioMADE, the federally-designated Bioindustrial Manufacturing Innovation Institute, defines the sector as the use of living organisms — including microbes such as bacteria, yeast, and algae — to create valuable new materials or sustainable alternatives to existing petroleum-based materials. The bioeconomy, beyond human health, is poised for annual economic impact of up to \$2 trillion within the next 20 years, with the bio-based materials market alone forecasted to grow 26.5% to \$87 billion by 2026 in applications ranging from packaging to electronics to automobiles. Furthermore, growth of the bioproduction sector supports environmental and climate goals, national security supply chain priorities, and rural development.

The Stanislaus region is distinctively positioned for this emerging industry, particularly for the commercialization and manufacturing of non-pharmaceutical bio-based product innovations including materials, chemicals, foods, and fuels. Advantages include proximity to relevant inputs (feedstocks), innovation, and talent, as well as in-state market demand and supportive policies. Stanislaus and Merced are the only two counties in the United States that offer the combination of extraordinarily large, diverse agricultural production and a high concentration of manufacturing activity within close driving distance of a superstar tech city.

This mix of factors provides the foundation for Stanislaus County to be the preferred home for Bioindustrial Manufacturing firms looking to demonstrate viability and scale production beyond a lab setting, as well as commercialize and expand in the California and U.S. markets. However, unlocking this potential depends on how creatively and productively the region develops and deploys these assets to build an ecosystem

The Bioindustrial Manufacturing focus area’s vision is, by 2030, for Stanislaus County to be a top location in the country for Bioindustrial Manufacturing firms from scale-up to commercialization, creating significant numbers of new quality jobs for residents across all skill levels. To achieve this vision, the Investment Blueprint identified the following 12 initiatives and estimated costs in support of this new industry cluster:

	Strategy	Estimated Cost
1.	Establish a shared pre-commercial scale-up production testbed facility, enabling firms to validate processes and procedures that move from lab-based pilot viability to commercial manufacturing, filling a market gap and distinguishing the region nationwide.	Estimated \$31 million total (approximately \$25 million capital expenditure, plus \$6 million startup operating subsidy over three years), pending full planning and design.
2.	Provide a flexible pool of firm-specific, time-limited incentives to draw anchor firms, focused on boosting productivity rather than subsidizing job creation.	Estimated value of up to \$9 million over three years.
3.	Launch a Bioindustrial Manufacturing Growth Partnership with dedicated, ongoing capacity to serve as a hub for the sector, facilitate strategy delivery across multiple contributors, and	\$2.3 million over three years for operational costs including staff, marketing, events, travel, research, and administration, as well as stipends for community organizations to participate

	promote inclusive outcomes.	in inclusion initiatives.
4.	Institute knowledge transfer partnership programs and innovation vouchers to bolster firm access to cutting-edge technologies, processes, and problem-solving.	\$900,000 over three years, targeting up to 20 firms.
5.	Create an accelerator program to attract later-stage startups, bolstering the local ecosystem and promoting regional identity.	\$10 million over 3 years, with potential for recoupment in 5-10 years assuming ~5% equity stake in firms.
6.	Improve competitiveness of upstream, downstream, and adjacent firms to promote “cluster” effects through enhanced connections to existing forms of technical assistance.	\$650,000 over three years, targeting up to 20 firms.
7.	Raise profile with leading bioproducts-focused investors, using national industry finance networks to connect firms into the region and help scale-ups access resources.	\$200,000 over three years for outreach, including research, marketing, convenings, and technical assistance.
8.	Promote access to government research and commercialization funding through matches and application assistance.	Up to \$1 million for matches over 3 years, with staff support to execute, pending industry expert consultation on program design and funding thresholds for the sector.
9.	Promote site portfolio awareness and readiness, targeted to unique needs of Bioindustrial Manufacturing firms.	\$100,000 for identifying site-specific needs of bioindustrial companies, then creating a portfolio of viable locations for marketing and determining gaps; future budget could be fulfilled by the proposed flexible firm-specific incentives pool, or be justified separately for general physical improvements.
10.	Create upstream infrastructure for accessing feedstocks to improve efficiency and reliability of inputs.	No immediate direct cost beyond existing staff time to explore options with national experts, potentially leading to either nominal operating expenses or a future larger capital expenditure proposal.
11.	Provide a “plug-and-play” workforce system response to emerging bioindustrial firms, leveraging the Manufacturing Talent-to-Industry Exchange.	Costs are incorporated into the proposed 2030 Manufacturing Talent-to-Industry Exchange budget.

12.	Boost and diversify the pipeline of STEM graduates with bioproducts relevant degrees and industry exposure through work-based learning and intensive support services.	\$2.45 million over three years (\$950,000 for work-based exposure pilot program serving at least 100 students, and \$1.5 million for a degree completion support program serving up to 150 students).
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Stanislaus County worked with KP Warner Consulting to develop an organizational plan for the Bioindustrial Manufacturing Growth Partnership (Item #3) that will support the implementation of Bioindustrial Manufacturing strategies identified by Stanislaus 2030. To fulfill the Bioindustrial Manufacturing Growth Partnership function, a new hub organization has been launched, known as BEAM Circular. “BEAM” stands for BioEconomy, Agriculture, & Manufacturing, and this new organization will facilitate work across government, industry, and community. BEAM Circular will coordinate, support, and execute program design, business development, marketing and communications, funding identification, and pursuit, policy advocacy, and performance tracking to advance the Bioindustrial Manufacturing focus area.

A draft scope of work for BEAM Circular is attached to this agenda item, including an estimated budget of up to \$650,000 in County funding for year one start-up costs. Opportunity Stanislaus has volunteered to serve as Fiscal Agent for BEAM Circular during this start-up phase and will contribute in-kind services to offset some administrative costs in the initial year. KP Warner Consulting will form the necessary partnership with Opportunity Stanislaus to fulfill the scope of work for BEAM Circular. This agenda item includes a recommendation to grant the Chief Executive Officer authority to negotiate and execute a final agreement with Opportunity Stanislaus for the first year of operations for BEAM Circular. The draft scope of work will be incorporated into that agreement with any modifications deemed necessary to complete the contracting process.

In addition to Opportunity Stanislaus, KP Warner Consulting has proven successful in developing partnerships throughout the region to kick-start this new industry focus on behalf of Stanislaus County. This includes initial planning of the North San Joaquin Valley Bioindustrial Manufacturing Innovation Engine (NSJV-BMIE), an initiative co-led with UC Merced and Lawrence Berkeley National Laboratory that engages a coalition of 30+ cross-sector institutions to design and build a regional innovation ecosystem. While Stanislaus County will establish the hub for Bioindustrial Manufacturing, local success over time depends upon a regional model in partnership with stakeholders in Merced County and San Joaquin County.

POLICY ISSUE:

Board of Supervisors’ approval is required for any contract or agreement where the total cumulative compensation exceeds \$200,000. This requirement is based upon Government Codes section 25212, et seq, and section 25502.5, et seq, which establishes the powers of the Board of Supervisors and the Purchasing Agent.

Additionally, Government Code Section 29125 provides that transfers and revisions to the adopted appropriations may be made by an action formally adopted by the Board of Supervisors at a regular or special meeting by four-fifths vote.

FISCAL IMPACT:

Staff is recommending the Board of Supervisors designate up to \$10 million in ARPA funding for future Bioindustrial Manufacturing activities and strategies as provided in the Stanislaus 2030 Investment Blueprint.

Included in this \$10 million allocation is a request for authorization for the Chief Executive Officer to negotiate and execute an agreement up to \$650,000 for a contract with Opportunity Stanislaus to establish the first year of operations for BEAM Circular. Total first year operating costs for BEAM Circular are estimated to be \$985,500. County funding (up to \$650,000) will provide approximately 66% of the budget in the initial year, with KP Warner Consulting identifying other funding sources to support remaining costs. County staff will work with KP Warner Consulting and Opportunity Stanislaus to evaluate potential budget requests and funding sources necessary to maintain ongoing operations over the next two years.

Staff will return to the Board of Supervisors throughout 2023 to consider specific investment opportunities and corresponding recommendations for the remaining \$9,350,000 in funding for Bioindustrial Manufacturing. The Investment Blueprint identifies over \$57 million in total investment strategies for Bioindustrial Manufacturing, with the belief that funding from private and public sources will materialize to reach this goal. County funding requests will be strategically deployed to spur additional investment from other funding sources.

The attached budget journal will increase appropriations and estimated revenue by \$650,000 in County Operations – ARPA State and Local Fiscal Recovery Fund to fund the \$650,000 contract with Opportunity Stanislaus for BEAM Circular. ARPA funding is appropriate to support these efforts necessary to address the negative economic impacts of the pandemic by supporting the creation of significant numbers of new quality jobs for the area labor force.

BOARD OF SUPERVISORS' PRIORITY:

Approval of the recommended actions support the Board of Supervisors' priorities of Supporting a *Strong and Safe Community*, *Developing a High-Performing Economy*, and *Delivering Efficient Public Services* by ensuring that ARPA funds are strategically dedicated to local priorities for COVID-19 fiscal recovery that will benefit the community and the people we serve.

STAFFING IMPACT:

There is no staffing impact associated with the recommendations in this agenda item. Existing staff in the Chief Executive Office will continue to be engaged with the activation of the Bioindustrial Manufacturing Strategy and Stanislaus 2030 Investment Blueprint.

CONTACT PERSON:

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Tina Rocha, Assistant Executive Officer	209-525-6333
Patrick Cavanah, Senior Management Consultant	209-525-6333

ATTACHMENT(S):

1. BEAM Circular Draft Scope of Work
2. Stanislaus 2030 Investment Blueprint
3. Budget Journal

DRAFT SCOPE OF WORK

BEAM Circular: Proposal to launch a Bioindustrial Manufacturing Growth Partnership

Prepared for Stanislaus County by KP Warner Consulting
January, 2023

Background

A cornerstone of the Stanislaus 2030 Investment Blueprint is an ambitious traded sector development strategy that will build a regional specialization in the bioindustrial manufacturing industry. Bioindustrial manufacturing converts organic waste from the food and agricultural sectors into a broad range of useful products and materials. This rapidly growing global sector has been identified as an emerging competitive niche for Stanislaus and the surrounding North San Joaquin County, with potential to generate accessible good and promising jobs for residents while building upon and complementing historic strengths in agriculture and food processing.

One of the key “cross-cutting initiatives” recommended in the Stanislaus 2030 sector strategy is development of a Bioindustrial Manufacturing Growth Partnership¹, which will serve as a “center of gravity” and hub for regional collaboration and external engagement. Launching this hub is a necessary first step in advancing the broader strategy and its portfolio of recommended investments to support infrastructure, talent, innovation, and capital access. The Growth Partnership will provide the region with a unified voice and approach in implementation of sector-development tactics – representing and promoting the region to the industry and other stakeholders, organizing and supporting partner efforts toward a joint workplan, pursuing resources for mutual benefit, tracking progress, and refining strategies.

Stanislaus County contracted with KP Warner Consulting to develop an organizational plan for the Bioindustrial Manufacturing Growth Partnership that will support the implementation of the Stanislaus 2030 traded sector development strategy. KP Warner Consulting worked closely with the Brookings advisory team that supported the Stanislaus 2030 initiative to develop an activation plan for this new effort, and is now prepared to formally launch the new hub organization that will fulfill the Bioindustrial Manufacturing Growth Partnership function. The name of this new hub is BEAM Circular. Below is an overview of BEAM Circular, its launch plan, and a proposal to Stanislaus County for Year 1 seed funding.

BEAM Circular Overview

Introduction

BEAM Circular is a new hub for the circular bioeconomy anchored in the North San Joaquin Valley of California and headquartered in Stanislaus County. This industry accelerator is advancing an ambitious portfolio of public-private projects and collaborative initiatives to scale up innovations in bioindustrial manufacturing, a rapidly growing global industry that transforms food and agricultural waste into valuable products and materials. BEAM Circular (“BEAM”) will facilitate collective action across government, industry, and community to propel the most promising solutions in the sector while fostering inclusive economic development in its anchor region.

Catalyzed by the regional economic development initiative Stanislaus 2030, BEAM will coordinate, support, and execute program design, business development, marketing and communications, funding identification and pursuit, policy advocacy, and performance tracking to advance the Stanislaus 2030

¹ Stanislaus 2030 Investment Blueprint, page 42.

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Investment Blueprint's traded sector development strategy. This strategy is designed to establish Stanislaus County and the surrounding North San Joaquin Valley as a global leader in bioindustrial manufacturing. In service of the multi-faceted strategy, which requires distributed implementation and engagement of a broad coalition of partners, BEAM will facilitate and augment activities performed by existing organizations, avoiding duplication and breaking down silos. It will serve as the region's primary representative for visibility and engagement with the bioindustrial manufacturing sector, and will also be accountable for ensuring that inclusive outcomes for residents are prioritized and measured in the delivery of the Stanislaus 2030 sector development strategy.

The name "BEAM" stands for BioEconomy, Agriculture, & Manufacturing, and represents the backbone function that BEAM Circular will play in building a regional ecosystem – similar to the beams that form the structural support of a building – as well as the way that this new hub will serve as a beam of light to attract investment to the region and to lift up best practices in the circular bioeconomy.

Mission and Vision

BEAM Circular is on a mission to propel the circular bioeconomy by transforming waste into value across food and agricultural systems. BEAM (BioEconomy, Agriculture, & Manufacturing) will expand inclusive access to family-sustaining jobs and advance environmental solutions by building a vibrant regional ecosystem for bioindustrial manufacturing in the North San Joaquin Valley, making our region the best place in the country for bioproduction innovations to go to scale.

Projects and Services

BEAM will provide coordination to launch and support a portfolio of projects that involve distributed leadership and implementation via multiple partners. This includes refining the design and activation plans for the variety of projects and initiatives recommended in the Stanislaus 2030 Investment Blueprint traded sector development strategy; providing research and technical assistance to support local agencies and organizations responsible for implementing various elements of the strategy; facilitating ongoing partner development, coordination, and convening efforts; and leading business development and fundraising efforts to mobilize resources for the Stanislaus 2030 investment agenda.

Specific projects in the BEAM portfolio during its first three years will include the following:

A. Cross-Cutting Initiatives

- Establish the necessary partnerships and financing to develop a **bioindustrial manufacturing testbed manufacturing facility** in Stanislaus County.
- Launch and coordinate the **North San Joaquin Valley Bioindustrial Manufacturing Innovation Engine (NSJV-BMIE)**, an initiative co-led with UC Merced and Lawrence Berkeley National Laboratory that engages a coalition of 30+ cross-sector institutions to design and build a regional innovation ecosystem.
- Provide technical assistance to local governments to design and deploy **targeted incentive programs** to attract and retain anchor employers in the sector.
- Facilitate a **Community Benefits in the Circular Bioeconomy** working group that will engage local communities to assess and pursue special initiatives and opportunities to advance equitable access to good jobs, build community wealth, and/or address environmental justice through the development of the local circular bioeconomy.

B. Innovation Access

- Facilitate the design and launch of a new **business accelerator**.

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- Facilitate the design and launch of **innovation access programs** for local firms, such as knowledge partnership / innovation voucher programs and supporting connectivity with technical assistance programs.

C. Capital Connections

- **Develop investor networks** to connect local firms with capital and to market the region to startups from outside the region.
- Supporting partners to deploy **application assistance and grant matching** to encourage local firm access to public research and commercialization programs.

D. Enabling Infrastructure

- Supporting an **industrial site inventory assessment** and delivering recommendations to local governments for **shared infrastructure investment opportunities**.
- Advancing a **Feedstock Access Project** that will assess and identify opportunities to improve regional feedstock supply chains.

E. Talent

- Participate in the establishment of a new regional **Manufacturing Talent-to-Industry-Exchange**, supporting a subsector focus on bioindustrial manufacturing.
- Support local **workforce and education** providers to develop and expand sector-relevant work-based learning and other industry training opportunities, with a focus on access and inclusion.

Note: The portfolio of projects that make up the Stanislaus 2030 traded sector development strategy will require distributed leadership and the participation of multiple organizations in the delivery of projects and programs. BEAM will not serve as the lead implementer of most projects, but will offer centralized coordination and facilitate the necessary research, planning, partnership development, and resource advocacy and navigation necessary to drive the collective agenda forward. BEAM will engage in direct program delivery and project execution only in instances where an appropriate lead organization does not currently exist in the region, and/or where the activity falls within the scope of BEAM's particular expertise and role in the ecosystem. Wherever possible, BEAM will leverage and align existing resources and support the development of partner capacity to implement projects and deliver programming.

Structure

BEAM Circular will be incubated for one year by a Fiscal Sponsor with established 501(c)3 nonprofit status, which will provide financial and administrative backbone support to the new organization, including maintaining a separate bank account for BEAM funds. During the incubation period BEAM leadership will evaluate multiple operating structure options and revenue models to determine and establish a long-term BEAM organizational structure and sustainability plan. At the end of the one-year incubation period, BEAM will either continue to operate with Fiscal Sponsorship under renewed agreement with the same sponsor or in partnership with a new sponsoring organization, or it will establish itself as an independent organization.

Stanislaus Business Alliance, Inc (d.b.a. Opportunity Stanislaus) will serve as Fiscal Sponsor for BEAM's incubation period, and has offered in-kind financial and administrative support as well as office space to support the launch of BEAM. As a key partner in the development and deployment of the Stanislaus 2030 investment agenda and the county's primary economic development organization, Opportunity Stanislaus is a natural Fiscal Sponsor for this effort. The incubation of BEAM at Opportunity Stanislaus will generate significant opportunity for collaboration, efficiencies, and alignment across local economic development efforts.

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Staffing & Oversight

BEAM will be led and operated by a full time CEO and staff (minimum 3 FTE in Year 1) responsible for program management, operations, and business development. BEAM will also engage with a variety of contractors for specific services and implementation of project-based work.

BEAM will be programmatically overseen and supported by an Advisory Committee consisting of a combination of national industry experts and local partners. During its incubation period BEAM will be legally accountable to the governing board of its Fiscal Sponsor. BEAM and the Fiscal Sponsor will be mutually responsible for compliance with the terms of any funding agreements entered into for the operation of BEAM.

Seed Funding

The Stanislaus 2030 Investment Blueprint recommends resourcing the Bioindustrial Manufacturing Growth Partnership with \$2.3 million over three years to fund core operations of a new sector hub. This does not include any special initiative or project funds that may flow through the hub for implementation or contract delivery beyond core operations, for example to support the implementation of one of the other investment recommendations (i.e., innovation, infrastructure, talent, and capital access projects, and other cross-cutting initiatives).

At this time, we recommend to Stanislaus County an initial seed investment of \$650,000 to BEAM Circular, which will serve as the Bioindustrial Manufacturing Growth Partnership, to support one year of core operations. This investment will enable Stanislaus County to deliver on a key recommendation of the Stanislaus 2030 Investment Blueprint – launch of a new industry growth partnership – and enable the timely advancement of key projects across the sector strategy portfolio. Over the coming months, BEAM will make recommendations for deployment of additional funds to support the advancement of the Stanislaus 2030 sector strategy, including future years of operating support for BEAM Circular and strategic investments across the agenda.

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BEAM Circular Year-1 Operating Budget (February 1, 2023 – January 31, 2023)

Item	Description	Amount
Staff	<ul style="list-style-type: none"> ▪ CEO ▪ Technical & Business Development Lead ▪ Program Manager ▪ Benefits for 3 FTE (estimated 30% of salaries) 	\$150,000 \$110,000 \$75,000 \$100,500
Program Delivery (Supplemental contract staff / consultant support and direct costs)	<ul style="list-style-type: none"> ▪ Research and Strategy (firm and industry analyses; feedstock inventory and access assessment; workforce landscape assessment; grant writing)* ▪ Global Identity and Marketing (communications services, materials, website, membership fees) ▪ Events and Travel (partnership development, industry and partner convenings) ▪ Community Benefits Working Group / Inclusion Agenda (research, planning, community engagement) 	\$290,000* \$35,000 \$30,000 \$65,000
Administration / Overhead	<ul style="list-style-type: none"> ▪ Facilities, technology, legal, supplies, financial, and start-up operational costs 	\$130,000
Year-1 Operating Total		\$985,500
Funding Sources	Stanislaus County Seed Investment (Proposed) CEO Salary Subsidy (In-kind from KP Warner Consulting) Administrative in-kind from Fiscal Sponsor Private Industry Sponsorship of BDO Zone Assessment & Rating Other Public and Private Funding (to be identified)	\$650,000 \$50,000 \$40,000 \$80,000 \$165,500

*Additional Detail on Research & Strategy Contracting

Estimated budget breakdown for contractor roles in Year 1

- Bioeconomy Development Opportunity Zone Assessment and Rating – Up to \$120,000
(Maximum BEAM cost share is \$40,000; majority of costs to be covered by industry sponsors)
 - Assessment of regional woody biomass supply chain and BDO Zone rating to support the attraction and development of bioproduction projects
 - Note: This assessment will be co-sponsored by the Almond Board of California. Contract proposal from assessment provider Ecostrat under review. Final contract cost pending scope of crops included in assessment, which will be determined by identification of additional industry partners.
- Industry Infrastructure Needs and Incentives Analysis –\$40,000
- Workforce and Talent Pipeline Landscape Research and Strategy Advising – \$25,000
- Feedstock Access Assessment & Value Chain Strategy Recommendations – \$50,000
- Policy Advising and Grant Writing – \$25,000
- Other Strategy and Program Development – \$30,000
- **Total: \$290,000**

DRAFT SCOPE OF WORK

Project Timeline – Year 1

Activity	Timeline
Planning and Contracts <ul style="list-style-type: none"> Finalize BEAM Circular launch plan and budget Develop Fiscal Sponsorship agreement with Opportunity Stanislaus Present to County Board of Supervisors for seed funding Coordinate planning for North San Joaquin Valley Bioindustrial Manufacturing Innovation Engine (NSJV-BMIE) 	(Pre-launch) Nov 2022 – Jan 2023
Organizational development planning <ul style="list-style-type: none"> Finalize contracts to establish fiscal sponsorship and seed funding; open bank account Review and recommend long-term organizational and sustainability models 	Feb 2023 Finalize post-incubation plan by Nov 2023
Advisory Committee recruitment & development <ul style="list-style-type: none"> Group of advisors identified and on-boarded Advisors convene for first meeting; develop meeting schedule; develop performance measures and milestones 	Finalize committee Feb 2023 First meeting March 2023 Convene - Ongoing
Staff recruitment and onboarding <ul style="list-style-type: none"> CEO onboarded as employee of Fiscal Sponsor Job descriptions finalized and posted Hire and onboard staff 	CEO contracted Feb 2023 Additional staff onboarded by end of March 2023
Marketing & Communications <ul style="list-style-type: none"> Brand established, tested, integrated into materials Website developed and digital presence developed Announce official launch of BEAM Circular 	Interim website Feb 2023 Refined overview materials and website March 2023
Consultancy/contract coordination <ul style="list-style-type: none"> Identify sub-contractors (consultants) and review agreements, budgets; execute contracts Manage work products and deliverables 	Contractors hired on rolling basis beginning in Feb 2023
Project Management and Program Delivery (ongoing) <ul style="list-style-type: none"> Coordinate NSJV-BMIE Develop portfolio project plans Oversee portfolio project coordination 	NSJV-BMIE launch Feb 2023 Project plans by May 2023 Coordination Ongoing
Funding and Partnership Development (ongoing) <ul style="list-style-type: none"> Source remaining seed funding for BEAM Circular Identify public/private funding for future BEAM operations Develop public and private funding for portfolio of projects / advancement of Stanislaus 2030 sector strategy Nurture firm and investor relationships Organize speaker events and convenings to elevate regional profile and develop relationships Deliver recommendations to Stanislaus 2030 intermediary and Stanislaus County Board of Supervisors for investments in Stanislaus 2030 sector strategy initiatives and projects 	Full seed funding by March 2023 Ongoing fund and partner development Min. quarterly updates and funding recommendations to Stanislaus 2030 and BOS, targeting deployment of ARPA allocation by 2025.



STANISLAUS 2030

STANISLAUS 2030

INVESTMENT BLUEPRINT

STANISLAUS 2030 INVESTMENT BLUEPRINT & ACTION PLAN



Dear Stanislaus Neighbors:

Stanislaus 2030 is a bold, ambitious multi-sector initiative co-led by local business leaders, higher education and government partners alongside labor and community-based organizations. At the heart of Stanislaus 2030 are two essential questions: how can we build a resilient economy so that more residents experience financial success? And, how can we catalyze significant industry and small business growth in the next decade and beyond?

Through a comprehensive “market assessment” developed in affiliation with experts from the Brookings Institution, Stanislaus 2030 examined data using a framework for the essential drivers (talent, innovation, traded sectors) and enablers, (infrastructure and governance) of a vibrant economy.

As members of the Executive Committee, we reflect the region’s broad geographic, demographic, and industry interests. Multiple partners joined the broader Leadership Council to provide guidance at key milestones throughout the process. Many more stakeholders participated in multiple workgroups in the Spring of 2022 to provide technical expertise and insight in our key focus areas. The hard work of all of these partners has led to this Investment Blueprint and Action Plan.

Stanislaus 2030 was intentionally developed as a short sprint because we have a sense of urgency about the fate of our community. We’ve learned much this past year about the definition of a quality job, the importance of traded sectors, and the performance of local institutions to serve our economic goals. We also engaged community members to understand their real-time and

rich lived experience, thanks to our community engagement team, Debrief. You can access our community insights report as well as the full market assessment at **Stanislaus2030.com**.

Our future is up to us, and it is decided here and now. Will we take bold action and secure concrete investments to ensure greater prosperity for more community members? Can we create new industries aligned around our vibrant agricultural base, develop robust workforce training programs and seamless talent pipelines? How can we remove barriers to quality jobs and build a dynamic small business community? The future is up to us, and the answers are, too.

It was critical to us to find the highest-leverage opportunities that move our region’s economy forward in the coming decade. This investment blueprint highlights those strategies and points to concrete next steps. This report includes the estimated dollars needed to jumpstart each strategy. We recognize that these investments will come from multiple sources, including private investors as well as public funding at the federal, state, and local level.

We endorse the strategies within this Investment Blueprint and Action Plan, and we ask you to partner with us to create a resilient Stanislaus economy by 2030 and beyond. This report is not the end of Stanislaus 2030, it’s our north star. Our work towards building a vibrant economy is just beginning.

Join us!

STANISLAUS 2030 EXECUTIVE COMMITTEE



Santanu Bandyopadhyay, Modesto Junior College
Anthony Cannella, Northstar Engineering Group
Chris Courtney, Oak Valley Community Bank
Kathryn Davis, Valley First Credit Union
Seana Day, Better Food Ventures
Joe Duran, Stanislaus Equity Partners
Andy Foster, Aemetis, Inc.
Doris Foster, County Workforce Development
Michael Frantz, Frantz Nursery
Johnny Garcia, Hispanic Chamber of Commerce
Nelson Gomez, South Modesto Businesses United
Mani Grewal, Stanislaus County Board of Supervisors
Jody Hayes, Stanislaus County Chief Executive Office
Ken Irwin, City of Patterson
Marie Joiner, Luxury Limousine
Ellen Junn, Stanislaus State University
Marian Kaanon, Stanislaus Community Foundation
Scott Kuykendall, Stanislaus County Office of Education
Michelle Lewis, E&J Gallo Winery
Juan Munoz, UC Merced
Chichi Nnodim-Jack, SCOE Board of Trustees
Kristin Olsen, California Strategies
Dillon Olvera, Beard Land and Investment Co.
Evan Porges, Porges Properties
Michelle Reimers, Turlock Irrigation District
Tina Rocha, Stanislaus County Chief Executive Office
Tim Robertson, North Valley Labor Federation
Yamilet Valladolid, Golden Valley Health Centers
David White, Opportunity Stanislaus
Bryan Whitemyer, City of Oakdale
Terry Withrow, Stanislaus County Board of Supervisors

VISION & MISSION

Stanislaus 2030 is a collaboration among business, government, and civic stakeholders to create and deliver a joint strategy and investment plan for regional economic growth and opportunity in the coming decade.



We envision, and commit to build, a high-performing, diverse economy to match our multi-cultural lifestyles and dreams for the future.



We will create pathways for Stanislaus community members to achieve economic mobility by building an economy that is diverse, inclusive, connected, vibrant and sustainable.

PARTNERS

Executive Committee

31 key private, public, and civic leaders, representing our region's diverse geographies, demographic groups & sectors of our community.

Leadership Council

200+ leaders representing the community & areas of expertise.

Elected Official Roundtable

City, County, State & Federal Elected Representatives.

Stanislaus County Community Members

Diverse community members across Stanislaus County providing input through one-to-one interviews, listening sessions, focus groups, digital surveys, and community forums and meetings.

Workgroups

Technical experts, local community members and key stakeholders came together over the course of two months to move key focus areas from analysis to prototypes and solutions for inclusion in the Investment Blueprint.

Backbone Team

Stanislaus Community Foundation, Stanislaus County Chief Executive Office, Advisory Team (Project Management, Community Engagement, Research & Analysis).

DESIRED OUTCOMES

Investment Blueprint based on:

- Understanding of larger market forces & future trends
- Current and future state of Stanislaus County economy
- Knowledge of demographic shifts
- Authentic community input

Activation Plans for each priority investment area that include:

- Investable strategies and tactics
- Funding and policy aligned with each of the strategies
- Performance that is reported regularly to partners and the public

PROCESS

September 2021 – February 2022

Discovery & Analysis

- Community assessment complete
- Start community engagement efforts
- Convene local researchers

April – June 2022

Idea Development

- Work groups start meeting
- Explore opportunities
- Build investment plans

September 2022

Finalize Investment Blueprint

- Publish and promote investment blueprint
- Road show to share the investment blueprint with key stakeholders



September – October 2022

Organize & Build Momentum

- Secure public & private funds
- Present to City Councils
- Create backbone team
- Convene local leaders

February – April 2022

Strategy Development & Community Engagement

- Diagnose economic performance, assets and opportunities
- Identify working group topics, champions and facilitators

June – August 2022

Community Input

- Community member survey
- Creation of Investment Blueprint
- Completion of this phase of Stanislaus 2030 work

Moving Forward...

Implement Next Steps

- Create structure
- Build capacity
- Invest in new & existing programs



FRAMEWORK FOR A VIBRANT ECONOMY

Based on work with metro areas and states on economic recovery and resilience strategies following the Great Recession, the Brookings Institution created a Metro Monitor framework to offer a more comprehensive measure of economic success encompassing growth, prosperity, and inclusion. With increased attention to the negative competitive and societal consequences of disparities, reinforced by the experience of the COVID-19 pandemic, this framework has been adopted by dozens of regions over the past five years to guide decisions on economic and workforce development strategies, programs, and progress.

Stanislaus 2030 used this framework to broaden our vision for economic success in our community. These new definitions for a vibrant economy -- growth, prosperity and inclusion -- guided our data analysis, strategy development and decision-making throughout the initiative.



GROWTH



More jobs created and expanded output that increases labor demand and wages, plus young firms that generate greater wealth, employment, and earnings.

METRICS

Jobs

Gross Metropolitan Product

Entrepreneurship
(Jobs at Young Firms)

PROSPERITY



More productive firms to grow the economy from within and generate higher-paying jobs, so the region competes on quality versus low wages.

METRICS

Productivity (GMP Per Job)

Standard of Living (GMP per Capita)

Average Annual Wage

INCLUSION



Access to opportunities that raise employment and income, enabling residents across all community segments to participate to the fullest of their ability.

METRICS

Employment Rate

Median Wage

Relative Poverty

**differences by Race and Geography*

Source: Brookings Metro Monitor

The Wrong Kind of Growth

Stanislaus County has grown steadily in recent years, adding tens of thousands of jobs in the decade leading up to the COVID-19 pandemic. Yet even before this fundamental disruption, many of the county's workers and families struggled to support themselves on their earnings.

Only 13% of jobs in Stanislaus County can be categorized as “good” jobs. An additional 22% count as “promising,” offering a pathway to a good job. The remainder—nearly two-thirds of jobs—fail to meet standards for ensuring worker self-sufficiency.

These findings point to deeper, fundamental challenges to our region's growth model—its mix of industries and competitive strengths—than can be quickly or easily adjusted:

- **Stanislaus County is remarkably unspecialized in the innovative traded sector industries core to success in the modern economy, with its growth heavily weighted towards local-serving and public sectors. Even some long standing traded sector strengths are losing ground.**
- **Entrepreneurship is lagging, indicating waning business dynamism.**
- **Reflecting the makeup and performance of the region's economic drivers, significant numbers of workers and families struggle to make ends meet.**

- **The region has a significant gap in good and promising jobs available to enable workers and their families to achieve self-sufficiency.**

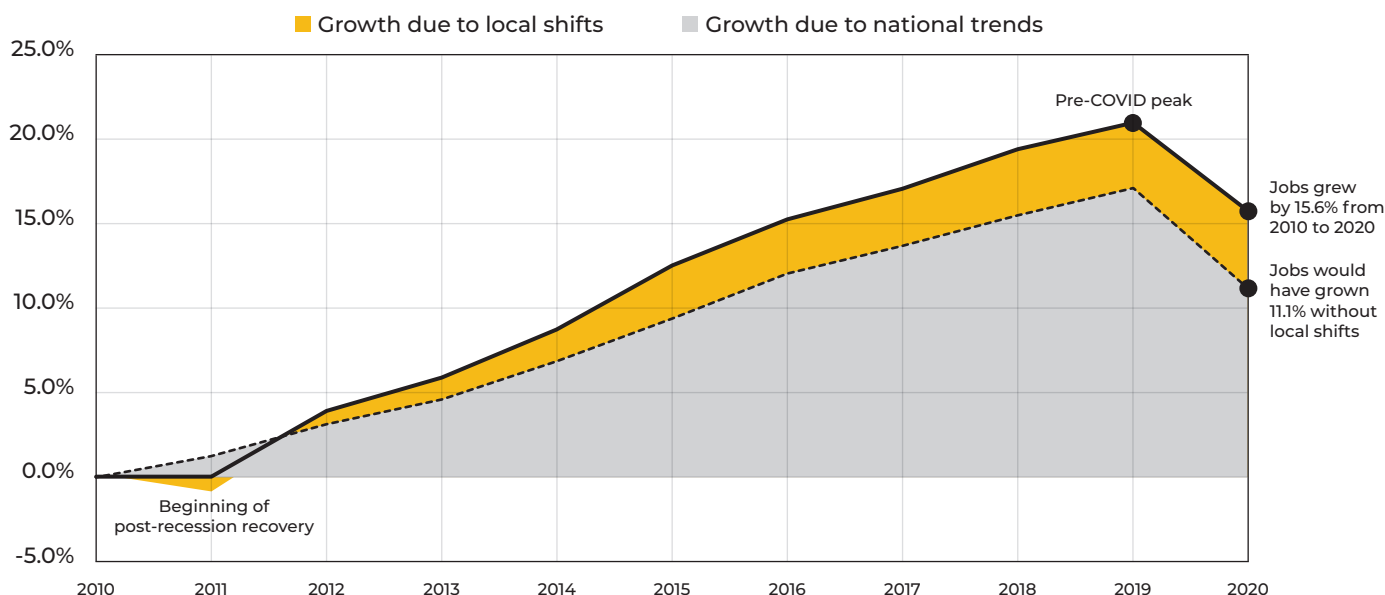
At first glance, Stanislaus' job growth over the last ten years seems to offer good news. During the decade bookended by the Great Recession and COVID-19 crisis, jobs grew steadily, outpacing the national average (**Figure 1**). Yet the makeup of this growth spells trouble for the region's standing in the dynamic, innovative global specializations that make regions adaptable and prosperous.

The region's recent growth is overweighted towards local-serving sectors (**Figure 2**). Representing 56% of Stanislaus County's jobs in 2010, local-serving activities produced nearly 75% of the region's job growth over the next decade, outpacing the national performance. The public sector, including education, contributed another 10% of the County's job growth. Meanwhile, traded sectors which had represented 29% of the region's jobs in 2010, generated only 15% of job growth.

Thus, the region was caught in a cycle of generating local-serving jobs to support new community members and workers commuting outside of the County, or jobs in its dominant agriculture commodities industry that produce below-average traded sector wages—with little in between (**Figure 3**).

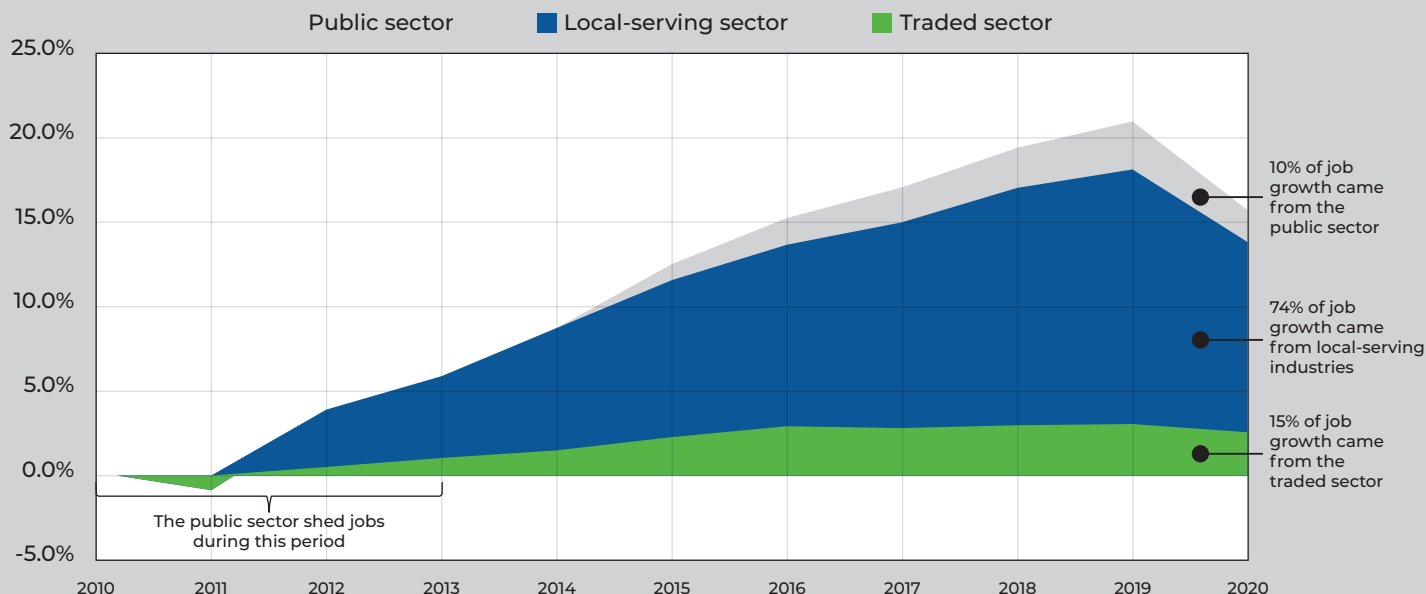
THE COUNTY'S JOB GROWTH EXCEEDED THE NATION'S

Factor Contributions to Job Growth in Stanislaus County — 2010 to 2020



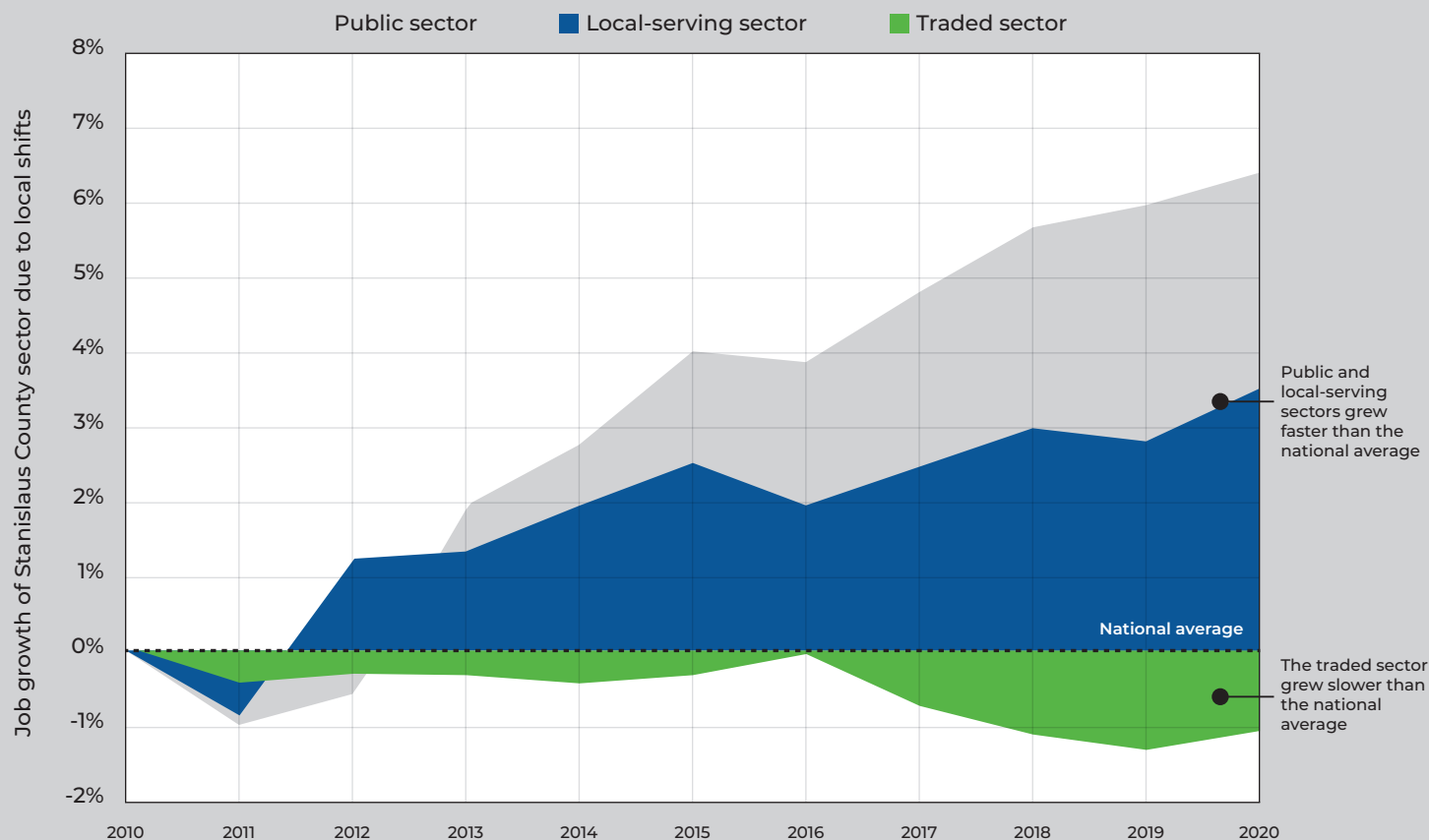
TRADED SECTORS DROVE A SMALL PORTION OF JOB GROWTH

Sectoral contributions to job growth in Stanislaus County — 2010 to 2020



THE TRADED SECTOR ADDED FEWER JOBS THAN EXPECTED

Job growth from local shifts in Stanislaus County, by sector — Since 2010



Large numbers of struggling families and workers



Despite the region's growth, more than half of the County's residents—and nearly 40% of working families—struggle to make ends meet. Most of these residents belong to working families, suggesting that large swaths of the County's job base do not provide ample opportunity for residents to meet even a basic level of economic self-sufficiency (see Figure 4). These results may also reflect the high cost of living in Stanislaus County, albeit one that is lower than many surrounding areas.

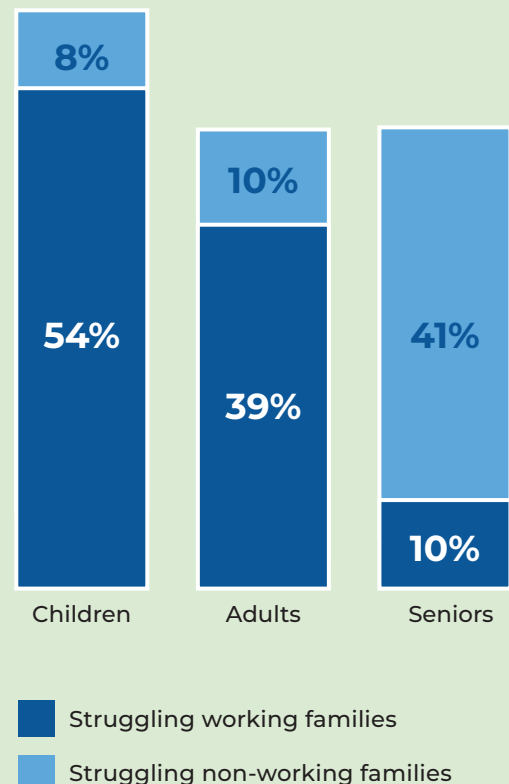
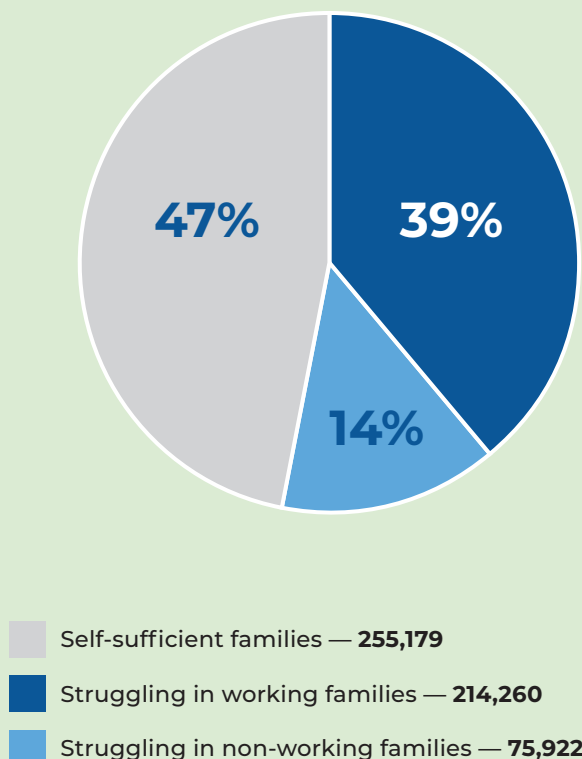
Unsurprisingly, young, less educated, and diverse workers are more likely to struggle, reflecting national trends that advantage those with greater credentialing and experience, as well as other structural barriers to economic success.

- **Educational attainment matters.** Only 14% of the region's struggling workers hold a baccalaureate or associate degree.
- **Age also matters.** 84% of workers aged 18-24 are struggling, versus 56% of 25-34 year-olds and 36% of 35-54 year-olds.
- **Race is correlated to struggling status.** 57% of Hispanic workers struggle compared to 32% of white workers.

Female workers are roughly equivalent to male workers, in contrast to trends in many regions.

OVER HALF THE COUNTY'S POPULATION STRUGGLES TO MAKE ENDS MEET

Stanislaus County population that belongs to a struggling family — 2019



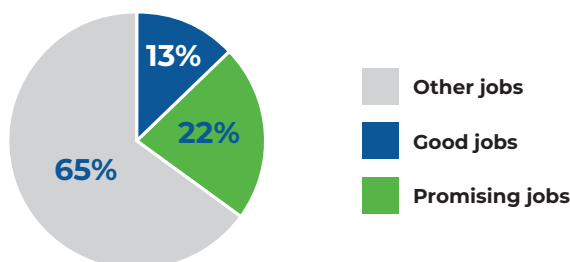
THE GOOD JOBS GAP

As the large number of struggling workers and families in Stanislaus County suggests, the region's economy simply does not generate enough quality jobs that allow for self-sufficiency. Closing this gap is fundamental to any improvement in economic outcomes and expanded prosperity for community members.

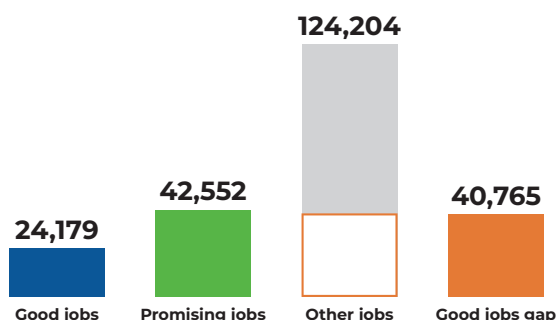
Presently, only 13% of jobs in the County, about 24,000 positions, qualify as good jobs under the Opportunity Industries methodology underpinning this report. (See sidebar for definition of a "good job"). A further 22%, roughly 42,500 positions, count as "promising jobs" offering pathways to a good job within ten years. The remaining 65% of jobs, approximately 124,000 positions, do not meet either of these criteria. This is an extremely low proportion of good and promising jobs compared to other metropolitan areas. **In order to meet the goal set by Stanislaus 2030 – to reduce the share of children in struggling families by 50% – the region would need more than 40,000 "good" jobs than currently exist.**

ONE-THIRD OF THE COUNTY'S JOBS PROVIDE PATHWAYS TO PROSPERITY

Share of Stanislaus County's jobs by quality — 2020



Stanislaus County's job quality numbers — 2020



\$28.58/hr, full time:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health insurance:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career pathways:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

DEFINING GOOD JOBS

Debates over job quality have grown in recent years due to growing concerns over the fortunes of U.S. workers and their stagnant wage growth, downward economic mobility, and the changing nature of work itself. These discussions and accompanying analyses encompass a broad range of factors—from wages and benefits, to work environment (e.g. scheduling stability, other individual employer policies).

Brookings's *Opportunity Industries* approach focuses on the following criteria, utilizing consistent factors that enable comparisons across regional sectors and occupations—and ultimately strategic decisions on economic development priorities by local leaders.

GOOD JOBS MEET THREE CRITERIA:

1. Pay a sufficient annual wage that provides most families with enough income to "make ends meet" based on a localized set of basic living expenses and savings, and to be ineligible for public "safety net" benefits in California (e.g. SNAP, TANF, Medicaid).
2. Provide employer-sponsored health insurance, which serves as a proxy for availability of other employment benefits like paid leave and retirement.
3. Afford durability in retaining or leading to another good job in the future.

PROMISING JOBS do not meet all good job criteria but provide career pathways leading most workers to a good job within 10 years.

OTHER JOBS do not qualify as good or promising.

FACTORS OF REGIONAL ECONOMIC COMPETITIVENESS

5

Five factors underlie the economic success of regions. The primary drivers are strong traded sector industry specializations, deep talent pipelines, and robust innovation and entrepreneurship. Enablers that support the drivers, but are not independently sufficient, include well-connected, efficient infrastructure and effective governance through private, public, and civic relationships to focus and coordinate contributions.

The primary drivers are higher-value **traded sector specializations** that bring new money into the local economy, a deep **talent pool and pipeline** with relevant skills and expertise, and robust **innovation and entrepreneurship** ecosystems that create new value and improve productivity.

Enablers needed to support those drivers include efficient, well-connected **infrastructure**, and effective **governance** to focus and coordinate the limited time and resources of diverse private, public, and civic actors that contribute to economic outcomes.

INDUSTRY CLUSTERS



TALENT



INNOVATION



INFRASTRUCTURE



GOVERNANCE



HOW STANISLAUS STACKS UP



INDUSTRY CLUSTERS — With the County's job base so embedded in agriculture and local-serving activities, analysis did not reveal any obvious industry strength that combines an existing specialization, competitive performance, and concentration of quality job production. Therefore, opportunities must center on emerging subsectors that relate to other regional comparative advantages, or the potential to transition current activities toward higher-skill jobs. Stanislaus 2030 focused on the Bioproducts and Circular Economy industry cluster, building on proximity to innovations, feedstock, and manufacturing know-how to transform agricultural waste into materials or energy, such as bioplastics, adhesives, resins, construction materials, or fuel.



TALENT — Despite specialized abilities based on current industry strengths, the County's workforce is marked by comparatively low educational attainment and skillsets that constrain higher-value, knowledge-based job creation in diversified sectors. At the same time, analysis of talent adjacencies — transferability of existing knowledge and skills from one sector to another — found potential to support needs in emerging industry options associated with manufacturing, equipment, and biochemistry, but not capabilities for computer services and software. Other factors like childcare also emerged in the region as above-average barriers to labor force participation by more educated, qualified workers, for which novel approaches could unlock and improve racial and gender inclusion. In any case, changes are essential among workforce system providers, as employers consistently express frustration over the accessibility, responsiveness, and alignment of supports in sourcing mid-skill talent across industries and occupations.



INNOVATION — The County has relatively weak institutional capabilities in research, development, and commercialization that can bring value-add products to market or provide firms with a problem-solving partner to anchor them in the region. Spending and output by academia and business trails other parts of the Central Valley, let alone national peers, although a few strengths in biochemistry and plant sciences could connect to emerging sector options like bioproduct manufacturing. These core innovation challenges suggest deliberately building connections to nearby assets in the North San Joaquin Valley and Northern California. Furthermore, the region ranks very low in entrepreneurship generating jobs and growth, as well as the impact of businesses owned by women or people of color; these likely correlate to missing or underdeveloped basic supports for both Main Street and high-growth young firms.



INFRASTRUCTURE — The region's physical connectivity, broadband, and developable sites offer some advantages. While geographic distribution of jobs and workers are diffused, reducing benefits of concentration to the knowledge economy, the pattern is not adding to racial disparities. Broadband availability to nearly 94% of residents is comparatively high, but bolstering rates of fixed-access subscriptions or full utilization is needed to match national peers. Large, connected sites are well positioned to serve extension of Bay Area production and commercialized innovation, if deliberately linked to opportunity industry objectives versus filling taxable space.



GOVERNANCE — The region lacks a shared agenda across public, private, and civic contributors with a strategy, assignments, and coordinating and accountability mechanisms to drive use of resources. While individual organizations have executed aspects of previous strategies and plans, the lack of collective action has diluted the impact of limited resources. For instance, economic development and/or workforce stakeholders rarely undertake functional collaborations or joint programmatic implementation, or share data and relationships to guide action. The region needs a “center of gravity” through which each entity can operate as a newly integrated team, aligning their contributions as an individual organization toward a common outcome.

STRATEGIC FOCUS AREAS

The scope of the region's challenges means there are more issues and options for intervention than feasible to execute at once. Strategy requires choosing and prioritizing among reasonable alternatives.

Across these efforts, interventions must factor how to address racial and gender differences in access to quality jobs and economic opportunities. Regions that maximize the contributions of all their residents are better equipped to succeed in the modern economy. Not all strategies critical to the region's competitiveness will address race and gender outcomes, but those outcomes should always be a consideration.



Moving to Action

In April 2022, Stanislaus 2030 launched multi-stakeholder workgroups to convert research findings into strategies, which focused on the following areas:

● BioIndustrial Manufacturing

Target manufacturing potential as a location for piloting and scaling production of new materials and energy, leveraging agricultural assets and proximity to innovation.

● Talent Development

Implement best practices for primary workforce providers to align their efforts, prioritizing activities by job quality and access for both new and incumbent workers, link to economic development objectives, and increase accessibility and responsiveness to business in opportunity industries. Ensure competitiveness of local ag firms by upskilling and reskilling ag workforce.

● Remove Non-Skill Barriers to Jobs & Training

Engage employers in collective solutions to providing childcare access, transportation, and English language proficiency as competitiveness issues that unlock needed labor force participation.

● Entrepreneurship and Small Business Dynamism

Identify and fill the mainstream supports that are missing or should be scaled in a region of this size to improve outcomes for young firms, with a special sub-focus on women and minority-owned business.



STANISLAUS 2030 INVESTMENT BLUEPRINT

Entrepreneurship & Small Business Dynamism \$8.05 million

Create a Loan Fund	Create a loan fund to provide small businesses, at any stage in their business development, access to loans of less than \$50K, using an easy application process, where loans can be funded quickly.	\$5,000,000
Develop Community-Based Business Hubs	Create resource hubs in priority communities across Stanislaus County via physical centers and using culturally appropriate methods	\$500,000
Support Financial Mentoring	Implement a finance-focused program that matches small business owners with CFOs to create an objective financial model that helps them navigate their business toward financial sustainability.	\$600,000
Explore Promising Business Supports	Explore and advance business supports, such as small business procurement, streamlined permitting processes, small business accelerators, social enterprise, and maker space incubators.	\$1,950,000

Talent Development \$4.5 million

Launch Manufacturing Talent-to-Industry Exchange	Identify and resource neutral convener and technical experts to facilitate collaboration among Talent-to-Industry partners, followed by an implementation of strategies prioritized within the planning process, including incentives for work-based learning.	\$2,500,000
Upskill and Reskill Agricultural Workforce	Fund expansion of the federal farmworker job training program to include undocumented farmworkers.	\$1,000,000
	Provide match funding to local institutions of higher education to expand certification programs in specialized ag fields.	\$1,000,000

Address Non-Skill Barriers to Jobs & Training

\$2.1 million

Expand Child Care Slots	Fund the planning and prototypes for parent-led and employer-sponsored childcare cooperatives.	\$1,500,000
Connect Public Transportation to Industry	Fund the expansion of public transportation to industry hubs through smaller bus shuttles.	\$600,000

Traded Sector Development: Bioindustrial Manufacturing

\$57.6 million

Build an industry Ecosystem with Cross-cutting Initiatives	Develop a shared pre-commercial scale manufacturing facility to help firms move from lab-based viability to commercial manufacturing, and to establish the region as a national industry leader.	\$31,000,000
	Create flexible, firm-specific incentives to attract target companies, focused on regulatory reforms and financial supports to boost productivity (infrastructure, workforce development).	\$9,000,000
	Create a Bioindustrial Manufacturing Growth Partnership to function as a hub for the sector and to drive implementation of the industry strategy.	\$2,300,000
Expand Access to Innovation	Create knowledge transfer programs and innovation vouchers, providing access to specialized problem-solving expertise for small and mid-size firms.	\$900,000
	Launch a competitive, cohort-based accelerator program for later-stage startups, with specialized facilities, investment, mentoring, and curated customer/capital networks.	\$10,000,000
	Provide customized technical assistance to firms across the value chain to promote “cluster” effects, strengthening supplier, partner, and customer base operations.	\$650,000
Connect Capital with the Region	Cultivate an external bioproducts investor network to connect their portfolio firms into the region and help local scale-ups access existing resources.	\$200,000
	Improve local access to government research and commercialization funding through matches and application assistance.	\$1,000,000

Traded Sector Development: Bioindustrial Manufacturing (cont.)

\$57.6 million

Support infrastructure Enablers	Identify prospective sites and assess readiness for bioindustrial companies, potentially followed by incentives for physical improvements.	\$100,000
	Explore support for reliable, efficient feedstock access via an intermediary to link local supply chains and/or a pre-processing “depot” for waste streams.	TBD
Generate a Targeted Talent Pipeline	Develop a “plug-and-play” workforce system response as a priority subsector of the proposed Manufacturing Talent-to-Industry Exchange.	See above
	Create sector-relevant work-based learning paired with intensive support services, especially among students of color, integrated with proposed Manufacturing Talent-to-Industry Exchange activities.	\$2,450,000

Governance & Capacity Building

\$3.5 million

Launch Team to Drive Implementation	Create an intermediary structure to act as center of gravity for inclusive economic development agenda with leadership/project management team to convene and drive distributed implementation plans, including centralized data, focus on equity and inclusion, and alignment with other regional initiatives.	\$1,000,000
Build Capacity of Local Government Around Inclusive Economic Development	Invest in collaboration among economic development practitioners across cities and county to build knowledge around Stan 2030 objectives and best practices in community investment and host Fuse Corps Fellows to strategically support Stanislaus County workforce and economic development departments.	\$500,000
Catalyze Existing Programs to Scale	Develop a one-time competitive grants program to fund existing programs that align with Stanislaus 2030 focus areas, with the intention to expand, scale and learn from local practitioners.	\$2,000,000

Total Investments to Build a Resilient Economy

\$75,750,000



**Entrepreneurship
and
Small Business
Dynamism**

ENTREPRENEURSHIP AND SMALL BUSINESS DYNAMISM



Business dynamism and entrepreneurship are critical signals of a region's ability to generate new ideas and enterprises, apply those novel elements to commerce, and contribute to regional employment and wealth. Stanislaus County lags peers in key indicators of business dynamism, suggesting it is underperforming in the creation and sustainability of new ventures.

Between the Great Recession and the COVID-19 pandemic, jobs at young firms¹ fell precipitously from a 2009 baseline. While California and national peers also saw declines, Stanislaus fell to the middle-to-the-bottom of this cohort and has yet to recover.²

Targeted analysis of women and black, indigenous and people of color (BIPOC) entrepreneurship adds to these stark conclusions. Relative to their share of the population, BIPOC and women business owners generate fewer businesses and jobs in the region; conversely, white and male business owners generate an outsized number. While the female and male population in Stanislaus County is roughly equal, the percentage of business ownership by men totals greater than 80% and the number of jobs created by men is over 90%. Additionally, white business owners account for slightly more than 40% of the population, but represent 70% of business owners and greater than 80% of job creation. Despite people of color comprising nearly 60% of the population, they represent less than 30% of business ownership and less than 20% of job creation.³ This suggests that people of color and women community members face barriers to entrepreneurship and business success, inhibiting a significant—and growing—share of the region's population from reaching their potential and achieving the true economic potential⁴ of Stanislaus County.

At the individual level, the solutions identified below clear a path for BIPOC and women business owners to have greater access to business development support; a crucial step to increasing the number of companies started by these historically under-resourced demographics.

At the community level, research suggests that rural areas can benefit from fostering a vibrant small business and entrepreneurship ecosystem. Rural small businesses have been found to generate wealth that stays in the community, build local leadership, and even contribute to the population's health.

Consequently, an outcome of increasing the number of business starts by people of color and women is a community-level benefit that complements local economic development strategies and investments.

The region's current performance in these fundamental areas of business dynamism suggests the need for building a more comprehensive entrepreneurial support ecosystem, including targeted supports for BIPOC and women entrepreneurs. In short, business and entrepreneurship supports are missing or not at the required scale⁵ for both Main Street⁶ and high-growth young firms.⁷

¹ Firms in existence five years or less, a common measure of business dynamism

² Stanislaus 2030 Market Assessment, page 13

³ Stanislaus 2030 Market Assessment, page 14

⁴ Stanislaus 2030 Market Assessment, page 14

⁵ Stanislaus 2030 Market Assessment, page 46

⁶ Small businesses that are locally serving, community based, commercial corridor anchors.

⁷ Traded, potential to generate significant jobs.



By 2030, any person wanting to start a business in Stanislaus County will have the support they need to be successful. The focus is on serving entrepreneurs/small businesses who are locally-based – both Main Street and growth firms – with a special emphasis placed on BIPOC and women entrepreneurs, who are currently underrepresented as business owners.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Parity	Disparities exist in business ownership by gender and race in Stanislaus County.	Stanislaus County has achieved racial and gender parity in entrepreneurship and business ownership, proportional to the population.
Leading In Business Dynamism	Stanislaus County lags peers in key indicators of business dynamism, suggesting it is underperforming in the creation and sustainability of new ventures.	New and young firms have become the key to Stanislaus County job creation, innovation, and economic growth.
Financing	Entrepreneurs do not know how to get financing for their business and believe new companies are ineligible for the funding vehicles available locally.	Aspiring entrepreneurs who want to start or expand their businesses, especially women and BIPOC owned businesses, can easily access capital.
Filing Requirements + Pre-Launch Support	Entrepreneurs get discouraged because they do not know how to meet local, state, and federal filing requirements.	Entrepreneurs successfully navigate a streamlined regulatory landscape to launch their businesses, meet the local, state, and federal filing requirements, and sustain business licensing.
Mentorship	Entrepreneurs have difficulty identifying viable business ideas and long-term business mentorship.	Entrepreneurs have access to ongoing mentorship that provides feedback from idea development, and business model formation, to launch.
Back Office	Entrepreneurs feel that they are unaware of the “back office” monitoring and reporting needed to operate their business effectively.	Entrepreneurs are aware of the necessary functions of a “back office” system and have the support to implement them to operate their business effectively.



Our Community's Solutions

The following investment recommendations are vital and feasible for implementation in our community. Stanislaus County can take coordinated and sustained action to provide the supports needed for entrepreneurs and small businesses, particularly owned by women and BIPOC, to thrive and contribute positively to the local economy. The recommended actions and investments align to the requested supports collected from the entrepreneur and small business owner focus groups, which include bolstering mentorship opportunities, technical assistance, incubator and accelerator programs and access to capital.

LOAN FUND

Many entrepreneurs and small business owners are not aware of financing options available to them or believe they don't qualify for mainstream financial services like traditional business loans and credit lines. Instead, many rely on high interest rate credit cards, predatory lenders or the cottage industry of local individuals who provide high interest loans. This makes it extremely difficult to advance their business, and in fact, sets some businesses up for failure. The proposed Loan Fund solution benefits entrepreneurs and small business owners looking for capital to develop or expand their businesses, as well as local financial institutions who have a CRA⁸ focus and are looking to support the communities they serve.

The Loan Fund will be established to guarantee loans from financial institutions, with part of the fund invested to grow the fund and cover costs associated with administering the fund. The Community Development Corporation, Community Development Financial Institutions and Banks will all work together to bring this mainstream financing opportunity to Stanislaus County entrepreneurs and small businesses, especially women and BIPOC-owned businesses, at an affordable rate.

Small businesses at any stage in their business development will be eligible to apply for loans up to \$50K using an easy application process, receiving assistance with the application process, if needed. A Loan Fund Committee will evaluate applicants and recommend applicants, along with a proposed interest rate the applicant can afford, to participating banks. Banks will fund the loans and process the required paperwork. Finance-focused business training will be provided to entrepreneurs/small business owners as a cohort-based, incentivized component of the loan process, offered in their neighborhood or online. The Loan Fund will be used to pay back defaulted loans.

The Loan Fund program will be evaluated annually, to appropriately evolve the services and offerings, based on established success metrics and community needs.



Investment Ask

\$5,000,000 million total in the first year, with \$1,000,000 in grant funding and \$4,000,000 for loss reserves (non grant deposit as leverage to cover losses). Implementation includes securing funding, establishing workflow processes, funding applicants, and after launching the Loan Fund, evaluating the program and considering improvements.



Considerations

The local Community Development Corporation and Community Development Financial Institutions in the region are supportive of moving this effort forward, but additional support will be needed from other area banks. Additionally, community education and awareness of the fund, particularly through communication on the part of trusted influencers and partners, will be necessary to obtain applications. Other critical components of this solution include establishing operating procedures under a clear mission that meets legal and regulatory guidelines, and the composition and duties of the Loan Committee who will review the applications.

⁸ The Community Reinvestment Act (CRA), enacted in 1977, requires the Federal Reserve and other federal banking regulators to encourage financial institutions to help meet the credit needs of the communities in which they do business, including low- and moderate-income (LMI) neighborhoods.

COMMUNITY-BASED BUSINESS HUBS

A gap exists in how small business resources are disbursed to the communities within Stanislaus County. Traditionally, this service model depended on small business owners and entrepreneurs seeking business development support. But limitations with this delivery strategy have manifested in the low number of BIPOC and women business owners working with local resource agencies.

This gap in service delivery can be defined in two parts. First, in marginalized and underserved communities, building the trust of community members is essential to long-term engagement. Without this sense of trust, resource agencies face barriers to engagement. Second, culturally centric approaches are vital for trust-building efforts and effective service deployment. Language translation, partnerships with grassroots organizations, and leveraging community influencers as trusted messengers are approaches that honor ethnic traditions and community expectations.

Community-based business hubs are physical spaces in underserved communities where agencies can meet business owners where they are. This updated service delivery strategy can advance trust-building efforts for agencies by being “in the neighborhood.” It also raises awareness of small business resources and makes them more accessible to community members.

These business hubs will offer culturally sensitive, business capacity-building opportunities to create a business “back office,” ongoing business mentorship, and a warm hand-off to other off-site resource services across the county.



Investment Ask

\$500,000 to fund a three-year approach to plan and implement community-based business hubs. This investment ask is spread over two different phases. Planning Phase (Year 1): \$100,000 for strategic planning with resource agencies to establish a structure for the small business resource ecosystem and designate the business services each agency will own. Implementation Phase (Year 2 & 3): \$400,000 to launch resource hubs in three staffed community hubs.



Considerations

Currently there is not a clear neutral lead organization for this initiative, but logical partners would include local technical assistance agencies, chambers of commerce, governmental small business departments, and community-based organizations. Securing cross-sector collaboration, alignment, and support from this diverse group of resource-focused organizations is essential to prevent service redundancies.

FINANCIAL MENTORING

Stanislaus 2030 research has highlighted the need for financial literacy and coaching amongst entrepreneurs and small business owners, across every stage of business development, regardless of business lifespan, growth, or revenue.

Implement a finance-focused program that pairs small business owners with CFOs to create an objective financial model that helps them navigate their business toward financial sustainability. The program will provide one to one coaching between a CFO and a small business owner, for a 10-week cohort including 15 small business owners. The CFO meets the business owner where they are, helps identify their business goals and aspirations, and assists them in moving towards their goals. Teaching is built into the process as they develop a working financial model that will serve as their guide for sales and revenue goals. Trust is established throughout the process, and small business owners report feeling knowledgeable and empowered by the end of the program.



Investment Ask

\$150,000 in grant funding is needed to engage Mission Edge to implement their financial coaching program for two cohorts (Spring and Fall) in Stanislaus County, and \$50,000 is needed for a local partner to provide staffing and marketing costs to administer the program.



Considerations

Prioritizing people of color and women owned small businesses for acceptance into this program provides this historically disinvested population access to expert financial resources, offering the opportunity to be profitable and grow sustainably. The need for assistance with financial literacy for entrepreneurs and small business owners in Stanislaus County has been highlighted through Stanislaus 2030 research. The Mission Edge program has demonstrated success with positively impacting small business owners in San Diego, and replicating that success in Stanislaus will be a valuable support for small business owners. Mission Edge worked in Stanislaus County previously with success in implementing a program supporting the profitable growth of nonprofits.



Other Promising Supports

Small businesses are the lifeblood of the U.S. economy: they create two-thirds of net new jobs and drive U.S. innovation and competitiveness. Across the United States, communities are coming together in new ways to improve the supportive economic environment required for small businesses to thrive. A scan of the United States showed that successful communities where small businesses were being created and growing had some business supports in common, including the ideas below, all of which are promising opportunities for implementation in Stanislaus County.

⁹ Small Business Administration Office of Advocacy Release No. 19-1 ADV, 2019

¹⁰ Living Cities Report, CULTURE, COLLABORATION AND CAPITAL: LEVERAGING PROCUREMENT FOR ECONOMIC EQUITY, 2019

LOCAL PROCUREMENT

Economic equity in the procurement realm means engaging a new and more diverse set of vendors and contractors. It makes economic sense and creates stronger communities by growing the middle class and thereby the local tax base. Equitable procurement contributes to business growth, particularly for minority businesses.¹⁰ Contracts from governments, cities, counties, school districts, universities, hospitals, utilities and corporations can provide the kind of stable, predictable revenue that allows small and new businesses to grow and expand, and with that growth comes increased employment.

An expanded pool of vendors and contractors can bring local organizations higher-quality and more competitive contracts. Throughout Stanislaus County, mid to large organizations could purchase goods and services from small businesses. An organizing entity, along with creating a list of participating small businesses and their products/services, could secure commitments from mid to large organizations in Stanislaus County to purchase a percentage of their procurement budget from local small businesses.



Investment Ask

\$100,000 to fund an assessment within Stanislaus County to identify the potential and opportunities for development of a Local Procurement program in our community. The assessment could include small business products and services, small business capacity, and mid to large size organizations willing to participate in a local procurement effort.

SMALL BUSINESS ACCELERATOR

Small business accelerators support early-stage, growth-driven companies through education, mentorship, and financing. Companies enter accelerators for a fixed period, traditionally three-to-four months, as part of a cohort of companies. The accelerator experience is a process of intense, rapid, and immersive education aimed at accelerating the life cycle of young innovative companies, compressing years' worth of learning by doing in just a few months.

In 2022, Stanislaus Equity Partners (STEP) prototyped a five-week micro business accelerator with a cohort of local businesses owned by people of color and women. The success of its program in graduating its cohort and directing them to funding sources and its waitlist of companies wanting to join STEP's second iteration of the accelerator demonstrates the potential for scaling this idea.

Regarding the impact on highly localized small businesses, accelerators can have a significant effect on attracting early-stage financing and additional investors to a community. This can generate benefits beyond the larger economy as attracting and accessing startup capital, especially for women and people of color, which is difficult. Additionally, accelerators providing pathways for greater access to capital have the potential to result in employment growth from new companies and spur interest in entrepreneurship more broadly.



Investment Ask

\$750,000 over three years; \$50,000 for strategic planning efforts in year one that can align community partners, business leaders, resource agencies, and investors to support an accelerator's development; and \$700,000, split over years two and three to cover staffing, programmatic delivery, promotion, and small business investment.local procurement effort.



STREAMLINE PERMITTING

Local jurisdictions can streamline the permitting and licensing process to facilitate small business growth, especially for BIPOC and women. This will ensure a clear and straightforward route for small businesses to open and prosper in the marketplace.

Small business owners in Stanislaus County have struggled to navigate the permitting and licensing process due to process inefficiencies, language barriers, lack of transparency, and costs. The following recommendations are three avenues for streamlining local permitting and licensing procedures, all of which have been implemented by metropolitan cities like Denver and Boston. (1) Publish permitting and licensing processes online that include pertinent contact information, timelines for completion at each stage, cost, and the number of procedural steps related to each process. (2) Local jurisdictions can provide a “one-stop shop” for licenses and permits to streamline compliance for small businesses. (3) Appoint a regulatory or small business advocate to guide small businesses through the regulatory process, advocate on their behalf when problems arise, and ensure small business feedback and recommendations are incorporated into development and implementation processes.



Investment Ask

\$500,000 over two years, \$300,000 in upgrades to local jurisdiction online web pages and user interfaces related to moving small business permitting services online; and \$200,000 for staffing a small business advocate to serve owners and entrepreneurs in Stanislaus County.

MAKER SPACE – INCUBATOR AND STOREFRONT

When maker spaces open, there is potential for many types of products to launch, helping both small businesses and the local economy. A maker space and storefront in Stanislaus County can bring together artisans and fabricators, provide community, and offer a storefront to sell goods. Maker spaces can act as a business incubator, include artist studios and storage spaces, offer workshops with machinery that may also benefit talent development for certain manufacturing jobs, contain classrooms for community classes and events, while a storefront helps launch new businesses with sales.

A complement to other artisanal maker pop-up events already happening across our County, a maker space and storefront could be built out in a place with available space, that is easily accessible with public transportation, and already sees foot traffic from shoppers.

Accessible and affordable maker spaces provide tools, expertise, education, and opportunity for all members of our community to create, collaborate and make their business ideas a reality. This is already happening successfully across the nation.



Investment Ask

\$100,000 to fund an assessment of Stanislaus County to identify the potential and opportunities for development of a Maker Space and Storefront in our community. The assessment could include potential spaces and locations, services and offerings most aligned to local needs and artisan needs, and identification of local partners and funding sources.

SOCIAL FOCUSED CAPACITY BUILDING

Small business development support for social enterprises that offer employment opportunities to individuals who were previously involved in gangs or incarcerated, at risk of homelessness, or have disabilities. Through the creation of a business development program that is directed to social enterprises focused on the three core competencies for mission-based organizations to thrive: (1) supporting in forming a revenue model that provides sustainability for the business; (2) creating and marketing products and services; and (3) subsidizing hiring expenses that focus on offering on-the-job training to at-risk employees.

By supporting more socially focused businesses that generate revenue, pathways to sustainable impact can be created while also creating more jobs specifically designated for individuals who are in need of employment. Additionally, supporting these kinds of social enterprises is an alternative way to offer wraparound services to individuals in need, as employees can receive access to case management, system navigation, and employment placement services.



Investment Ask

\$500,000 over two years for program delivery and hiring subsidies. Included in programmatic delivery is the creation of a strategic plan and theory of change for both supporting the development of local social enterprises and the hiring of at-risk employees.



Talent Development

TALENT DEVELOPMENT



Workforce capabilities are the single greatest input to more inclusive outcomes and competitiveness in the modern economy. The economic success of individuals, firms, and regions correlates closely to higher levels of educational attainment and density of the talent pool. Talent availability factors rank first among business location decisions in general, and particularly in sectors that concentrate higher quality jobs. This includes the existing labor pool and the ability of the pipeline to generate more local workers with relevant knowledge, skills, and expertise needed over time, especially because retention is higher when hiring from within.¹¹

Overall, Stanislaus County's labor pool lags comparison regions in educational attainment and available skills, notwithstanding a few categories of strong technical specialization. The extent of these lags impedes diversification, higher quality job creation, and economic mobility.

The County's internal "talent pipeline alignment" from post-secondary education and credentialing impacts the overall ability of workers to access good and promising jobs available in the regional economy. Yet, there is a substantial variance in the quality of regional jobs available based on completion of different academic and training programs, and relatively high student participation in programs that do not lead to better jobs. This suggests an opportunity to build stronger alignment within the local talent development pipeline and specifically, as it relates to career guidance and how to better prepare workers and students for quality jobs.¹²

Furthermore, input from local business and industry suggests that educational institutions must continually ensure that training and programming is responsive to market needs, particularly as advancements in technology, processes, and other elements of work transform occupations. Closer engagement with employers on program design and flexibility in adapting curricula can also help students make more effective choices and transitions from school to career.¹³ Finally, talent to industry exchange models can effectively identify and meet employer needs at scale, including for smaller and mid-sized firms with less capacity to engage, and for a larger swath of firms exhausted by ad-hoc, duplicative or incomplete firm outreach by workforce and education partners.

The Talent Development Workgroup has identified several priority areas for investment to improve job quality, develop and retain local talent, and supply employers with a skilled labor force to help them meet the demands of a fast-changing economy. Using the new national standard of a Talent-to-Industry Exchange that is industry and business leadership led, the Workgroup identified the need for further planning and implementation investment. Specific Talent-to-Industry Exchange efforts will need focused, strategic advising including technical assistance, and convening support to ensure the strategies put forward result in innovative partnerships, pilots, projects, and policies that can be sustained for the long-term, duplicated across sectors, and lead to equitable outcomes for the region's workers and learners.

¹¹ Stanislaus 2030 Market Assessment, page 25

¹² Stanislaus 2030 Market Assessment, page 28

¹³ Stanislaus 2030 Market Assessment, page 29



Vision and Goals

By 2030, Stanislaus County will have a strong talent base, representative of our diverse population, that is equipped for “good or promising jobs” by a robust workforce development system that provides the skills in demand by local employers and emerging opportunity industries.

By the end of 2023, we will identify, align, and scale the necessary training programs that will benefit employers beginning with the prioritized opportunity industry of manufacturing and provide clear on-ramps to “good or promising jobs” for students and/or workers seeking employment within this sector.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Industry Responsiveness	Talent system is not responsive to industry needs in real time.	Industry & educational institutions work closely together to rapidly adapt programs and curricula in response to market workforce demands in real time.
Job Quality Over Job Counts	Local training programs are designed for industries that require less-skilled work, prioritizing job counts over job quality.	Training programs are prioritized for opportunity industries that produce good and promising jobs.
Talent Development	Young professionals have a sense that large companies prefer outside talent and don't look locally.	Local firms are known for supporting local talent and creating opportunities for young people to learn about their industry and how to secure future employment.





LAUNCH A MANUFACTURING TALENT-TO-INDUSTRY EXCHANGE

The Talent-to-Industry Exchange model is the new national standard for workforce development and defined by the National Fund for Workforce Solutions as, “a dynamic collaboration of a regional group of employers, stakeholders, and workers that convene regularly with the assistance of a workforce intermediary. Successful industry partnerships embody a shared commitment to good jobs, racial equity and inclusion, and a continuous learning mindset.” The U.S. Chamber of Commerce Foundation identifies Talent Pipeline Management or Talent-to-Industry Exchange models as “the strategic alignment between classroom and career, keeping pace with the changing needs of the economy.”

Talent-to-Industry Exchanges gather real-time information used to inform strategies for growing the region's talent pool, strengthening the talent pipeline, and aligning employer and educational stakeholder interests. Talent-to-Industry Exchanges intentionally organize around one business-centered sector and within the process, employers play a critical leadership role as end customers in closing the skills gap for jobs most critical to their competitiveness. Talent-to-Industry Exchanges also help organize and manage flexible and responsive talent pipelines in partnership with other employers and their preferred education and training providers. Employers also work collaboratively with one another to develop measures and incentives designed to reinforce and improve performance across all partners.

Exemplary models of Talent-to-Industry Exchanges across the country include Kansas City Rising, Upskill Houston, and Tampa Bay Works. Based on these examples, an effective Talent-to-Industry Exchange must include the following elements:

- Authentically Industry led.
- Regional and comprehensive in approach, covering the full education continuum, from kindergarten to graduate school.
- Engages the full spectrum of talent sourcing providers.
- Data driven and action oriented.

The Talent-to-Industry Exchange has three essential phases: (1) a detailed economic and labor analysis, (2) a workforce action plan; and (3) launch plan implementation. Industry leaders are identified to

champion and lead each Talent-to-Industry Exchange, agreeing to act as co-convenor and recruit employers to participate. The process addresses racial equity disparities by disaggregating labor market data by race / gender to identify and track progress in reducing disparities; leveraging of critical employer mass to advance improvements in job quality (e.g. internal promotion policies, compensation, benefits) and other business practices (e.g. hiring, adoption of skills-based credentials); partnering with community-based organizations to identify and connect disconnected workers to quality jobs, including addressing barriers to preparedness and access; and investing in support services (e.g. job coaching, mentoring, childcare, transit access) alongside training.¹⁴

Based on the Stanislaus 2030 Market Assessment and other local data, the manufacturing sector will be prioritized for initial focus with intention to replicate the Talent-to-Industry Exchange with other opportunity sectors in the future. Manufacturing was identified as part of the Opportunity Industry analysis with traded sector themes from the Market Assessment.¹⁵ The intention of the Talent-to-Industry Exchange will be to more effectively identify and meet employer needs at scale, while also enabling workforce and educational institutions to access more comprehensive, real-time input that accurately informs activities across occupations and skill levels. If successful, current and future workers, representing the region's diversity, will be better positioned to access quality jobs.



Investment Ask

\$2.5 million over three years, which will include \$500,000 to support Talent-to-Industry Exchange planning, development and formation process. Planning objectives will be to identify & resource local neutral convener and technical consultancy, convene Employer Table, assess talent development partner landscape, assess and develop learner/worker profiles, identify, resource, launch and/or scale solutions. \$2 million is proposed to be set aside to operationalize and scale prioritized solutions/programming identified in the planning phase.

¹⁴ National Fund for Workforce Solutions, Toolkit for Developing High-Performing Industry Partnerships, available at: <https://nationalfund.org/industry-partnership-toolkit/>.

¹⁵ Stanislaus 2030 Market Assessment, page 6



Our Community's Solutions

UPSKILL AND RESKILL AG WORKFORCE

Agriculture, like many other industries, faces market pressures and global headwinds, along with rapid opportunities for innovation, that are forcing rapid automation. Since the 1900's, agricultural employment has dropped from 40% of the total global workforce to 2% today.¹⁶ Ag firms in Stanislaus are no exception: to remain competitive, the local industry must automate to improve efficiencies, product quality and improve working conditions.

The challenge is how to prepare the current and future ag workforce for these new, higher paying and more technical jobs. According to the Journal of Rural Studies, "many workers will need to upskill or retrain as their roles evolve to incorporate AI - one positive is that for employees who are highly skilled in tech there will be many opportunities to progress and develop. As their skillset becomes more sought after, there will also be a greater case for higher salaries."¹⁷

In addition to training for new technical skills, recent reports indicate that employees who will best adapt to labor shifts in the new economy will need to possess 'soft' digital skills such as critical thinking, and social and emotional intelligence. The Advisory Council on Economic Growth in 2017 noted that sufficient investments in life-long training, education, and skills development for currently marginalized groups (e.g. low-

income workers, new immigrants, Indigenous peoples, women, and persons with disabilities) significantly advances the upward mobility of communities.

In Stanislaus, agricultural production and processing is the foundation of the region's job creation and identity; further, it provides a base for other activities: bioproducts, higher-value food processing and other manufacturing.

The Stanislaus 2030 Market Assessment indicates that improving food-related job quality and durability involves bolstering adoption of innovation and technology within the industry. Doing so would increase the skills requirements, value-add, and productivity of workers. While expected to reduce the total number of agriculture jobs, it would create a smaller number of better, higher-paid positions and improve the competitiveness of the sector.



By 2030, Stanislaus County will have multiple training pathways to equip ag workers with business and digital skills to ensure competitiveness of local ag firms.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Workforce Professionalization	Training/education for 'professional' agribusiness jobs not available locally (i.e. HR, Finance, Information Technology).	Ag Business B.S. Degree with concentration in HR, Finance or IT offered by local institutions of higher education.
'Just in Time' Training	Limited training for 'in-demand' ag certifications (i.e. food safety, cyber-security, CRM/Database management, in-field technology, Pest Control).	Extended education programs offering 'a la carte' certification training within short time frames for in-demand local industry needs.
Financial Barriers to Training	Limited funding available to upskill local ag workers, including undocumented workers.	Funding accessible to all ag workers, including undocumented workers, to allow upskilling and reskilling while covering cost of program and/or living costs.

¹⁶ <https://ourworldindata.org/employment-in-agriculture>

¹⁷ Jobbio, 2018, pg 6, <https://www.sciencedirect.com/science/article/pii/S0743016718307769>



Our Community's Solutions



EXPAND AGRICULTURAL EDUCATION PROGRAMS TO MEET INDUSTRY NEEDS

Emerging trends, automation, market pressures and new regulations require a new set of training classes and education offerings in agricultural education. Food safety, handling, and waste were skills and competencies recognized by industry as essential for success in the workplace. In addition to food safety, evolving technology has changed the way agriculture uses water, thereby impacting the skill requirements of technicians. An integrated approach to installing, managing and repairing water systems is required.

Across these and other themes, agriculture leaders encouraged the CSU Stanislaus and Modesto Junior College to consider development of: (a) certification programs determined through consultation with industry experts; (b) micro-internship experiences aligned with certification objectives; and (c) support in navigating application, interview, and hiring processes.



Investment Ask

Seek match funding of up to \$1M to local institutions of higher education to expand certification programs in specialized ag fields. Explore expansion of the Modesto Junior College and CSU Stanislaus programs to meet specific industry demands real-time.



Our Community's Solutions

FUND EXPANSION OF THE NATIONAL FARMWORKER JOBS PROGRAM

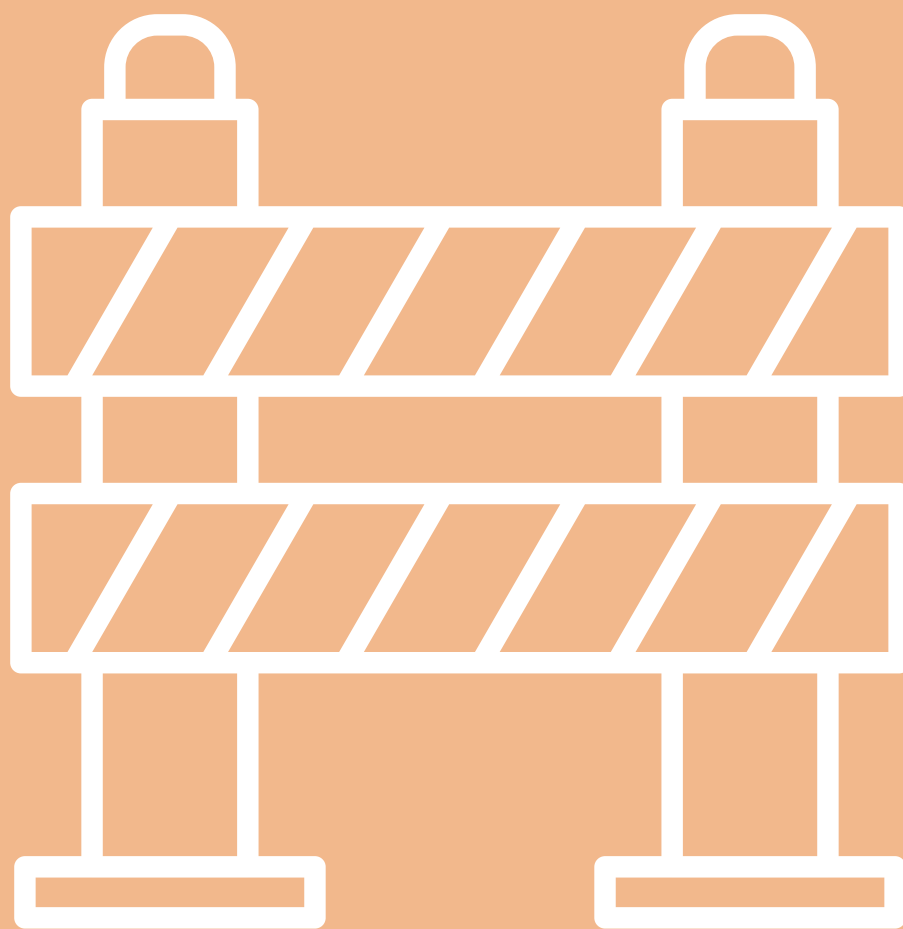
Fund expansion of the National Farmworker Jobs Program (NFJP) at the Central Valley Opportunity Center (CVOC). The NFJP is the most successful job training program operated by the U.S. Department of Labor (DOL). CVOC is the local grantee for this program, which is aimed at educating and training farmworkers into jobs that allow them to earn an income to sustain themselves and their families. In addition to employment and training, CVOC serves farmworkers in other ways, including transportation, rental and utility assistance, health, pesticide safety, GED, ESL, housing, and economic development.



Investment Ask

\$1M in funding to extend the federal training program to include undocumented farmworkers. Partner with Central Valley Opportunity Center (local grantee of National Farmworker Jobs Program) and other aligned community-based organizations, to increase access to programming specifically designed to educate and train farmworkers into jobs that allow them to earn an income to sustain themselves and their families. CVOC would expand services to undocumented workers and their children, to include vocational training in a variety of occupations, academic development, language development, basic job skills training, and immigration assistance. In addition to education and training services CVOC can provide support services such as rental assistance, emergency shelter, food assistance, utilities payments, training related service stipends, clothing assistance, transportation assistance, and referral to other community partners that can fill in any service gaps.





**Remove Non-Skill
Barriers to
Jobs & Training**

REMOVE NON-SKILL BARRIERS TO JOBS & TRAINING



In addition to workforce training, special attention must also be paid to non-training barriers to workforce participation and success. For instance, Brookings analysis of the region's "out of work" population points to challenges around childcare access and limited English proficiency as above average barriers to labor force participation, including for individuals already having higher educational attainment.¹⁸

Within our current workforce, women make up 63% of 25-54 years olds who are out of work. 60% of Stanislaus County's out-of-work 25-54-year-olds who have at least a high school diploma are caring for children (compared to 40% nationally). And in Stanislaus County, 74% of out-of-work residents who have a bachelor's degree are people of color.

Intermediary activities that help businesses and workers solve these challenges for mutual benefit, such as novel approaches to offering childcare, can unlock an additional segment of the labor force and improve racial and gender inclusion.¹⁹

To expand the local workforce, Stanislaus 2030 focused on two strategies: access to safe and affordable childcare, and transportation.

There are several critical shifts that are necessary in order to reach the stated goal.

SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Childcare	Parents don't have ways to ensure their children are safe and cared for during the hours they want/need to work/train.	Parents have ways to ensure their children are safe and cared for during the hours they need/want to work/train.
Transportation	Not everyone in Stanislaus County has access to transportation that allows them to get to and from living wage jobs and training programs.	Regardless of where you live in Stanislaus County, you can access transportation to work and training when you need it.

¹⁸ Stanislaus 2030 Market Assessment, pg 31

¹⁹ Stanislaus 2030 Market Assessment, pg 31



Goals

By 2030, Stanislaus County job seekers will be able to access training and employment that provides a pathway to prosperity. Barriers that have nothing to do with their skills will not get in their way.



Our Community's Solutions



PARENT AND EMPLOYER-LED CHILDCARE COOPERATIVES

Child care is essential for economic prosperity. A good child care system both creates and enables jobs by supporting good jobs for those working in child care, and enabling parents to participate in work, education, job training, or other related activities.

In Stanislaus County, access to high quality child care is a serious barrier for many families. Pre-Covid, only 16.5%²⁰ of working parents with children had access to licensed child care spaces, and Stanislaus County Office of Education estimates that in order to meet the local workforce demand, the County would need to add approximately 36,000 childcare slots for children ages 0-11.²¹

The pressing need for child care facilities has prompted parents, educators, employers and communities to create new structures and methods for the development of child care programs. Increasingly, parents and employers alike are finding that professionally operated child care cooperatives best meet their expanding child care needs. According to a 2021 report on the cooperative landscape in California, child care cooperatives are an effective way to expand child care options for parents, provide better pay and benefits for workers, offer a realistic option for employers to support employee childcare needs on or near-site, and improve working conditions for family child care providers.²²

²⁰ California Child Care Resource and Referral Network, California Child Care Portfolio (Apr. 2020); U.S. Census Bureau, American Community Survey public use microdata (Oct. 2020).

²¹ Stanislaus Child Development Local Planning Council, 2020 Child Care Needs Assessment, 2020

Child care cooperatives can take multiple forms, and the Stanislaus 2030 work group process uncovered two models that have potential to grow locally:

Parent/Community Cooperatives

The parent cooperative structure gives parents a voice in the operation of the child care program. As co-owners of the cooperative, parents must be well-informed and actively involved in their child's care. Parental participation goes beyond policymaking and might include sharing special activities or hobbies with children at the center. Parents work closely with a professional staff to ensure that their children receive care and education of the highest quality.²³



Employer Cooperatives

A "Consortium Model" of cooperative child care where a group of employers or organizations form a child care cooperative to be owned by their combined employee groups, which provides benefits to both parents and employers. Businesses work together to offer child care services within industrial parks and commercial developments for the benefit of those employed there. Other examples may include developers offering child care facilities as a benefit to their tenants, or municipalities placing a new emphasis on the availability of child care services within the workplace. Sponsoring organizations typically provide start-up capital for the venture, donate space for the center and hire management.²⁴



Investment Ask

\$500,000 over three years to fund planning objectives, which will be to identify technical experts to develop prototype cooperatives with local employers and parents, determine location for pilot parent and business cooperatives based on child care deserts in the County, organize a group of businesses in an identified geographic area to invest in a central child care center ("near-site"), identify all ongoing infrastructure needs, including financials, physical space, licensing, insurance, staff models, curriculum, etc., develop a shared governance model between employers and parents who will get to make decisions about staffing and operation procedures,, and secure public and private funding to support business plans.

\$1,000,000 is proposed to be set aside to support infrastructure and operational costs associated with the launch of three pilot projects over three years; two business-led cooperatives and one parent/community-led. Expenses associated with business-led cooperatives will include start-up costs and incentive programs for employers to adopt a childcare cooperative model for employees. A parent-led cooperative investment request will include launch and operational costs, in addition to potential collaboration funds for community-based organizations that may anchor support services.

²² California Cooperatives: Today's Landscape of Worker, Housing and Childcare Cooperatives, California Center for Cooperative Development, Multiplier for its program Project Equity, and Sustainable Economies Law Center, 2021

²³ Source: Parent Cooperative Preschools, International

²⁴ Ibid

EXPANSION OF PUBLIC TRANSPORTATION TO INDUSTRY HUBS

Stanislaus County's bus transportation system is organized around two primary transportation hubs - Modesto and Turlock. Although centralization in the two largest cities makes travel efficient for those who live near these hubs, it makes public transit difficult for community members who reside a longer distance from these central points.

The availability of manufacturing and other viable job opportunities throughout Stanislaus County does not align with the currently available transportation routes. This creates a barrier to individuals who cannot afford alternative transportation options and severely narrows their access to employment opportunities.

To address this challenge, the Stanislaus County Regional Transit Authority is considering an overhaul of transit service in West and South Modesto as well Ceres, which will expand service in those areas as well as connect those communities with Hughson, Keyes, and Turlock. The addition of these new lines results in the de facto creation of a transit "hub" in the City of Ceres adjacent to the new Walmart shopping center. In early 2023, there will be five new routes circulating through the area and converging in Ceres.

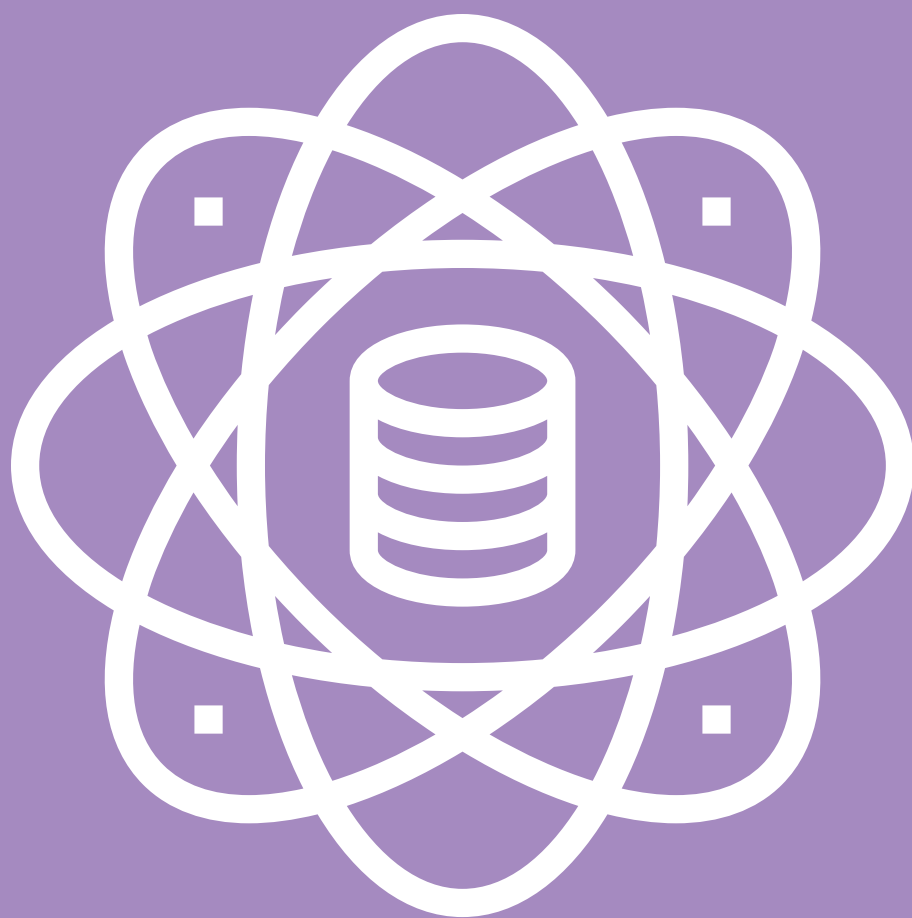
The Stanislaus 2030 workgroup strongly supports this 'hub and spoke' model to increase access to public transportation and encourage government partners at the city and county level to stay connected to their end users and stay committed to the development of this new transportation plan.

A viable and needed solution beyond traditional buses and bus routes is a transportation service with routes to exclusively selected industry hubs. Stanislaus County residents will have low-cost access to transportation designed to get them to their employment at times that match their schedule.



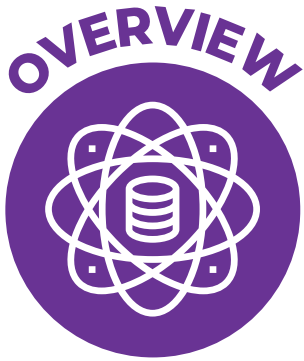
Investment Ask

\$600,000 over two years, including \$75,000 for research and development and \$300,000 for infrastructure costs (i.e. purchase of fleet of passenger vehicles, location of bus stops, and identification of priority routes and operating times), and \$225,000 to support staffing, marketing, and maintenance costs in year 2. This solution can be developed in partnership with the Stanislaus Regional Transit Authority and local industry employers.



Traded Sector Development: Bioindustrial Manufacturing

TRADED SECTOR DEVELOPMENT: BIOINDUSTRIAL MANUFACTURING



To address the region's deficit in quality jobs that enable economic mobility, Stanislaus County economic development efforts must prioritize diversifying its current industry base with higher-value traded sectors that build on historic strengths. Analysis of market, talent, innovation, and infrastructure factors identified bioindustrial manufacturing as a novel competitive niche for Stanislaus and the North San Joaquin Valley. This emerging sector holds potential to diversify the economy and generate many accessible good and promising jobs for residents, while building upon and complementing historic strengths in agriculture and food processing.

BioMADE, the federally-designated Bioindustrial Manufacturing Innovation Institute, defines the sector as the use of living organisms — including microbes such as bacteria, yeast, and algae — to create valuable new materials or sustainable alternatives to existing petroleum-based materials. The bioeconomy, beyond human health, is poised for annual economic impact of up to \$2 trillion within the next 20 years, with the bio-based materials market alone forecasted to grow 26.5% to \$87 billion by 2026 in applications ranging from packaging to electronics to automobiles. Furthermore, growth of the bioproduction sector supports environmental and climate goals, national security supply chain priorities, and rural development.

The Stanislaus region is distinctively positioned for this emerging industry, particularly for the commercialization and manufacturing of non-pharmaceutical bio-based product innovations including materials, chemicals, foods, and fuels. Advantages include proximity to relevant inputs (feedstocks), innovation, and talent, as well as in-state market demand and supportive policies. Stanislaus and Merced are the only two counties in the United States that offer the combination of extraordinarily large, diverse agricultural production and a high concentration of manufacturing activity within close driving distance of a superstar tech city.

This mix of factors provides the foundation for Stanislaus County to be the preferred home for bioindustrial manufacturing firms looking to demonstrate viability and scale production beyond a lab setting, as well as commercialize and expand in the California and U.S. markets. However, unlocking this potential depends on how creatively and productively the region develops and deploys these assets to build an ecosystem.



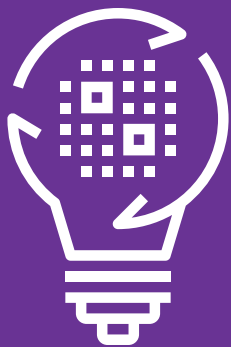
Vision and Goals

By 2030, Stanislaus County will be a top location in the country for bioindustrial manufacturing firms from scale-up to commercialization, creating significant numbers of new quality jobs for residents across all skill levels.

To achieve that vision, public, private, and civic stakeholders will align and expand the region's ecosystem of assets and supports required for firms and workers to succeed – diverse and abundant feedstocks, talent pipelines, infrastructure, as well as access to innovation and problem-solving expertise.

There are several critical shifts that are necessary in order to reach the stated goal.

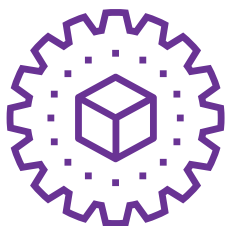
SHIFT NAME	FROM [Current State]	TO [Desired Future State]
Regional Alignment, Leadership, and Visibility	The region is not perceived internally or externally as a potential leader in the emerging bioindustrial sector, or organized around the opportunity.	The region is recognized in the US and globally by industry, innovators, and investors as the best place to grow a bioindustrial manufacturing business, with an active, coordinated regional network that supports and communicates leadership in the sector.
Targeted Resources and Infrastructure	Despite the region's many distinctive foundational assets, new and expanding businesses do not yet have access to focused and specialized shared infrastructure, capital, and other supports.	Coalitions in the region provide an easily accessible and customizable set of resources – from facilities to workforce to technical assistance – that prioritize bioindustrial manufacturing firms looking to scale or locate.
Innovation-to-Scale Ecosystem	While there is abundant R&D and entrepreneurial activity in proximity to the region – with facilities demand exceeding capacity – there is limited local activity or connections to test and validate, secure financing, commercialize, and produce at scale.	Sector supports in the region connect with outside innovators, suppliers, and consumers to address barriers, transfer from lab scale to pilot scale, and bring innovations to market production.



Our Community's Solutions



Building a Stanislaus regional ecosystem to drive bioindustrial manufacturing firm growth requires investment across four pillars for sector cultivation – innovation, capital, infrastructure, and talent.



INNOVATION



CAPITAL



INFRASTRUCTURE



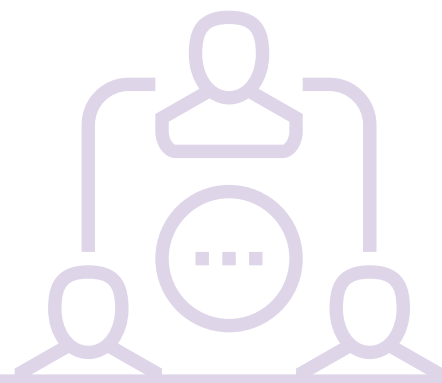
TALENT

The strategic investments identified include three cross-cutting initiatives that integrate these pillars and ten program interventions that bolster individual pillars. As a core principle, these tactics aim to ensure inclusive access to quality jobs created in the industry.

Activities complement, rather than replicate, what already exists in Northern California, recognizing the unique benefits of the region's proximity to a global center of technological innovation and investment capital. Furthermore, although Stanislaus is leading this effort, the strategies also relate to the broader North San Joaquin Valley encompassing Merced and San Joaquin Counties, which share similar economic, industry, and talent profiles. Together, the tri-county region's shared assets provide the scale needed to compete in the global bioindustrial manufacturing industry.



CROSS-CUTTING INITIATIVES



Establish a shared pre-commercial scale-up production testbed facility, enabling firms to validate processes and procedures that move from lab-based pilot viability to commercial manufacturing, filling a market gap and distinguishing the region nationwide.

Solution

A universal challenge in translating bio-based product innovation to commercialization is the lack of U.S. “production testbed” facilities and assistance that enable firms to advance lab successes to full-scale manufacturing. Establishing a pre-commercial scale-up production facility in Stanislaus will convert an industry problem to a regional economic opportunity for the North San Joaquin Valley, addressing a combination of innovation, talent, and infrastructure ecosystem needs. Anchored by 20,000 liters of fermentation capacity with bioreactors, upstream/downstream processing equipment, and analytical tools, the facility will provide access to intensive technical assistance from process engineers, biochemists, and other experts. These fill the commercialization gap for a pipeline of bioindustrial firms piloting early-stage products at facilities such as Berkeley National Lab’s Advanced Biofuels and Bioproducts Process Development Unit, which is over-subscribed and offers only 300 liters of fermentation capacity. The facility’s firms and staff also can serve local workforce development efforts and provide a base for a bioindustrial business accelerator program.

These capabilities place Stanislaus in a distinctive competitive position nationally and globally as the optimal location for bioindustrial innovators and investors to convert ideas into permanent job creation. It is a visible representation of the region’s role and commitment, putting the North San Joaquin Valley “on the map” for this emerging sector.

Considerations

Final costs depend on site and equipment decisions; more planning and design is required to confirm capital and operating expenses, however input from industry experts and review of international examples offer a reasonable estimate. Given the cost of ongoing operations, the region must develop a longer-term sustainable funding plan for operations after start-up, likely on a contract research organization model. Talent to fill expert roles is in high demand and not prevalent within the region, so investing in recruitment and partnerships with institutions throughout Northern California will be critical.

Investment Ask

Estimated \$31 million total (approximately \$25 million capital expenditure, plus \$6 million startup operating subsidy over three years), pending full planning and design.

Provide a flexible pool of firm-specific, time-limited incentives to draw anchor firms, focused on boosting productivity rather than subsidizing job creation.



Solution

Highly-targeted financial and process incentives to attract lead companies can be valuable tools for building an ecosystem around a new sector. While some general-purpose state and local incentives are applicable to bioindustrial manufacturing firms, creating a specialized local incentives program will address distinctive needs, focus benefits, and signal the region's position in the marketplace.

These incentives should offer both fiscal and non-financial supports, but avoid cash-based subsidies for job creation. Rather, incentives should be designed to improve firm productivity, based on research that demonstrates site investment, workforce training, technical assistance, and expedited permitting return five to ten times the value of traditional tax abatement programs. Specific elements of the incentive program need to be defined by a local government task force with further industry engagement to determine the intersection between authorities available, value to firms, and structures that protect public benefit.



Considerations

Incentive options in California are constrained compared to other states, although the proposed productivity focus should be more workable. Incentive packages hold risk of loss based on individual firm performance in the marketplace, so investments should be used sparingly to promote a critical mass with businesses that have moved beyond start-up stages. To the extent possible, focusing investment in revitalization areas plus deliberately linking job access to disconnected communities is shown to increase the return on incentive funding.



Investment Ask

Estimated value of up to \$9 million over three years.

Launch a Bioindustrial Manufacturing Growth Partnership with dedicated, ongoing capacity to serve as a hub for the sector, facilitate strategy delivery across multiple contributors, and promote inclusive outcomes.



Solution

A Bioproduction Growth Partnership with dedicated staff will be formed as a hub for leadership and coordination in implementation of sector-building strategies, and to provide a “center of gravity” for industry and investors.

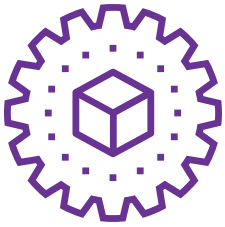
The hub will coordinate, support, and execute program design, business development, marketing and communications, funding identification and pursuit, policy advocacy, and performance tracking. It will facilitate and augment activities performed by existing organizations, avoiding duplication and breaking silos, and will serve as the region's primary representative for visibility and engagement with the sector.

The hub will also be accountable for ensuring that inclusive outcomes are considered and measured across strategy areas, and will explore special initiatives that increase employment, build wealth, and/or address environmental inequities among underserved populations.



Investment Ask

\$2.3 million over three years for operational costs including staff, marketing, events, travel, research, and administration, as well as stipends for community organizations to participate in inclusion initiatives.



INNOVATION ACCESS



Institute knowledge transfer partnership programs and innovation vouchers to bolster firm access to cutting-edge technologies, processes, and problem-solving.

Solution

Although there is an abundance of technical expertise in universities and research labs in Northern California and beyond, small and mid-sized firms struggle to tap these resources because the process for doing so is often opaque, onerous, or expensive. New knowledge transfer partnership and innovation voucher programs will overcome this market failure and enable connections for small and mid-sized firms to access this deep and tailored support for problem-solving.

Knowledge transfer partnerships provide companies with long-term access to expert resources via a university associate working with a firm over at least one year, in addition to meaningful access to a faculty member with deep expertise. Innovation vouchers are a less intensive intervention that allow small to mid-sized firms to buy hours of consulting services from experts at universities or national labs.

Investment Ask

\$900,000 over three years, targeting up to 20 firms.



Create an accelerator program to attract later-stage startups, bolstering the local ecosystem and promoting regional identity.

Solution

Industry-specific accelerators have been successfully deployed to bolster both existing and emerging sectors. Distinct from incubators offering light-touch advising and office space over at least a year, an accelerator is a short-term (3-6 months), competitive, cohort-based program in which promising early-stage firms receive intensive assistance and investment, often in return for an equity stake.

A customized bioindustrial manufacturing accelerator program will be established to serve later-stage startups, after Series A. Because the region currently does not have a significant pipeline of “homegrown” startups, this accelerator initially will focus on drawing in high-potential firms from across the country and globally, following best practices in similar regions. The accelerator will offer capital with specialized supports, such as technical advice and mentorship, facilities access, curated connections to potential customers and investors, and shared services like marketing support. Alumni firms also will receive post-accelerator services designed to encourage companies to stay and grow in the region, such as assistance identifying space and recruiting employees.

Considerations

Without local early-stage startups, the accelerator model relies on attracting external firms, which typically is a significant challenge for regions in a similar position. However, Stanislaus benefits from proximity to a large pool of entrepreneurs and investors in Northern California and statewide. There is a risk of investing in startups that do not stay to operate and grow in the region. Finally, the region will need to explore whether to build an accelerator from scratch or partner with national enterprises.

Investment Ask

\$10 million over 3 years, with potential for recoupment in 5-10 years assuming ~5% equity stake in firms.

Improve competitiveness of upstream, downstream, and adjacent firms to promote “cluster” effects through enhanced connections to existing forms of technical assistance.

Solution

A vibrant industry sector depends on the ability of firms to engage productively with a robust web of suppliers, customers, and service partners. Therefore, strengthening the total value chain for bioproducts in the region will be central to success. For example, the North San Joaquin Valley’s advantage in feedstock diversity is only realized if agriculture producers and food processing companies are able to rethink how they deal with waste by-products. Similarly, a major draw for bioindustrial firms are regional companies that can act as first customers and innovation partners, but these prospective customers may require help integrating new bioproducts like soil additives or bioplastic pellets into their production.

Mainstream technical assistance providers in Northern California, such as universities or Manufacturing Extension Partnership programs, offer proven business strategy and operational supports for these upstream and downstream firms, some on a fee-for-service basis. Enabling those providers to target and customize offerings for bioproducts-adjacent firms, and offset costs for engaging these external advisors, will accelerate demand and partnerships for bioindustrial manufacturer activity.

Investment Ask

\$650,000 over three years, targeting up to 20 firms.



CAPITAL CONNECTIONS



Raise profile with leading bioproducts-focused investors, using national industry finance networks to connect firms into the region and help scale-ups access resources.



Solution

An abundance of bioindustry-oriented capital is available for the types of young, innovative, high-growth companies that the region aims to cultivate, especially in Northern California. Sources include specialized investors in bioproducts, large mainstream investors with circular economy funds, and broader climate tech investment vehicles.

Proactive, targeted investor network cultivation on behalf of the region will harness these sources of capital in two ways. First, investors aware of Stanislaus assets and supportive ecosystem can connect their portfolio startups to the region as a prime location to scale operations. Second, firms in the region can be offered benefits of relationships with these investors and knowledge of their principles. Tactical activities involve outreach to connect with funders and attend conferences, hosting in-market events, and providing insights to firms with high-quality marketing materials and pitch decks.



Investment Ask

\$200,000 over three years for outreach, including research, marketing, convenings, and technical assistance.

Promote access to government research and commercialization funding through matches and application assistance.



Solution

Due to risks, private sector investors in emerging sectors tend to underinvest in early-stage businesses for research and development required to achieve commercialization. Public funding like the federal government's Small Business Innovation Research (SBIR) and Small Business Technology Transfer (STTR) programs fill this gap, competitively awarding grants for small firms to do commercialization-oriented R&D independently or in partnership with a research institution. Numerous evaluations find these programs have transformative impacts on business creation and growth.

Helping bioindustrial manufacturing firms to access SBIR/STTR or similar sources through match funding and application assistance, tied to their operations or institutional partnerships in the region, will leverage a proven mechanism for reducing investment risk and promoting the sector. About 20 states provide similar assistance, but California is not among them; a targeted regional initiative fills an obvious gap and affords a clear competitive advantage, at relatively low cost.



Investment Ask

Up to \$1 million for matches over 3 years, with staff support to execute, pending industry expert consultation on program design and funding thresholds for the sector.



INFRASTRUCTURE

While Stanislaus offers large developable sites with good access to logistics, water, and power at comparatively low cost for Northern California, the region can translate that to a sectoral comparative advantage by compiling a strategic site portfolio with potential industry-specific investments, and exploring specialized infrastructure to enhance access to bio-based product inputs.

Promote site portfolio awareness and readiness, targeted to unique needs of bioindustrial manufacturing firms.

Solution

Availability of sector-appropriate “shovel-ready” sites remains a significant factor in business location decisions, complemented by workforce and other inputs. Furthermore, research indicates that investing in brownfield redevelopment or infrastructure in distressed areas are among the most cost-effective interventions for job creation.

Therefore, critical to attracting and expanding bioindustrial manufacturing firms in the region is understanding their distinctive site needs, identifying and marketing a portfolio of appropriate sites, and potentially offering support to improve site readiness. Site preparation activities are not solely about physical development, but also regulatory steps such as zoning reforms or pre-approvals of initial environmental reviews that make the region the easiest place in California to locate and operate.

Considerations

More detailed data on the specific real estate needs of bioindustrial manufacturing firms is required to guide prioritization and investments in readiness. If needs vary greatly by firm, then the focus is on basic site portfolio inventories, targeted marketing, and flexibility in responding to leads; if needs are very similar across firms, then investment in developing more speculative facilities could be considered.

Investment Ask

\$100,000 for identifying site-specific needs of bioindustrial companies, then creating a portfolio of viable locations for marketing and determining gaps; future budget could be fulfilled by the proposed flexible firm-specific incentives pool, or be justified separately for general physical improvements.

Create upstream infrastructure for accessing feedstocks to improve efficiency and reliability of inputs.

Solution

Availability of consistent, affordable, and usable feedstocks is a prominent market barrier to emerging bioindustrial production. Investing in regional infrastructure to access supply can offer a significant competitive advantage.

While an issue of ongoing exploration and experimentation nationally, the North San Joaquin Valley is well positioned to lead on identifying solutions, which can distinguish it as an innovator and location for industry growth.

Ultimately, interventions may take several forms, at varying expense. A low-cost “soft infrastructure” intermediary or clearinghouse function would enable feedstock suppliers and bioindustrial users to aggregate demand, send clear signals, and connect efficiently in the marketplace. At the other end of the spectrum, a capital-intensive pre-processing “depot” could be built to receive multiple waste streams and produce intermediate outputs sold to bioproduct companies.

Investment Ask

No immediate direct cost beyond existing staff time to explore options with national experts, potentially leading to either nominal operating expenses or a future larger capital expenditure proposal.



TALENT

Access to talent is the most-cited consideration for firms to locate or expand, and workforce capabilities also are the most significant contributor to regional competitiveness and economic mobility. While the Stanislaus labor pool possesses core talent adjacencies with bioindustrial manufacturing, additional training and investments are required to fulfill this potential.

Because the sector is emerging, economic and workforce development systems confront a “chicken-egg” dilemma balancing current jobs available for qualified workers versus availability of workers to meet new industry demand. The investments below will prepare the workforce system for rapid, priority response to anticipated needs of bioindustrial firms, as well as bolster the region’s foundational talent base in relevant STEM and manufacturing fields, ensuring access to address racial and gender disparities.

Provide a “plug-and-play” workforce system response to emerging bioindustrial firms, leveraging the Manufacturing Talent-to-Industry Exchange.



Solution

Developing a consistent, long-term talent pipeline for the sector requires intervening on both the demand and supply side: ensuring that bioproducts firms are able to collectively define their talent needs as a sector, and that workforce development organizations work quickly and collaboratively to meet those needs at the necessary scale.

The region’s broader Manufacturing Talent-to-Industry Exchange initiative provides the mechanism to achieve this objective, incorporating a special focus on bioindustrial manufacturing firms. Emphasizing a subsector is appropriate as part of a prioritized cluster-building strategy; within these broader activities, participants can analyze occupational demand data, collect sample training curricula in from other markets, and pre-organize providers into a “plug-and-play” support team.

Having this dedicated, informed provider partnership in place will set the foundation for rapid response in anticipation of growth, enable proactive identification of required skills, and send a clear message to target firms about the region’s commitment and capability to meet needs.



Investment Ask

Costs are incorporated into the proposed Manufacturing Talent-to-Industry Exchange budget.

Boost and diversify the pipeline of STEM graduates with bioproducts-relevant degrees and industry exposure through work-based learning and intensive support services.



Solution

Bioindustrial manufacturing demands both skilled production workers and a range of specialized talent that is in short supply nationally: chemical and biological engineers, data scientists, mechanical engineers, materials scientists, and more. While the North San Joaquin Valley cannot match the talent production pipeline of large innovation centers, it can compete by building the foundation of students with bioindustry-relevant STEM qualifications at all educational levels, particularly reaching diverse populations less represented in these quality jobs.

Connected with program opportunities identified for the Manufacturing Talent-to-Industry Exchange initiative, these bioindustry-targeted activities encompass work-based learning opportunities and student research experiences from high school through college, plus intensive supportive services for post-secondary completion. This strategy will draw upon best practices and relevant new education models emerging in comparable regions.



Investment Ask

\$2.45 million over three years (\$950,000 for work-based exposure pilot program serving at least 100 students, and \$1.5 million for a degree completion support program serving up to 150 students).



Governance & Capacity Building

GOVERNANCE & CAPACITY BUILDING



According to Brookings guidance on successful regional initiatives, whether regions can deliver on their ideas and ambitions depends on effective “governance”—the formulation and execution of collective action across institutional, jurisdictional, and sectoral boundaries. Explicitly assessing governance acknowledges that achieving desired economic development outcomes depends on action beyond the direct control or resources of economic developers.

What has largely been missing from our community is a neutral intermediary to lead and drive economic and workforce projects and initiatives forward across various actors, institutions, and interests. After assessing local governance dynamics in Stanislaus, Brookings advisors delivered a report identifying how new leadership and institutional relationships will be critical to project success and the delivery of larger economic outcomes.

Traditional metrics for economic development organizations positioned them as independent actors, emphasizing new jobs or capital expenditure typically associated with business attraction through their marketing and incentive activities. However, economic development organizations are only responsible for a subset of the programs, policies, and investments that drive competitiveness. For example, addressing the shift by business to rank skilled labor availability and production as the overall top priorities for location decisions is the purview of the workforce development system.

An “ecosystem” view reflects that diverse contributors hold different levers influencing economic results, and impact depends on how well these separate private, public, and civic institutions focus their efforts to achieve common goals. The return on individual contributions is greater when investments in business support, workforce training, university innovation, and infrastructure buildout are targeted rather than dispersed. More than a willingness to communicate, this relies on shared strategies and metrics around which stakeholders organize and implement their contributions.



CREATE A TEAM TO DRIVE DISTRIBUTED IMPLEMENTATION

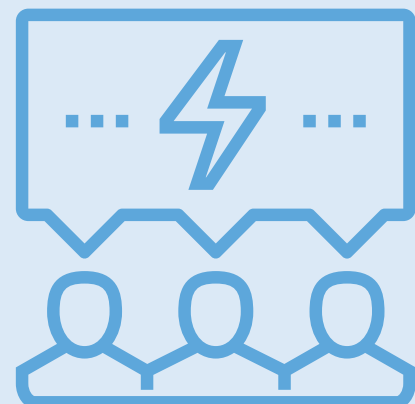
To deliver on the Stanislaus 2030 Action Plan & Investment Blueprint, the creation of a neutral intermediary is essential and recommended. Private, public, and civic sector leadership must agree on roles, norms, and resources, including a “center of gravity” for facilitation and accountability so that agreed strategies are more than a stated ambition without implementation. This includes:

- A shared agenda among business, government and education for inclusive economic development focused on traded sector opportunities, small business innovation, workforce development and removing barriers to jobs and training.
- Ensure program delivery with key partners and collaboratives. Monitor and adjust implementation for outcomes.
- Sustained, consistent leadership connected to shared agenda long-term, with involvement from multiple sectors.
- Builds partnerships with Higher Ed Institutions so that education programs are ultimately responsive real-time to industry needs.
- Industry partners that understand ‘what it takes’ and clarify what level of workforce development supports they need.
- Proactively secure public and private funding based on solutions that scale within a shared agenda and connect to funding streams for projects within the pipeline.
- Acts as a centralized data and resource hub to track metrics, share best practices.
- Create policy and advocacy objectives that connect local programs to state and federal legislation.
- Participate in regional tables on related issues (i.e. Community Economic Resilience Fund for North San Joaquin Valley region).



Investment Ask

\$1 million over three years, to create an intermediary structure to act as the center of gravity for an inclusive economic development agenda. Leadership/project management team will convene and drive distributed implementation plans for all strategies identified in this report. This agile small team will also monitor data related to outcomes, focus on equity and inclusion and align with regional Community Economic Resilience Fund (CERF) efforts and other state activities. Committee who will review the applications.



BUILD CAPACITY OF LOCAL GOVERNMENT AROUND INCLUSIVE ECONOMIC DEVELOPMENT

Local government leaders play a pivotal role towards building a resilient economy, including the power to build policy and scale initiatives. The commitment of local government staff and leaders is essential to sustain inclusive growth as a path to greater prosperity, health, and well-being for residents in Stanislaus County.

There is a compelling rationale for local government to strive for greater institutional alignment. Evidence suggests that businesses benefit from being in regional economies that have strong, networked organizations around them with shared systems and objectives for measuring inclusive growth.

Yet, it can be challenging and overwhelming for local government practitioners to tackle and prioritize inclusive growth objectives. According to the Brookings Institution, “local leaders are increasingly aware of the inclusive growth imperative. Their problem is not one of knowledge or motivation, but rather in marshaling the capacity—fiscal, political, and institutional—to act at a scale commensurate with the problems that they face.”²⁵

Additionally, the Center for Public Impact reports that the biggest barriers that prevent or hamper cities collective efforts to bolster inclusive economic development include limited staff capacity and lack of networks within and across government institutions to reinforce shared priorities. Local governments are also inherently risk-averse, which makes it difficult to shift policies and practices that deviate from the status quo.²⁶



Based on these challenges, Stanislaus 2030 recommends strategic investments in local government capacity to advance inclusive growth, including resources to build stronger networks across municipalities to help align objectives and leverage resources, and funds to increase innovation within government institutions. One novel solution is to scale the Fuse Corps program to Stanislaus County, which partners with local governments and communities to more effectively address pressing challenges by placing experienced professionals in local government agencies. FUSE Executive Fellows lead strategic projects on pressing issues at the local level, such as economic development and workforce training, that are designed to accelerate progress and advance racial equity.



Investment Ask

Up to \$250,000 for collaboration among economic development practitioners across cities and county agencies, building a network to encourage peer sharing, learning and aligned action.

Up to \$250,000 in Fuse Corps fellowship program and host Executive Fellows in Stanislaus County workforce and economic development departments to support system alignment with inclusive growth objectives of Stanislaus 2030.

²⁵ Parilla, Donahue, and Martinez, Institutionalizing inclusive growth: Rewiring systems to rebuild local economies, Brookings Institution, 2022

²⁶ Humes, Zuluaga, Hanna, Gormley, Learning from city leaders: building inclusive economies, Center for Public Impact, 2021: <https://www.centreforpublicimpact.org/insights/learning-from-city-leaders-building-inclusive-economies>

WHAT'S NEXT FOR STANISLAUS 2030

Stanislaus 2030, in an intensive 10-month sprint, produced more than this investment blueprint; it changed the way we think about our economy, educated us on our wage thresholds and the true drivers of economic resilience, and widened our definition of success beyond employment rates to multiple metrics for economic vibrancy.

But if Stanislaus 2030 is to be successful in the long-term, it will require prioritization and ongoing partnership among local government, higher education institutions, private business and civic leaders. We must learn to meaningfully engage more community members. We must step into hard conversations about who is left at the margins of our economy and why. And, we must build long term accountability for the business plans activated as a result of this Investment Blueprint.



STANISLAUS 2030

Alignment Across Institutions & Initiatives

Meaningful alignment among our local institutions and systems is paramount to the success of all strategies within this blueprint. The main impediment to our community's long-term success is the fragmentation and often competing interests of various actors in our region. In order for us to make transformational change at the whole population level, versus discrete outcomes for a small group, we must develop mutually reinforcing strategies among local government, higher education, local industry and within our social services. This can look like:

- Alignment of organizational strategic plans around the priority focus areas within the Stanislaus 2030 Blueprint
- Utilizing the Market Assessment and data book to inform organizational strategic planning and funding decisions
- Building multi-stakeholder collaboratives that focus on issue areas
- Connecting funding to do 'double duty' and extend to more clients/local community members

Advancing Equitable Outcomes

While COVID-19 disrupted the lives of every community member in Stanislaus county, the socio-economic impacts of the pandemic were unevenly experienced. Stanislaus and neighboring counties consistently ranked high in transmission rates throughout the pandemic due to several variables, including the large number of essential workers that reside in our community. Our essential workers, largely people of color, were most impacted by the ravages of COVID both from a public health standpoint as well as economically. And yet these were often the same individuals and families that faced multiple barriers to accessing supportive services. This was also the case with our small business community, and particularly Latino-owned entrepreneurs that may not have had traditional banking relationships to readily access public relief funds. Local government leaders pivoted to address these gaps during the pandemic, which was admirable. And yet, a sustained, consistent focus on understanding and removing demographic barriers to education, training and quality jobs must be specifically addressed in future activation plans resulting from this Investment Blueprint.

Business Plans

The driving force for Stanislaus 2030's vision and mission was to arrive at a concrete set of strategies that can be operationalized by local partners, to make the 'case for investment' in Stanislaus County. The strategies and community solutions listed in this Investment Blueprint must now be activated through the creation of business plans. Public and private funds must be secured to ensure that these business plans move forward; technical consultants can be tapped where appropriate; and collaboratives must organize, with support, to advance collective action.

Community Engagement

Throughout the Stanislaus 2030 process, we engaged with community members to understand their experiences in our local economy. In addition to participating in focus groups, community members were asked to join workgroups to further dive into the strategic focus areas and provide solutions that made tangible sense. A community survey was conducted in the last month of Stanislaus 2030 to get another real-time sense of the goals, aspirations and challenges local community members face. Not surprisingly, many community members feel disconnected from the systems that seek to support them. As we move forward with seeking funding for all aspects of this investment blueprint, the following must be considered:

- Facilitating community conversations and active participation in all business plans operationalized from this Investment Blueprint
- Creating leadership opportunities for community members in the programs that result from business plans
- Creating and sharing metrics for each program, disaggregated by race, gender and other demographic data points

Accountability

This is not a report that is 'going to collect dust on a shelf.' Stanislaus 2030 was conceived as an organizing initiative that had an urgent, laser focus on understanding and uplifting the concrete strategies that will bolster a robust economy well into the future.

To achieve this scale of transformation, a group of local leaders from multiple sectors across our community will be invited to serve at the helm of an intermediary team that drives distributed implementation across all strategies. This small team will provide support to multiple partners responsible for the Investment Blueprint strategies. This effort will be incubated, for a period of time, at Stanislaus Community Foundation, with support from Stanislaus County and others.



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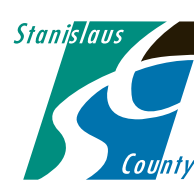
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Elizabeth Patterson

Cities GPS

SMALL BUSINESS & ENTREPRENEURISM WORKGROUP

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La Favorita Radio

Angelica Anguiano

Law Offices
of Angelica J.
Anguiano

Anthony Sims

City of Ceres

Evan Porges

Porges Property

German Zavala

SBDC

Jaylen French

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Joe Duran

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Johnny Garcia

Hispanic Chamber
of Commerce

Jose Sabala

Oak Valley
Community Bank

Kathryn Davis

Valley First Credit
Union

Ninfa Smith

Stanislaus County
Office of Education

Trish Christensen

Modesto Chamber
of Commerce

TALENT DEVELOPMENT WORKGROUP

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Gallo Winery

***Scott Siegel**

Ceres Unified School District
retired Superintendent

Amber Edwards

Opportunity Stanislaus

Anthony Cannella

Northstar Engineering

Deb Rowe

Stanislaus County
Office of Education

Doris Foster

Stanislaus County
Workforce Development

Emily Harry

Ceres Unified School District

Jessica Godden

Stanislaus Partners
in Education

Kari Knutsen Miller

CSU Stanislaus

Kris Helton

J.M. Keckler Medical Co.

Leslie Beggs

Yosemite Community
College District

Matthew Pedrick

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Megan Lowry

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of Education

Pedro Mendez

Modesto Junior College

Rachel Barkus

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Richard Coffey

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Shelley Akiona

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Pacific Southwest Container

Tina Rocha

Stanislaus County Chief
Executive Office

Tyler Richardson

Opportunity Stanislaus

Vickie Mulvaney-Trask

Modesto Junior College

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North Valley Labor Federation

Will Wong

City of Modesto

BARRIERS TO JOBS & TRAINING WORKGROUP

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E. & J. Gallo Winery

***Nico Solorio**

Stanislaus Equity Partners

Angela Swanson

Stanislaus Regional
Transit Authority

Blanca Marin

Community

Craig Orona

Stanislaus Boys and
Girls Club

David Halvorson Jr

American Chevrolet

Juleeann Fisher

Center for Human Services

Julie Sedlemeyer

CSU Stanislaus
Career & Professional
Development Center

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MJC Dean Special
Programs

Natalie Emanuel

Community

Roberto Ponce

Stanislaus County
Office of Education

Rosa Hernandez

Center for Human Services

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SCOE Child & Family
Services

Violeta Cuevas

Stanislaus County
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AG BIOPRODUCTION/ CIRCULAR ECONOMY WORKGROUP

***Ann Veneman**

Former United States
Secretary of Agriculture

Andy Foster

Aemetis

Dana Ostenson

IRG

Daren Williams

Almond Board

Dave White

Opportunity Stanislaus

Don Borges

MJC

Gerardo Diaz

UC Merced

Jody Hayes

Stanislaus County CEO Office

Marjorie Zatz

UC Merced

Ryan Flaherty

Sustainable Conservation

Steve Anderson

G3

Stuart Wooley

CSU Stanislaus

Tim Robertson

North Valley Labor Federation

SPECIAL THANKS TO THE FOLLOWING SUBJECT MATTER EXPERTS:

Brookings Institution for their guidance on all subject areas; Jobs for the Future for their guidance on talent development; Mission Edge for their guidance on small business supports; BioMade for their guidance on ag bioproduction/circular economy. Don Borges, Modesto Junior College; Dr. Emily Lawrence, CSU Stanislaus and Seana Day, Better Food Ventures for their guidance on ag upskilling/reskilling recommendations.

**Indicates Workgroup Champion*



STANISLAUS 2030

The full market assessment, data book, community insights report and other supplementary information can be found on our website, Stanislaus2030.com.

This project is being supported, in whole or in part, by federal award number SLFRP2096 awarded to County of Stanislaus by the U.S. Department of the Treasury.



Enter Budget Amounts

Budget Usage	Budgetary Control validation and General Ledger reporting
Budget Entry Classification	Budget revision
Enter Budget Amounts As	Addition to or subtraction from current budget
Control Budget	SC Detail Budget
Budget Entry Name	2023 Revision 01-31-2023
Budget Scenario	SC Legal Budget
Worksheet Status	

*SC_FUND[...] (4 char)	*SC_COST CENTER[...] (7 char)	*SC_ACCOUNT[...] (5 char)	*SC_PROJECT[...] (7 char)	*SC_LOCATION[...] (6 char)	*SC_MISC[...] (6 char)	*SC_INTERFUND[...] (4 char)	*SC_FUTURE[...] (5 char)	Increase to Expense, Decrease to Revenue	Decrease to Expense, Increase to Revenue	Comment
1676	0013264	63000	0000000	000000	000000	0000	00000	650000		Increase Appropriations in Professional & Special Services for BEAM Circular - BAI 01.31.23
1676	0013264	28800	0000000	000000	000000	0000	00000		650000	Increase Revenue in Federal Revenue for BEAM Circular - BAI 01.31.23

Explanation: Related to BAI 1.31.2023 for BioIndustrial Manufacturing, to create a Bioindustrial Manufacturing Growth Partnership to function as a hub for the sector and to drive implementation of the industry strategy. County contribution is \$650,000 in initial year of the \$2.3 million included in the investment blueprint.

Requesting Department	CEO	Auditor-Controller's Office
Thalia Valdivia	Angelica Ramos	Jian Ou-Yang
Prepared by	Approved By	Approved By
1/19/2023	1.31.2023	1/26/2023
Date	Date	Date

Note: For use in requesting budget adjustments prior to the implementation of Budget Approval Application.



STANISLAUS 2030

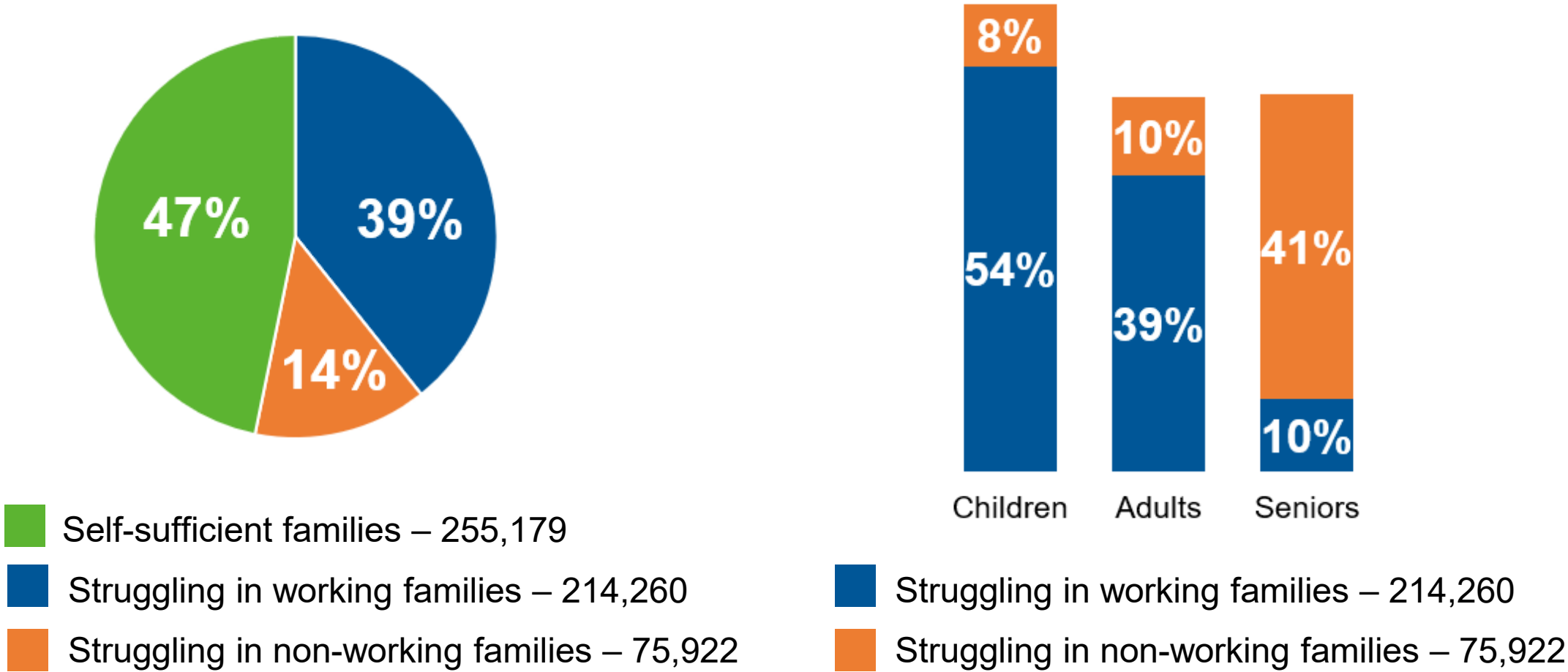


STANISLAUS 2030



Over Half The County's Population Struggles To Make Ends Meet

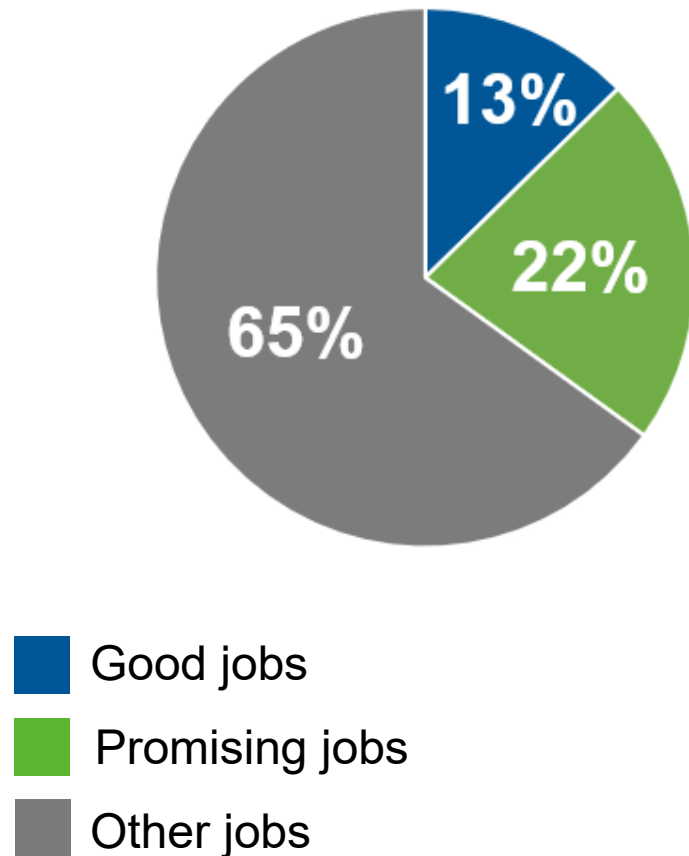
Stanislaus County population that belongs to a struggling family - 2019



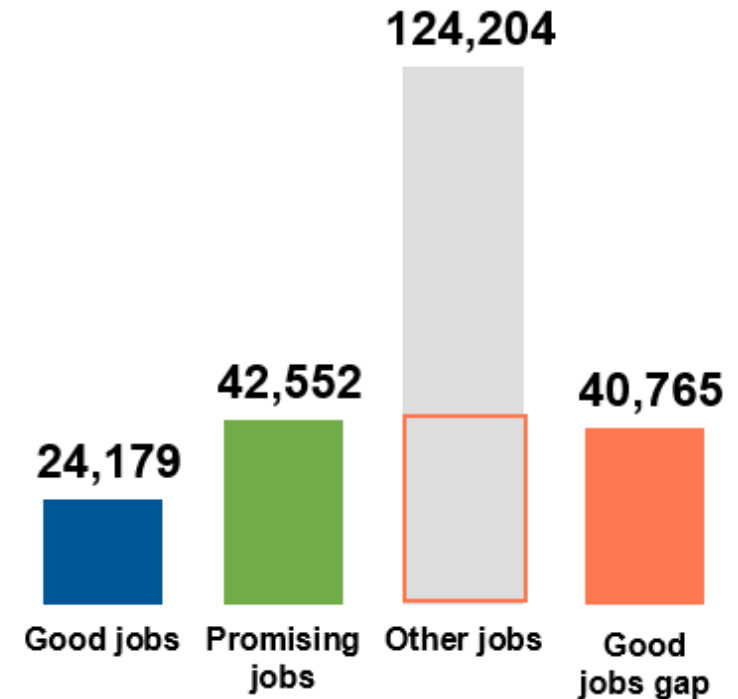
Note: "Children" refers to individuals aged fewer than 18 years or those under 25-years-old who are full-time students. "Adults" refers to working-age adults aged 18 to 64. "Seniors" refers to adults aged 65 years or more.
Source: Brookings and Cities GPS analysis of American Community Survey public-use microdata and University of Washington estimates.

One-Third Of The County's Jobs Provide Pathways To Prosperity

Share of Stanislaus County's jobs by quality - 2020



Stanislaus County's job quality numbers - 2020



\$28.58/hr., full-time:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Health insurance:	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Career pathways:	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

Year 1 Planning

✓ Coalition Building/
Program Design

✓ Research &
Data Analysis

✓ Engagement & Reporting

✓ Workgroup Strategy
Development

✓ Investment
Blueprint

Year 2 Start-up

Implementation Team
Development

1. Stan 2030
2. Bioproducts

Activation &
Investment Plans

- ☐ Stakeholder Engagement
- ☐ Implementation Strategies & Outcomes
- ☐ Funding Options
- ☐ Owner(s)/ Accountability

Years 3 & 4 Implementation


Entrepreneurship &
Small Business
Dynamism


Governance &
Capacity
Building


Talent
Development


Remove Non-Skill
Barriers to Jobs &
Training


Traded Sector
Development:
Bioindustrial
Manufacturing





STANISLAUS 2030

Stanislaus 2030 Traded Sector Development Strategy

Bioindustrial Manufacturing Initiative Update & BEAM Circular Proposal

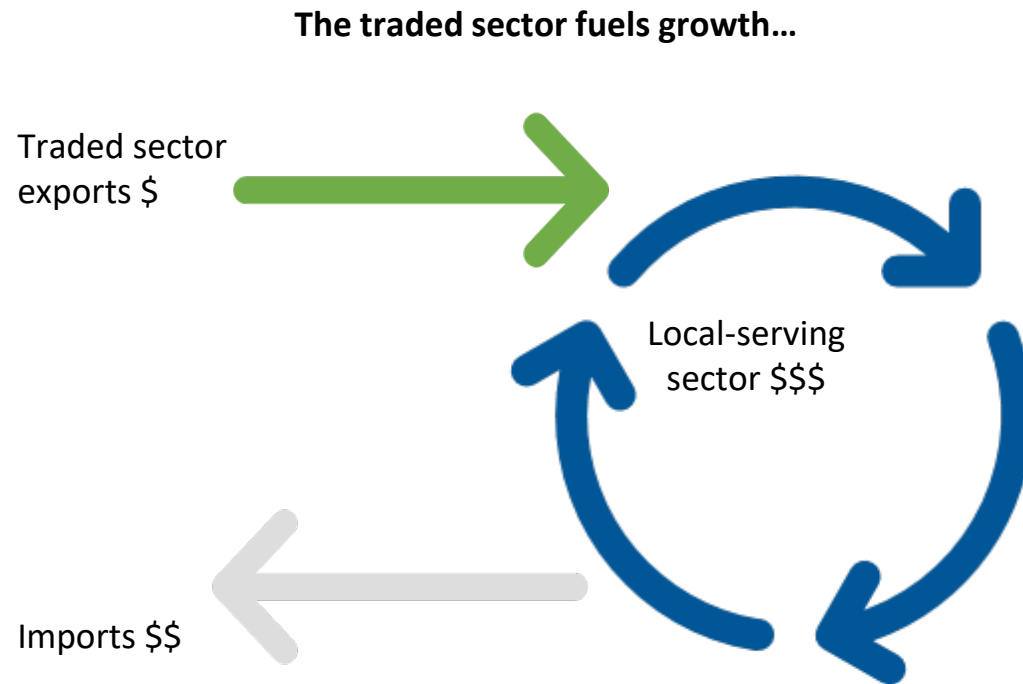
Stanislaus County Board of Supervisors Meeting

Tuesday January 31, 2023

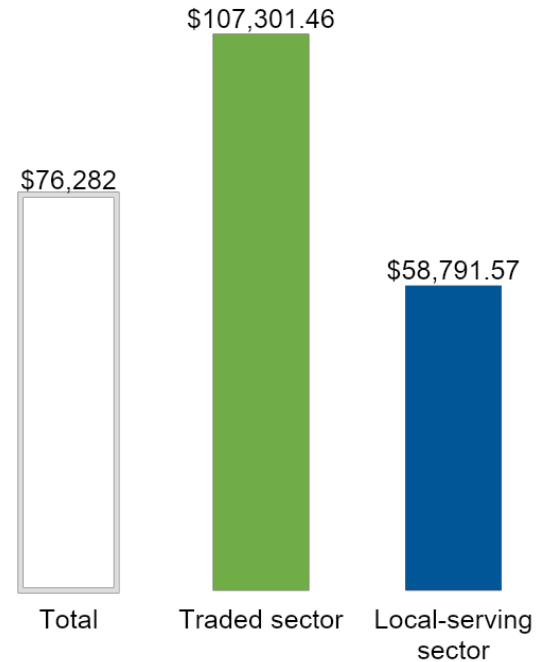
Karen Warner

The Need for a Traded Sector Development Strategy

“The region must **prioritize and focus efforts on existing or emerging traded sectors** matching competitiveness assets and offering higher concentrations of good and promising jobs.” - *Stan2030 Market Assessment*



...and creates prosperity



Average annual earnings
nationwide in 2020

Our Traded Sector Focus: Bioindustrial Manufacturing

Analysis of market, talent, innovation, and infrastructure factors identified **bioindustrial manufacturing** as a regional industry cluster opportunity to expand local traded sector activity.

This emerging sector holds potential to **diversify** the economy and generate many accessible good and promising jobs for residents, while **building upon and complementing** historic strengths in agriculture, food processing, and logistics.

Examples of Bioproducts



Cement



Soil Amendments



Indigo Dye



Bioplastics



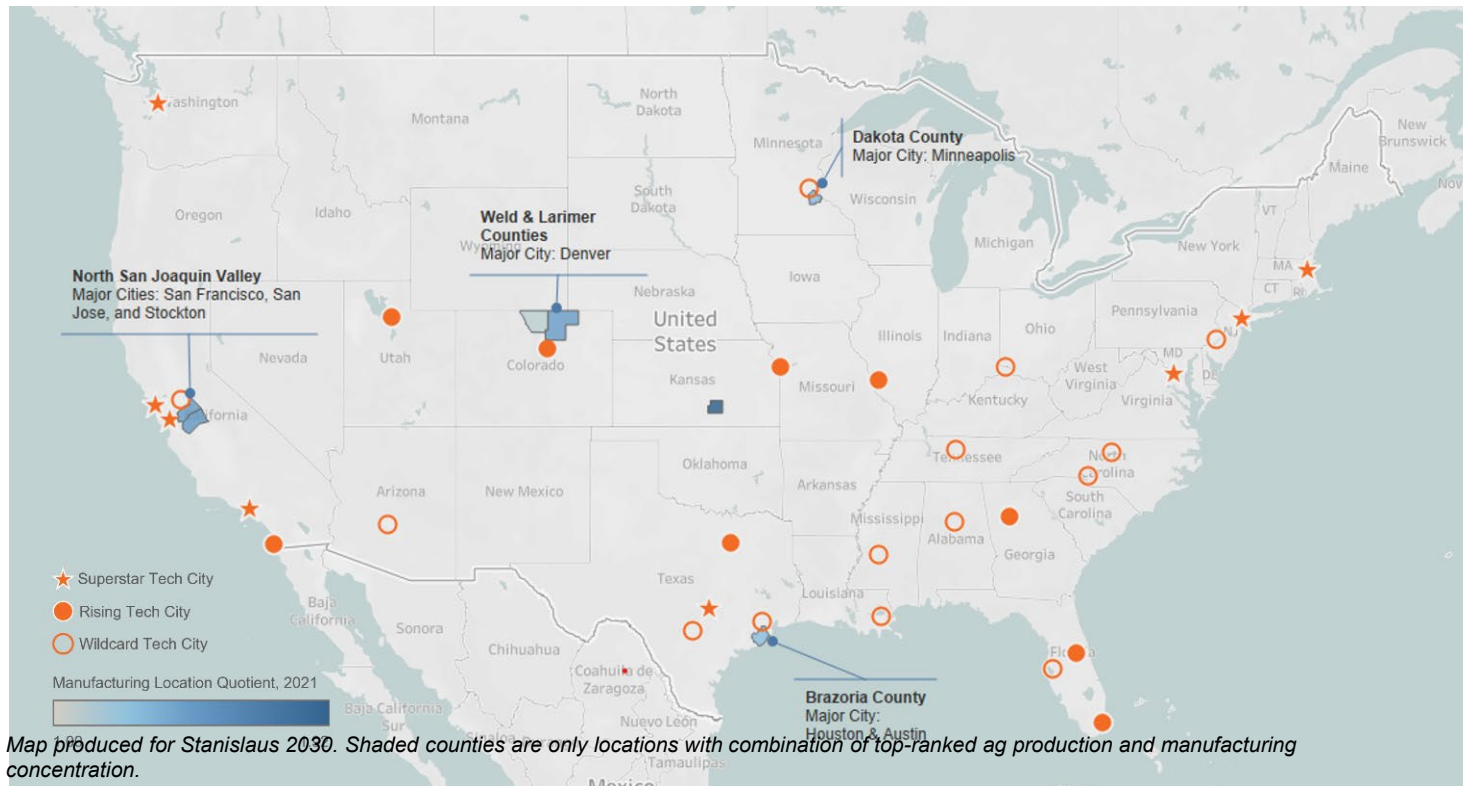
Alternative Protein

Global momentum toward the bioeconomy

- Non-health bioproducts expected to reach \$2 trillion annual global economic impact by 2040
- Bio-based materials market alone forecasted to grow 26.5% to \$87 billion by 2026
- Growing bioeconomy capacity is a national priority
 - National security: supply chain resilience, energy independence
 - Environment: moving from extractive and polluting industry models to renewable inputs and sustainable processes
- Public investment growing at state and federal levels

Stanislaus is uniquely positioned to lead in this growing industry

Industry landscape analysis and peer comparisons show we are the #1 location for the scale-up of bioindustrial manufacturing activities. The North San Joaquin Valley, anchored by Stanislaus County, is the **only region in the country** with the combination of 3 key assets:

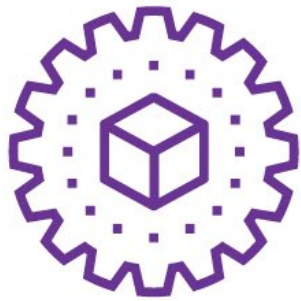


- ★ Large-scale ag production → abundant feedstock
- ★ High concentration of manufacturing activities → relevant workforce and expertise
- ★ Commuting distance to “superstar” tech hub → proximity to world-class biotech innovation and startup resources

Our Sector Development Agenda

The Stan2030 Investment Blueprint recommends a multi-faced strategy for growing a regional industry cluster, with goal of making Stanislaus County a global leader in bioindustrial manufacturing.

The strategy is based on best practices for industry cluster development, broken into 5 pillars:



INNOVATION



CAPITAL



INFRASTRUCTURE


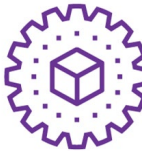





TALENT



**CROSS-CUTTING
INITIATIVES**

Portfolio of strategic projects and initiatives (\$57.6 million)

	CROSS-CUTTING INITIATIVES	<ul style="list-style-type: none"> • Launch a Bioindustrial Manufacturing Growth Partnership • Develop a Testbed Manufacturing Facility / “Center of Excellence” • Provide a flexible pool of firm-specific, time-limited incentives
	ACCESS TO INNOVATION	<ul style="list-style-type: none"> • Institute knowledge transfer programs and innovation vouchers • Create an accelerator program • Improve competitiveness of upstream, downstream, and adjacent firms
	CAPITAL CONNECTIONS	<ul style="list-style-type: none"> • Raise regional profile with leading bioproducts-focused investors • Promote access to government research and commercialization funding through matches and application assistance
	INFRASTRUCTURE	<ul style="list-style-type: none"> • Promote site portfolio awareness and readiness, targeted to unique needs of bioindustrial manufacturing firms • Create upstream infrastructure for accessing feedstocks to improve efficiency and reliability of inputs
	TALENT	<ul style="list-style-type: none"> • Provide a “plug-and-play” workforce system to emerging bioindustrial firms, leveraging the Manufacturing Talent-to-Industry Exchange • Boost and diversify the pipeline of STEM graduates with bioproducts relevant degrees and industry exposure through work-based learning and support services

Step 1: Launch a Bioindustrial Manufacturing Growth Partnership

- Key component of Stan2030 sector development agenda, enabler of all other strategies
- “Center of gravity” / hub for regional collaboration and external engagement, anchored in Stanislaus County with responsibility for engaging the broader NSJV
- Establishing a well-resourced and coordinated central hub is a key element of success in cluster-development efforts in other communities
- Hub is responsible for:
 - Representing and promoting the region to the industry and other stakeholders
 - Organizing and supporting partner efforts toward a joint work plan
 - Pursuing resources for mutual benefit
 - Tracking progress and monitoring outcomes, including access & inclusion
 - Refining strategies

**Regions are vying for leadership in the bioeconomy.
This is our opportunity to plant a flag in the ground.**

Introducing...



BioEconomy | Agriculture | Manufacturing

BEAM Circular is on a mission to propel the circular bioeconomy by transforming waste into value across food and agricultural systems. We will expand inclusive access to family-sustaining jobs and advance environmental solutions by building a vibrant regional ecosystem for bioindustrial manufacturing in the North San Joaquin Valley, making our region the best place in the country for bioproduct innovations to scale.

Coordinating a Portfolio of Collaborative Projects & Initiatives

- NSJV Bioindustrial Manufacturing Innovation Engine
- Stanislaus Center of Excellence (Testbed Facility)
- Bioindustrial Business Accelerator
- Community Benefits in the Circular Economy
- Talent-to-Industry Exchange
- Feedstock Access Project

Providing Cross-Cutting Services to Advance the Ecosystem

- Cross-sector coordination & project management
- Advising and technical assistance to local agencies
- Funding research, policy engagement, and grant writing
- Partnership development, facilitation, convening
- Regional marketing to industry and investors

BEAM Circular - Year 1

- Investment in Year 1 core operations and program delivery will secure early momentum and backbone infrastructure for regional bioindustrial manufacturing sector development
- Dedicated staff responsible for advancing the broad Stan2030 sector development agenda, including identifying public and private financing for the project portfolio, making investment recommendations to support the strategy, refining strategies into operating plans, and facilitating partnerships for implementation

Core operating budget includes support for 3 FTE and programming/project costs associated with:

- Launch & coordination of Innovation Engine
- Advancement of project planning for testbed facility
- Development of Community Benefits in the Circular Economy Working Group
- Bioeconomy Development Opportunity Zone Assessment and Rating (over 2/3 of cost to be covered by industry sponsorship, led by Almond Board)
- Infrastructure Needs and Incentives Analyses
- Workforce and Talent Pipeline program development
- Feedstock Access Assessment & Recommendations
- Policy technical assistance and grant writing



*Incubation at OS to provide
Fiscal Sponsorship and close
collaboration opportunities*

Advisory Committee in Formation



Ann Veneman
BEAM Strategy Advisor
Former US Secretary of Agriculture,
Former CA Secretary of Food & Ag

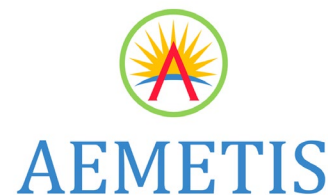


Dr. Deepti Tanjore
BEAM Chief Technical Advisor
Director, Advanced Biofuels and
Bioproducts Process Development
Unit, Berkeley Lab

Early Wins & Progress to Date

- **Formed NSJV Bioindustrial Manufacturing Innovation Engine**
 - 25 local and state institutions have joined founding Leadership Council
 - Submitted proposal to National Science Foundation (NSF) for \$1 million planning grant in September
 - Joint Management Team (UC Merced, Berkeley Lab, BEAM) attended strategic planning retreat in Modesto in January
 - First LC meeting to take place in February, formally launching the Engine
 - First research partnership catalyzed by Engine already developed: Berkeley Lab / UC Merced proposal for feedstock diversification research
- **MJC accepted as member of BioMADE, national institute for bioindustrial manufacturing**
- **Pursuing early business development opportunities in collaboration with Opportunity Stanislaus**
 - 3 industry-specific RFI responses submitted with letters of support
 - Support provided for food waste digester project expansion in Turlock (Divert)
 - Tours underway to explore partnership with bioproduction incubator
- **State & federal advocacy underway**
 - CDFA Secretary Karen Ross conducting site visit in February
 - Early discussions with multiple agencies at CA Economic Summit
 - Tailoring County legislative platforms
 - CDFA, GoBiz, UCANR signed on to Innovation Engine
 - Submitted formal comment on White House biomanufacturing executive order
 - Proposal for CERF Pilot Grant in development
- **National investors taking notice**
 - Invited to attend bioproducts convening hosted by Schmidt Futures and Foundation for Food & Agriculture Research
 - Invited to participate in fellowship program to support launch of BEAM Circular

NSJV Bioindustrial Manufacturing Innovation Engine Leadership Council



*Leadership Council confirmed members as of 1/30/23; additional members to be named

Support for the NJSV Bioindustrial Manufacturing Innovation Engine

*“As the leading agricultural state in the Nation and the producer of a significant supply of fruits, vegetables, tree nuts, and dairy products in addition to many other crops essential for health and nutrition, this proposal holds the promise of accelerating innovation in new product development and manufacturing with its accompanying higher paying jobs of the future to lift families out of poverty. Of particular importance is the role this work will play in the realization of a connected economy that converts waste streams and food and ag processing byproducts climate smart products and replacements for fossil-based products. **The forward-leaning solutions embodied in this Engine will ensure the long-term viability of agriculture and the vitality of our rural communities.**”*

- CA Secretary of Food and Agriculture Secretary Karen Ross

Next Steps – Bioindustrial Manufacturing

- Launch BEAM Circular
 - Finalize backbone operations (fiscal sponsorship)
 - Hire staff and build out advisory committee
 - Develop and publish communication materials
- Launch Innovation Engine (first Leadership Council meeting Feb 24 at UC Merced)
- Submit timely proposals for state and federal grants to support the portfolio
- Advance feasibility study, financing exploration, and project planning for testbed facility project (hire project manager)
- Develop contracts to begin key assessments and analyses
 - Industrial site inventory and shared infrastructure needs analysis
 - BDO Zone rating
 - Incentives policy recommendations for county and municipal governments
 - Workforce needs analysis and landscape mapping
- Continue strategic partner and investor network cultivation; secure remaining seed funding for BEAM Circular
- Deliver refined strategies / operating plans, investment recommendations, and progress reports to Stanislaus County (ongoing)

American Rescue Plan Act

- \$50m Community Infrastructure
- \$30m Economic Development/Job Creation
- \$5m Supporting Families/Individuals
- \$5m Community Development Corporation
- \$17m Reserve



Fiscal Impact

- Recommend designation of up to \$10 million in ARPA funding for future Bioindustrial Manufacturing activities and strategies
- \$650,000 contract with Opportunity Stanislaus to support first year of operations for BEAM Circular
- BEAM Circular to develop investment strategies and recommendations for remaining \$9,350,000 in funding to be considered by the Board of Supervisors over the next 10-12 months



Next Steps for Stanislaus 2030

Program Design

Research & Data Analysis

Engagement & Reporting

Workgroup Strategy Development

Investment Blueprint

Year 2 Start-up

Implementation Team Development

1. Stan 2030
2. Bioproducts

Activation & Investment Plans

- ☐ Stakeholder Engagement
- ☐ Implementation Strategies & Outcomes
- ☐ Funding Options
- ☐ Owner(s)/ Accountability

Years 3 & 4 Implementation


Entrepreneurship & Small Business Dynamism


Governance & Capacity Building


Talent Development


Remove Non-Skill Barriers to Jobs & Training


Traded Sector Development: Bioindustrial Manufacturing



Learn More...

- You can access the investment blueprint, our community insights report and the full market assessment at Stanislaus2030.com
- Continue to follow our journey at Stanislaus2030.com or on Instagram [@Stanislaus2030](https://www.instagram.com/Stanislaus2030)



Staff Recommendations

1. Accept an update on the Stanislaus 2030 Investment Blueprint Bioindustrial Manufacturing Strategy.
2. Approve a spending plan of up to \$10 million in American Rescue Plan Act (ARPA) funds for the Stanislaus 2030 Investment Blueprint Bioindustrial Manufacturing Strategy.
3. Authorize the Chief Executive Officer to negotiate and execute an agreement with Stanislaus Business Alliance, dba Opportunity Stanislaus, including any amendments, in an amount not to exceed \$650,000 with a term of one year, to support the formation and operations of BioEconomy, Agriculture, & Manufacturing (BEAM) Circular.
4. Direct the Auditor-Controller to increase appropriations and estimated revenue by \$650,000 in County Operations – ARPA State and Local Fiscal Recovery Fund, as detailed in the attached budget journal.





STANISLAUS 2030