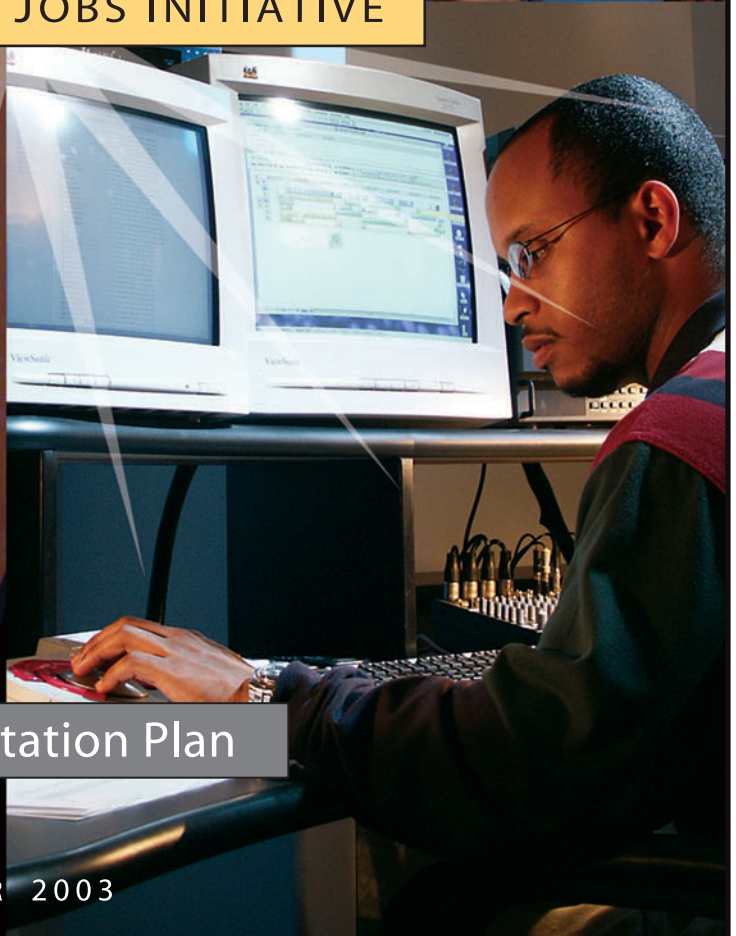




FRESNO REGIONAL JOBS INITIATIVE



Implementation Plan

OCTOBER 2003

I. Preface

Our region is undergoing a remarkable transformation. Regional collaboration is increasingly becoming the rule, not the exception. Visitors to the area arrive at a new airport terminal, see a new Downtown Fresno skyline, visit the new Grizzlies Stadium and the soon-to-be-opened Save Mart Center, and they shop and dine at beautiful new malls. The Fresno Unified and Clovis Unified school districts have joined together in a remarkable and hugely successful experiment in high school education reform at the Center for Advanced Research and Technology (CART). New business parks and industrial parks, such as the Clovis Research and Technology Park and the soon to be completed Roeding Regional Park, are visible signs of progress. But there is one major priority of our region where we have failed to make progress for too long: our unemployment rate.

The Fresno Metropolitan Statistical Area (Fresno and Madera counties) has been plagued with double-digit unemployment for at least the last two decades. Those who have rationalized the problem away, blaming it on our seasonal agriculture, fail to take into account that agriculture now represents only 20% of our area's employment and that in most years we have had double-digit unemployment even at the peak season of our agricultural harvest.

The cost of our high unemployment rate is enormous. Socially, unemployment deprives too many of our citizens of the dignity of a job. Economically, there are the obvious costs of unemployment insurance, social services and health services for those without jobs. Beyond that, the recent "Meeting the Challenge" report produced by Fresno Mayor Alan Autry's Council of Economic Advisors clearly points out the connection between unemployment and crime and the impact our high unemployment rates have had on public safety spending, draining the City's ability to spend on other high priorities, including economic development, thereby creating a vicious negative spiral. The other cities and counties in our region have similar issues, and some even worse.

There have been many well-intentioned efforts focused on job creation, but they have been fragmented, disjointed and sub-scale. The Fresno Regional Jobs Initiative aims to follow in the path of other metro areas that have successfully overcome chronic unemployment, emulating the five characteristics that have typified all these successful efforts.

- **Bold and Comprehensive Initiative.** Other metro areas have found that minor tweaks to the status quo don't fix chronic unemployment problems. Bold initiatives are required. The Regional Jobs Initiative has defined its goal as adding 30,000 net new jobs (over and above "normal" growth) in the Fresno MSA over the period 2004 to 2008. That's bold. It means doubling the "normal" job growth of our region. We take this challenge knowing there is no silver bullet. Instead there will be a comprehensive and sustained approach, comprised of multiple, well-coordinated actions, all contributing to the achievement of our goal. It is important to note that while targeting a specific

number of jobs in a specific number of years is important to energize all those who will participate, the more important objective we are accomplishing is the laying of a new foundation for how we approach job creation and economic development. It is a foundation that we hope will benefit many future generations.

- **A Regional Approach.** Successful efforts in other metro areas have recognized that chronic unemployment does not recognize political boundaries. We are one metro area, one labor market. Employers looking to build new facilities consider the overall conditions of an area, its livability, its business-friendliness, the quality of the area's workforce, and its physical and technological infrastructure. That's why political and business leaders from throughout our metro area have led the Regional Jobs Initiative. We made a conscious decision to start in the Fresno/Clovis area, but it has always been our intention to expand the beneficial impacts of this initiative, which is why the RJI Council will have representation from other Central California communities.
- **A Private-Public Partnership.** Other successful communities have recognized that success depends on a solid partnership between the private and public sectors. It is the former that creates most of the jobs, while it is the latter that must help create the conditions to attract private sector investment. Read the list of RJI participants to date shown in the pages that follow and you will see the extent to which we are heeding this lesson. The RJI is an extraordinary private-public partnership.
- **A Strategically Focused Approach.** In the fiercely competitive arena of economic development, communities must have a clear and objective understanding of their competitive advantages. They must understand where they can compete and what it will take to keep and build competitive advantage for its existing employers, attract new ones, and create the environment for innovation that is so essential to enterprise effectiveness and job creation. That is one of the principal objectives of this initiative – to identify the economic opportunities where we offer, or can offer, location benefits to employers, and then focus regional resources on taking advantage of those opportunities.

It turns out, as you will read in this report, that there are significant advantages to our Central California location as well as certain of our incumbent industries. The leaders of these industries must play a major role in the implementation of this plan. They know better than the rest of us what they need in order to achieve and sustain competitive advantage: what workforce skills, what infrastructure, what streamlined public sector processes, and so on. An effective climate for job creation is one of constructive and responsible dialogue, with industry driving the train and the public sector acting as the “cow catcher”, removing the obstacles in the way.

- **Aggressive and Effective Advocacy.** All the other regions that have successfully reversed chronic unemployment have recognized the importance of developing strong partnerships with state and federal governments. No metro area in the country is more deserving of assistance than ours, but effective advocacy begins with a united community, all standing behind a well-developed plan, which is why the RJI is so important to our future.

Obviously, we cannot wait for the helping hand to come to us. We must do our part, and that begins with recognition that a substantial amount of the resources required to achieve our objectives is already available to us. We must build on what already exists. We must ensure that the efforts of all our institutions are aligned in pursuit of our shared goals. That is, perhaps, the biggest challenge of this initiative: to ensure that all of us in both the private sector and the public sector, and even among our civic organizations, are rowing in the same direction. If we can do that, we will find that we have more resources than we thought, that additional resources will become more readily available, and we will be unstoppable.

We are indebted to the many people who have contributed so much of their time and ideas to bringing the RJI to this point. They are listed in the pages that follow. It has been a remarkable process of collaboration unlike any other we have seen in our region. At the outset, we adopted the regional values shown on the pages that follow. It is amazing what we can accomplish when we all set aside our own agendas and focus solely on the community interests.

The September 12 Jobs Summit was a major milestone for our community, a tipping point in our war against unemployment, but it is important for all of us to realize that it was the beginning of the hard work. To succeed, we must ensure that the energy, collaboration, enthusiasm and dedication that have been so evident during the planning phase are sustained throughout the implementation of this five-year plan. Please join us in making that commitment. Our children and our grandchildren deserve nothing less.



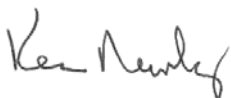
Board Chairman Juan Arambula
Co-Chair
RJI Leadership Group



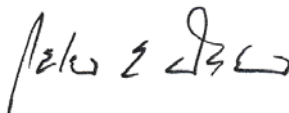
Mayor Lynne Ashbeck
Co-Chair
RJI Leadership Group



Mayor Alan Autry
Co-Chair
RJI Leadership Group



Ken Newby
Co-Chair
RJI Steering Committee



Peter Weber
Co-Chair
RJI Steering Committee

Community Values of the Fresno Region

- ***Stewardship*** – We will lead and follow as stewards of our region, caring responsibly for our community assets. We will work together to achieve the greatest, long-term benefit for the community as a whole.
- ***Boundary Crossing and Collaboration*** – We are willing to cross political, social, ethnic and economic boundaries and partner with others to achieve community outcomes. We will lead “beyond the walls” to create an inclusive, cohesive community through partnership and collaboration.
- ***Commitment to Outcomes*** – We are willing to take responsibility for tasks and achieving specified outcomes. We are committed to staying involved until the tasks are completed.
- ***“Art of the Possible” Thinking*** – We believe that anything is possible in the Fresno Region. We will envision “success without limitations” and then backward map a specific, attainable strategy for achieving that vision.
- ***Fact-Based Decision Making*** – To the greatest extent possible, we will base decisions and action plans on objective data, thereby avoiding distortion of issues by personal feelings or agendas. At the same time, we seek to get to the heart of the matter and recognize that facts without context can be misleading.
- ***Truth Telling*** – We value the empowerment of everyone involved, along with all community stakeholders, to honestly and forthrightly share all knowledge, experiences and insights relative to the work at hand. We take responsibility for ensuring our “truth” is current, not historical. We all share the responsibility for maintaining the truth-telling standard.
- ***Power Parity*** – We respect all persons and recognize that there are diverse viewpoints. Positional power will not determine a strategy or preferred outcome, merit will. Viewpoints from diverse constituencies will be proactively sought to ensure the best possible outcomes for the community.
- ***Commitment to Resolving Conflict*** – Conflict is inevitable and is sometimes required in order to achieve the best outcomes possible. Healthy conflict involves valuing every individual regardless of his or her stance on a specific issue and an unwavering commitment to working through the conflict in a positive manner despite its severity.
- ***Asset-Based Approach*** – We are focused on using a strengths-based, asset-oriented approach to people and issues. We believe that positive change occurs when we appreciate, value and invest in what is best in our people and community.
- ***Conflict of Interest*** – We agree to disclose any personal or professional conflict of interest that may affect our objectivity before engaging in work that will impact the community. We seek to avoid even the appearance of impropriety.

RJI Roster of Participants

1	Pamela Akin, Fresno Arts Council	71	Dan Fitzpatrick, Fresno Redevelopment Agency
2	Susan Anderson, Fresno County Board of Supervisors	72	Joe Flores, Clovis City Council
3	Juan Arambula, Fresno County Board of Supervisors	73	Jeff Fontano, ABF Freight System, Inc.
4	Eloisa Arizaga, Reedley EOS	74	Bryn Forhan, The Forhan Company
5	Lynne Ashbeck, City of Clovis	75	Steve Forker, Fresno County
6	Farid Assemi, Granville Homes, Inc.	76	Tim Fortier, Commercial Transfer, Inc.
7	Alan Autry, City of Fresno	77	Richard Fosse, I-5 Business Development Corridor
8	JD Ayres, Country Plastics	78	Charles Francis, The Training Institute
9	Mike Barnard, Star Finishes	79	Cathy Frost, Bennett Frost Personnel Services
10	Carla Barnes, Employment Development Department	80	Kelli Furtado, Central Valley Business Incubator
11	Tristine Bates, Kaiser Permanente	81	Greg Gaither, Central Valley Internet Project
12	John Belt, Institute of Technology	82	Antonio Gastelum, E-SUSA Economic Dev. Corp.
13	Deborah Bernal, Reedley EOS	83	Kevin Gerhardt, Performance Trailers, Inc.
14	Suzanne Bertz-Rosa, Bertz-Rosa Design	84	Randy Ghan, Central Labor Council
15	Paul Besselièvre	85	Gigi Gibbs, County of Fresno
16	Paul Betancourt, VF Farms	86	Jerry Giesler, KSEE 24
17	David Bobbitt, Med, Inc.	87	Tim Giles, Fresno County Workforce Investment Board
18	Hal Bolen, Bolen, Fransen & Russell, LLP	88	Ron Gonzalez, Med, Inc.
19	Tim Bornemann, California Manufacturing Technology Center	89	Barbara Goodwin, Council of Fresno County Governments
20	Richard Boss, Commercial Manufacturing	90	Jim Gordon, City of Orange Cove
21	Lynn Bowness, City of Fresno	91	Allyson Green, Fresno State - Community and Econ. Dev.
22	Tom Boyajian, Fresno City Council	92	Mark Grim, Shane Distribution
23	Dale Bray, United Western Industries	93	Daniel Guerra, Fresno West Coalition for Economic Dev.
24	Kathy Bray, Denham Personnel Services	94	Doug Hagen, B.K. Lighting
25	John Brelsford, Diversified Development Group	95	Bob Hamilton, Hamiltons ATS, Inc.
26	John Brewer, SPX Valves	96	Mark Harmsen, Kaiser Permanente
27	David Brletic, City of Reedley	97	Corwin Harper, Kaiser Permanente
28	Fred Burkhardt, City of Fresno	98	Jeff Harris, Building Industry Association
29	Dr. Walt Buster, California State University, Fresno	99	Larry Harris, Murdoc Technologies, Inc.
30	Bob Cain, Harris Manufacturing	100	Bob Hendricks, City of Fresno
31	Brian Calhoun, Fresno City Council	101	Doug Henton, Collaborative Economics
32	John Carbray, Fresno Stadium Founders	102	Rhonda Hill, City of Fresno
33	Dr. Allen Carden, Central Valley Higher Education Consortium	103	Dr. Phil Hinton, Community Medical Centers
34	Bob Carter	104	Dan Hobbs, City of Fresno
35	Carolyn Carter, Employment Development Department	105	Tamara Honohan, San Joaquin Training Institute
36	Tony Castillo, Fresno County Workforce Investment Board	106	Amanda Hopkins, Fresno County Office of Education
37	Arthur Clark, Kohler & Clark Screw Products	107	Julie Hornback, Fresno County Employ. & Temp. Assist.
38	Dan Clawson, California State University, Fresno	108	Heidi Horton, Bennett-Frost Personnel Services
39	Floyd Cogdill, National University	109	Bob Jennings, Local 246 Plumbing & Steamfitters
40	Anne Cole, Employment & Temp. Services, Fresno County	110	Bobbi Jensen-McKee, City of Fresno
41	Kevin Cole, Solakian Plastics	111	Carolina Jimenez-Hogg, Fresno County
42	Ruben Contreras, Mendota EOS	112	Dick Johanson, Johanson Transportation Services
43	Alex Correa, Fresno City Employees Association	113	Larry Johanson, Johanson Transportation Services
44	Dave Counts, PNM Company	114	Eric Johnson, SBC
45	Mark Cowart, Kings County	115	Garrett Jones, Lyles Center for Innovation
46	Dr. Tom Crow, State Center Community College District	116	Roland Jones, National University
47	Dr. Kathleen Curtis, Fresno State Health Policy Institute	117	Dr. Tom Jones, WORx
48	Doug Davidian, California Business Furnishings	118	Alan Jurkonis, American AVK, Inc.
49	Pilar De La Cruz, Fresno Heart Hospital	119	MaryAlice Kaloostin, Senator Charles Poochigian
50	Stebbins Dean, Fresno Chamber of Commerce	120	Bernice Kao, Fresno County Library
51	Michael Delaney, Delaney Matrix	121	Bill Kearney, Kearney Aluminum Foundry
52	Ruben Diaz, Fresno West Coalition for Economic Development	122	Bob Kearney, Kearney Aluminum Foundry
53	Octavia Diener, Densmore Engines	123	Jacob Keller, Employment Development Department
54	Dr. Ned Doffoney, Fresno City College	124	Keith Kelley, Fresno West Coalition for Econ. Dev.
55	Gordon Donoho, One by One Leadership	125	Mike Kelton, Inland Star Distribution Centers, Inc.
56	Diana Dooley, Children's Hospital Central California	126	Beth Kelvington
57	Alan Dorfmeier, Mauldin-Dorfmeier	127	Dr. Terry Kershaw, SCCCCD
58	Cynthia Downing, Professional Exchange Services	128	Steve Keyser, Sunrise Medical
59	Dan Doyle, Central Valley Community Bank	129	Brenda Khan, National Training Institute
60	Mike Dozier, Clovis Community Development Agency	130	Ruth Khan, Internal Revenue Service
61	Ian Duffield, Consultant	131	Kate King, Adco Manufacturing
62	Jerry Duncan, Fresno City Council	132	Lori Kirk, EDC Serving Fresno County
63	Ray Dunn, Floway Pumps	133	Blake Konczal, Fresno County WIB
64	Hal Eidal, Fresno County	134	Tom Krazan, Krazan & Associates
65	John Ennis, City of Fresno	135	Ray Lacasse, Ruiz Foods, Inc.
66	Emerson Estrada, Fresno County Workforce Investment Board	136	Noah Lagos, Fresno Yosemite International Airport
67	Fred Evans, Craig School of Business	137	Jerry Lakeman, Fresno Metropolitan Flood Control District
68	Robert Fain, Ironworkers Apprenticeships	138	Pam Lassetter, Fresno County WIB
69	Edward Ferguson, McCormick Barstow LLP	139	Claude Laval, Claude Laval Corporation
70	Brad Fischer, Bank of America	140	Lisa Leblanc, City of Fresno

141	Rick Lehman	216	Alan Scott, Sony Music
142	Dr. David Lighthall, Relational Culture Institute	217	Lori Shagley, Sunrise Medical
143	Seyla Lim, OneWorld	218	Paul Sihota, Royal Express Inc.
144	Ivonne Lopez, Reedley EOS	219	Jim Simonian, Simonian Fruit
145	Dr. Walt Loscutoff, Fresno State	220	Sue Smilie-Janecek, San Joaquin Valley College
146	Bill Lyles, Lyles Diversified	221	Clayton Smith, Associated Builders and Contractors, Inc.
147	Susan Lynch, Fresno County Workforce Investment Board	222	Ethan Smith, Pearson Realty
148	Tim Lynch, City of Fresno	223	Rollie Smith, HUD
149	Kurt Madden, One by One Leadership	224	Andy Souza, City of Fresno
150	John Madrid, Mayor's Office of Education	225	Dave Spaur, EDC Serving Fresno County
151	Kathleen Mancebo, Fresno Area Non-Profit Council	226	Dan Spears, City of Sanger
152	Jeff Manternach, Pacific Ag Products, Inc.	227	H Spees, One by One Leadership
153	Lou Martinez, City of Parlier	228	Dr. Tim Stearns, Lyles Center for Innovation, Fresno State
154	Harry Massucco, Sherwood, Lehman & Massucco	229	Barbara Steck, Fresno Business Council
155	Bill May, Grundfos Manufacturing, Inc.	230	Cynthia Sterling, Fresno City Council
156	Mark McIntyre, City of Fresno	231	Dwayne Stewart, Institute of Technology
157	Ian Mearns, ACS State & Local Solutions	232	John Stewart, Pearson Realty
158	Luisa Medina, Central California Legal Services	233	Rody Strahan, Sperry Van Ness
159	Dale Mendoza, Quali-T-Ruck Service	234	Kris Stuebner, JEM Management Corporation
160	Delyn Meyers, EDC Serving Fresno County	235	Ashley Swearengin, Fresno State – Comm / Econ Dev
161	Jim Michael, California State University, Fresno	236	John Swiger, San Joaquin Valley College
162	Kathy Millison, City of Clovis	237	Jennifer Taggard, Sunrise Medical
163	Rev. Roger Minassian, Hope Now For Youth, Inc.	238	Curtis Takemoto, Community Medical Centers
164	Suzanne Moffat, City of Fresno	239	Genelle Taylor, Lyles Center for Innovation – Fresno State
165	Hilda Montoy, City of Fresno	240	Tamico Thomas, Fresno County WIB
166	Dr. Dianne Moore, Fresno City College	241	Debra Thompson, Fresno West Coalition for Econ Dev
167	Hugo Morales, Radio Bilingue	242	Jerry Todd, City of Fresno
168	Arthur Moss, Kerman EOS	243	Barbara Utchian, Fresno County WIB
169	Rich Mostert, Central Valley Business Incubator	244	Jose Valencia, Sunrise Medical
170	Manjit, Muhar-Atwal, Fresno State - Comm / Econ Dev	245	Albert Valenzuela, United Parcel Service
171	Marlene Murphey, City of Fresno	246	Roger Van Groningen, VG Trucking
172	Ron Murray, Dantel, Inc.	247	Bob Van Wyk, Fresno Metropolitan Flood Control District
173	Traci Myers, City of Visalia	248	Jesse Velez, City of Clovis
174	Doug Myovich, Myovich Trucking	249	Denise Verdugo, Per-Se Technologies
175	Russell Nakaguchi, Professional Exchange Services	250	Javier Von Westphalen, Fresno County WIB
176	Deborah Nankivell, Fresno Business Council	251	Dr. Joan Voris, UC San Francisco
177	Rebecca Nellon, Synovate	252	Riley Walter, Walter Law Group
178	Ken Newby, Deloitte & Touche	253	Steve Ward, CART
179	Sister Ruth Marie Nickerson, Saint Agnes Medical Center	254	Alita Warner, Mayor's Office of Education
180	Michael Oberlander, Waterman Industries, Inc.	255	Ralph Waterhouse, Chaffee Zoo
181	Michael O'Hare, Fresno Unified School District	256	Bob Waterston, Fresno County Board of Supervisors
182	Stan Oken, Wonder Valley Ranch	257	Tere Watson, E'Zee Wear
183	Brian Olson, Weir Floway	258	Richard Weaver, Fresno County WIB
184	Ken Olson, CACT, Fresno City College	259	Pete Weber, Regional Jobs Initiative
185	Bruce O'Neal, Land Use Associates	260	Richard Weldon, RMC Pacific
186	Roger Palomino, Fresno County EOC	261	Dr. John Welty, California State University Fresno
187	Dr. William Patterson, Institute of Technology	262	John Wetzel, Goodwill Industries of SJV, Inc.
188	Dr. Joe Penbera, California State University, Fresno	263	Doug Whipple, Carpenters Union & United Bldg Trades
189	Henry Perea, Fresno City Council	264	David Whitaker, New Horizons
190	Ken Perrin, Community Medical Centers	265	Georgeanne White, City of Fresno
191	Regina Peters, Office of Councilman Tom Boyajian	266	Dan Whitehurst, Farewell, Inc.
192	Chuck Philips, Clovis Unified School District	267	Patrick Wiemiller, County of Fresno
193	Dave Phillips, DLP Associates	268	Larry Willey, Willey Tile Company
194	Don Pierce, Fresno County Human Services System	269	Jacquelyn Wilson, United Parcel Service
195	Nanette Potter, Employment Development Department	270	Brian Wise, Office of Congressman George Radonovich
196	Amy Powell, ACCELA	271	Ken Wiseman, ACS State & Local Solutions
197	Mike Prandini, City of Clovis	272	Dr. KP Wong, California State University, Fresno
198	Daymon Qualls, Waterman Industries, Inc.	273	Robert Wood, Cornerstone Enterprises Inc.
199	Ruthie Quinto, City of Fresno	274	Alicia Woodley, Professional Exchange Services
200	Augie Quiroz, Fresno County Workforce Investment Board	275	Stuart Woolf, Woolf Farming
201	Adrian Ramirez, Fresno County Workforce Investment Board	276	John Wright, City of Clovis
202	John Raymond, Hope Now For Youth, Inc.	277	Pat Wright, RealWorld Schools Inc
203	Brian Reams, City of Fresno	278	Lue Yang, Fresno Center for New Americans
204	Dr. Judith Redwine, State Center Community College District	279	Nick Yovino, City of Fresno
205	Matt Reinhardt, Sperry Van Ness	280	Lydia Zabrycki, EDC Serving Fresno County
206	Louise Richardson, Fresno County Library	281	Prudence Zalewski, Lance-Kashian & Co.
207	Chris Rinehart, CPR Logic		
208	Jon Ruiz, City of Fresno		
209	Paul Saito, Saito Associates		
210	Irene Santos, Tulare County Workforce Investment Department		
211	Bob Saur, Community Medical Centers		
212	Alice Saviez, Fresno Workforce Investment Board		
213	Dick Schantz, CCV, Inc.		
214	Nanda Schorske, Fresno County WIB		
215	Melodee Schwamb, EDC Serving Fresno County		

II. Background

At this point in the development of our region, we believe there are four major elements that must be addressed in parallel for us to attain a true level of functionality and excellence. In broad terms those elements are:

- Education
- Job Creation
- Public Health and Air Quality
- Public Safety

Of course, there are endless tributaries that flow from these broad categories, and others, which will need work and continual attention for our efforts to truly succeed. The specific purpose of the Regional Jobs Initiative is to focus on Job Creation. However, the framers of this Initiative well understand that it cannot be approached in a vacuum. To the contrary, we believe this effort will be severely hampered if our community cannot or will not acknowledge and deal with the interrelationships between the four elements listed above. The high dropout rate and low academic scores in the Fresno Unified School District have been a serious impediment to job creation. The quality of our air has been a serious detriment to attracting companies and employees to our region and has driven some of our best talent out of the area. Our crime rate has also been detrimental to job creation. Our region needs to build an upward spiral around these four elements. Improvements in our educational system will help job creation, which will in turn result in less crime; and the resulting benefit to our economy will enable us to fund improvements in our air quality.

We are aware of substantial work underway in the areas of Education, Public Health and Air Quality, and Public Safety. Each is at a different state of development; in each, quality efforts have begun. As we turn to implementation of the Regional Jobs Initiative, we will work closely with those involved in parallel initiatives to fully integrate and support theirs with ours. Through collaboration our region will develop broadly and rationally, and provide an environment for excellence and sustainability of our collective efforts.

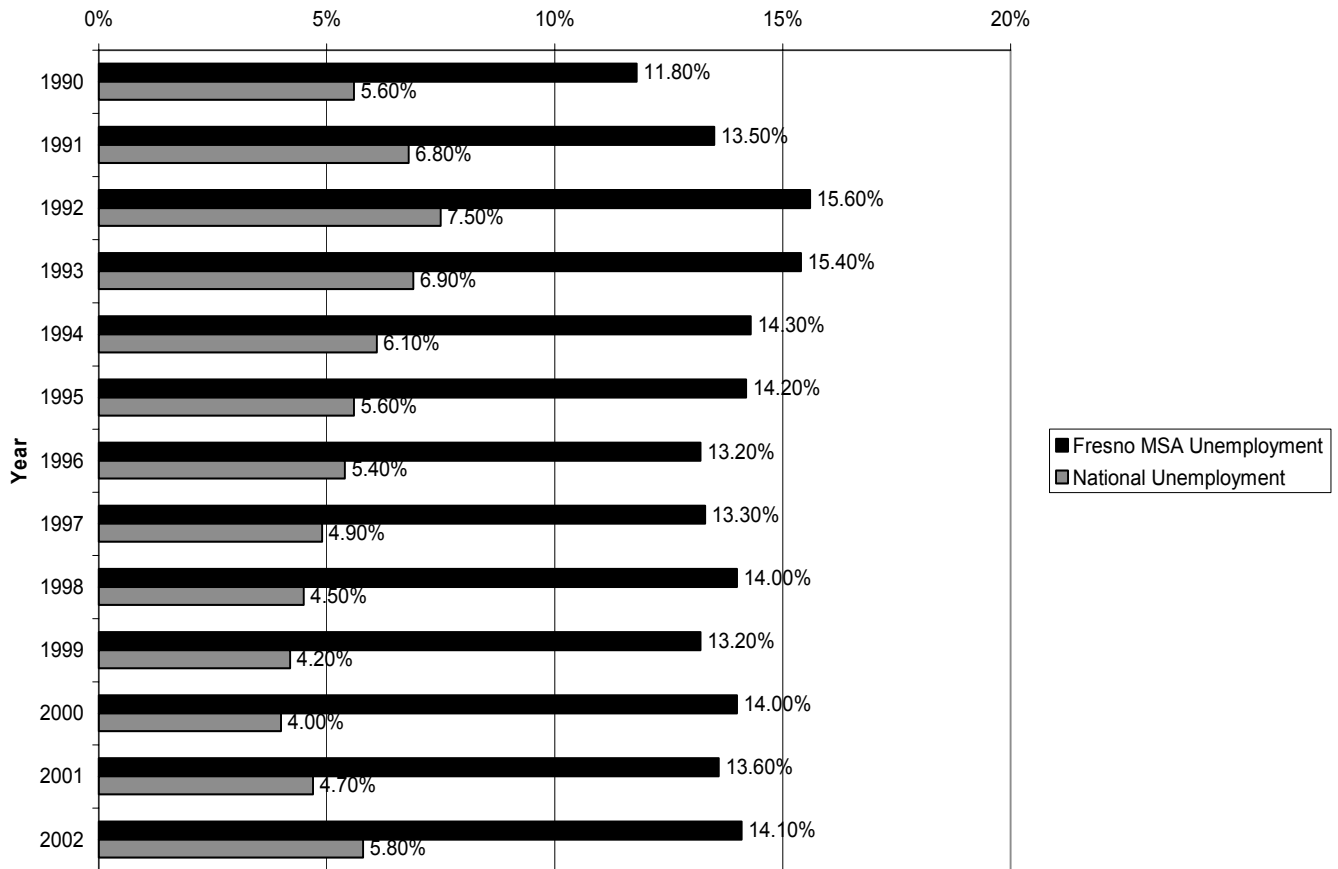
I Jobs: Understanding the Statistics

The solution to any problem begins with understanding the problem, so let us begin there. It is not news to Fresno area citizens that we have an unemployment problem. What may be news is the severity and age of the problem, and the pervasive influence it has on all residents of the community.

It is important that the reader of this report understand that the *Fresno Metropolitan Statistical Area (Fresno and Madera counties) has the highest unemployment rate of any metropolitan area of comparable size in the country.* The Fresno MSA first started to show a significant divergence from state and national unemployment rates in the early seventies, a trend which became chronic

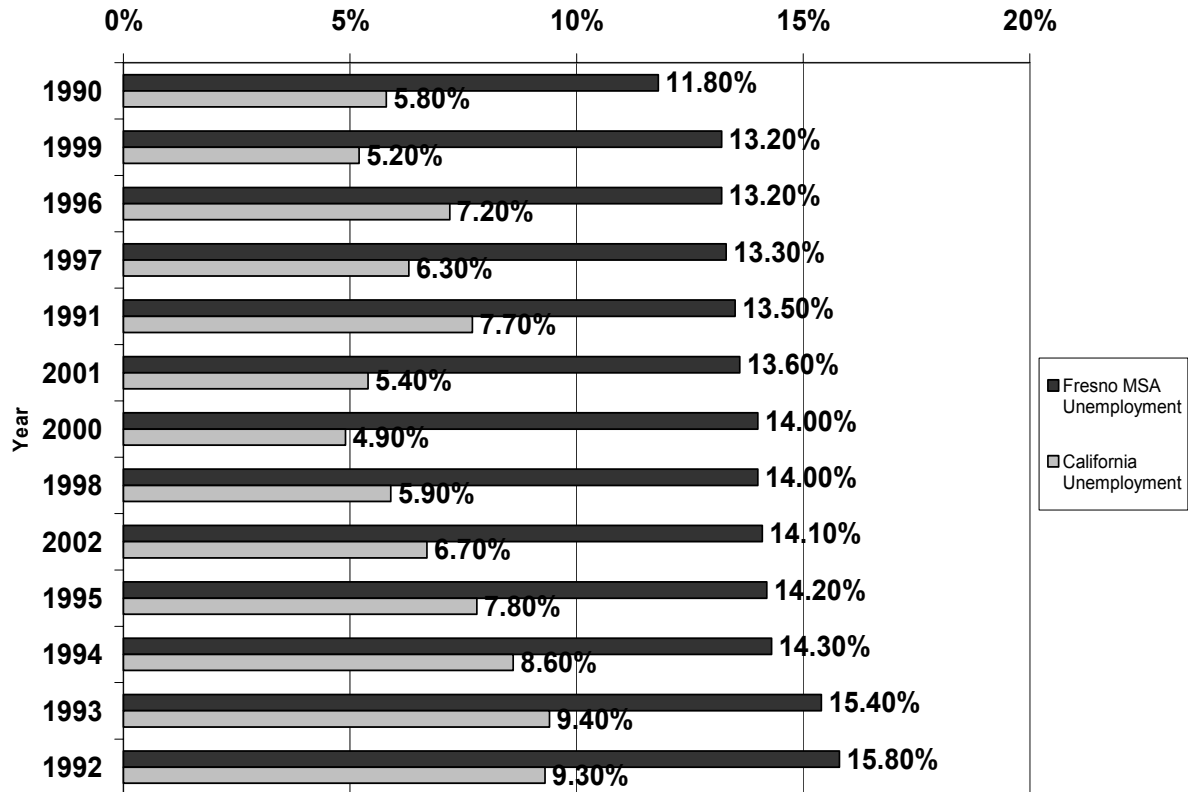
by the end of that decade. In the last twenty years, we have seen double-digit average unemployment rates every year except for one. The chart below shows that since 1990 our average unemployment rate has never been less than twice the national average, and at times as much as 3.5 times the national rate (year 2000). While the average national unemployment rate has hovered around 4% to 7%, the Fresno MSA rate has been in the range of 12% to 15%.

Percentage of Fresno MSA Unemployment Compared to the National Average, 1990-2002

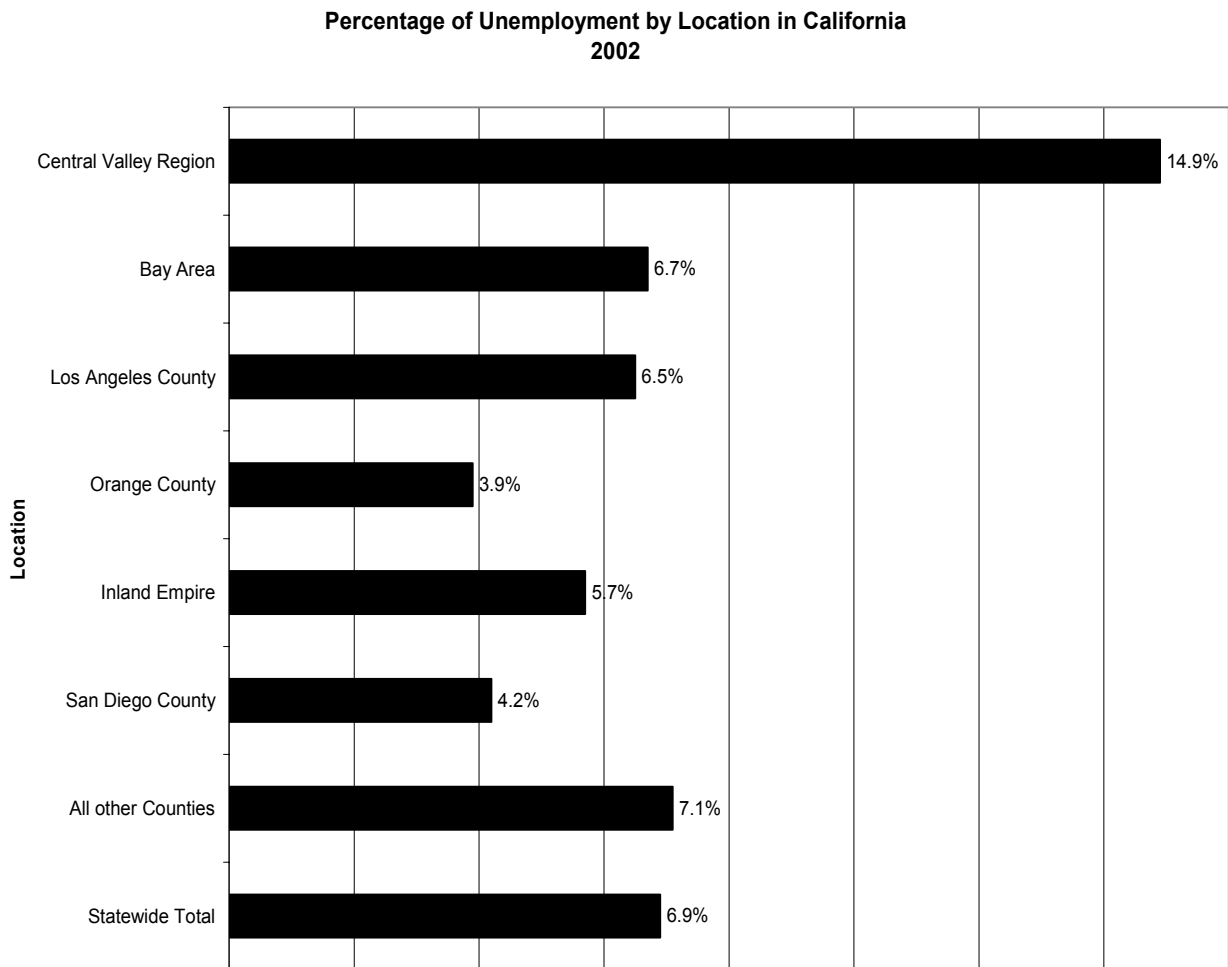


The figures are not much different when compared to the average unemployment rates for the State of California. Fresno MSA unemployment rates have ranged from 1.6 to 2.9 times the State of California average.

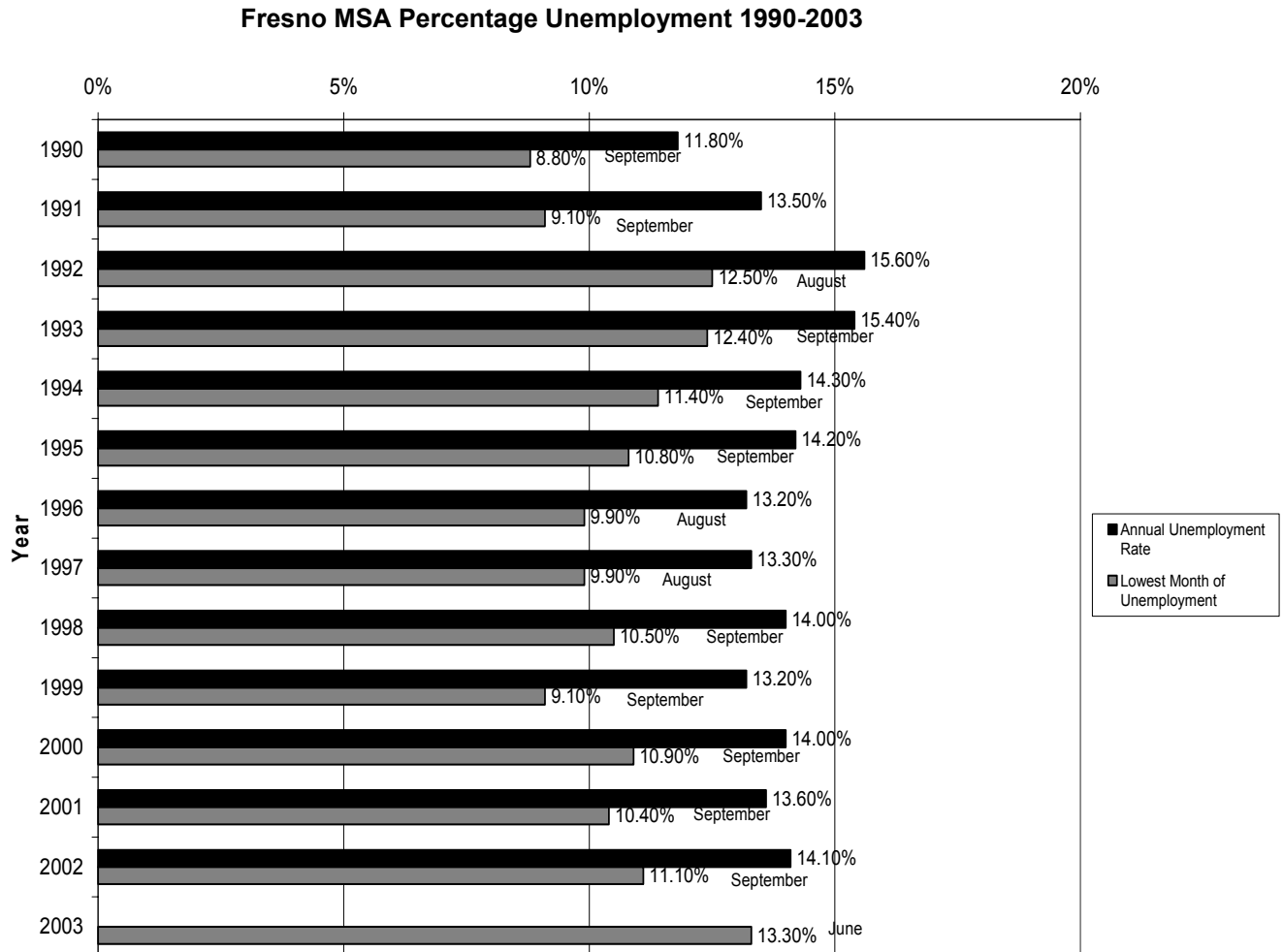
**Percentage of Fresno MSA Unemployment
Compared to the California Average, 1990-2002**



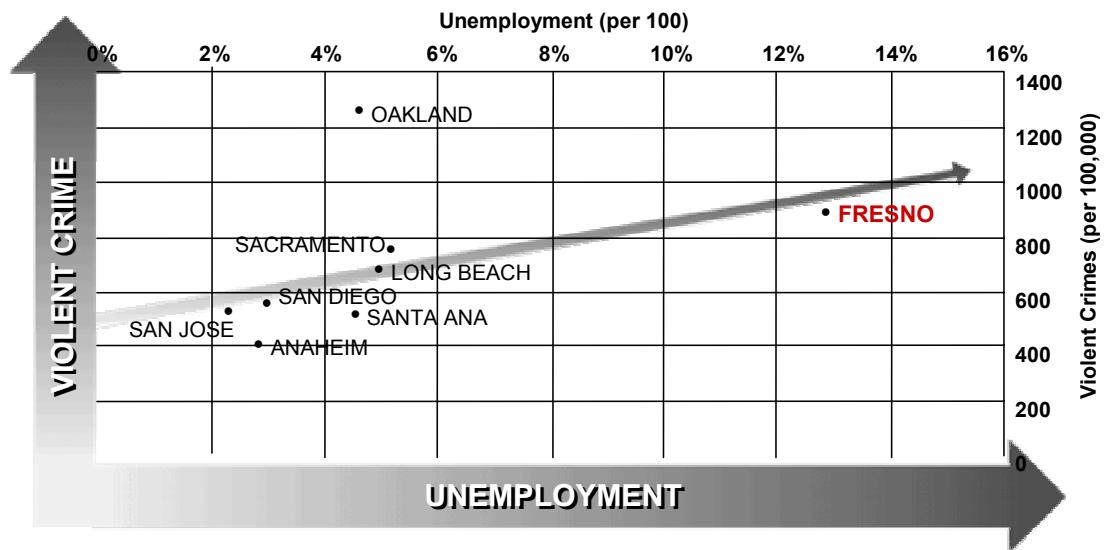
It is informative to compare the unemployment rates for the Central Valley of California to the other major population centers in the State, as shown in the chart that follows. In the year 2002, the Central Valley's unemployment rate was 2.2 times the State average and almost 4 times as much as Orange County. The figures clearly illustrate that this is a regional problem that cannot be solved at the political boundaries of just one city in the Valley. The Fresno MSA is at the core of California's Central Valley, and it is, therefore, appropriate for it to lead in the solution of the problem, but it's important to understand that this is a pervasive Central California problem.



It is not the purpose of this report to dwell on how this all came to pass, but one myth needs to be put to rest: that the principal reason for our high unemployment is because we are an agricultural community with seasonal unemployment. Agriculture today represents only 15% of the Fresno MSA workforce. As shown in the chart below, our lowest monthly unemployment rate, even during the peak agricultural season, seldom drops below double-digits, and even when it does, it is still at about twice the national unemployment rate.



The social and economic cost of this unemployment to our region has been, and continues to be, enormous. A chart from the January 2003 report entitled *“Meeting the Challenge”*, prepared by Fresno Mayor Alan Autry’s Council of Economic Advisors, illustrates the negative spiral created by our sky-high unemployment. The chart below plots the relationship between violent crime and unemployment for Fresno and its peer cities in California: the higher the rate of unemployment, the higher the crime rate. That has resulted in the City of Fresno spending a higher percentage of its General Fund on public safety than any of its California peers, thereby draining the City’s ability to spend on other priorities, including economic development and job creation. Continuation of current trends would leave the City of Fresno with no General Funds to spend on anything but public safety and debt service before the end of this decade.



II. How We Got to Where We Are

In contrast to the rest of this report, which has been developed by groups of people working together to reach consensus, this portion of the report represents only the views of the co-chairs of the RJI Steering Committee and reflects the input we received at the Jobs Summit and since that event.

Our intention in this report is to look forward, to define a job creation strategy that will solve our unemployment problem, but it is instructive to spend a moment to understand why it is that we are now well into our third decade of chronic unemployment. In addition to the influence of our seasonal agriculture, many factors have contributed to the problem, most of them intertwined with each other in complex ways. It is only fair that, before we point fingers in other directions,

we should first understand how we have contributed to the problem, so we will begin there; but first, a couple of caveats:

- The creation of the 30,000 net new jobs required to bring our employment rate close to the median of our peers is a daunting challenge – the equivalent of giving birth to a medium sized American city. It is a complex challenge that does not lend itself to easy solutions. It is not surprising that those who have come before us have struggled to grapple with the enormity of this challenge.
- The very fact that this initiative has been developed with broad-based collaboration is indicative of the sea change that is beginning to take shape in our community, so the reader should view many of the comments that follow as history that is on the verge of change.

No accurate employment identity. If you asked most in our community to describe the “employment identity” of our area twenty years ago, the answer invariably was “Ag”. Ask them the same question today and the answer will invariably be “Ag”, even though only 15% of our employment comes from farming. Contrast that with the San Jose area, which has re-invented itself many times in the last 50 or so years, from agriculture to food processing, to defense, to high tech, to bio-science; or with the San Diego area, which in short order transformed its employment identity from defense/aerospace to high-tech/bio-science when the former crashed in the 80’s. We have not done a good job of understanding our strengths and marketing those strengths effectively.

Local Fragmentation. Across virtually every dimension, our community has been too fragmented to effectively address complex problems, particularly those that are regional in nature. Our political leadership has been fragmented. Cooperation between our political institutions has been, at best, inadequate. Even, within political jurisdictions, there has been a tendency to focus on narrow issues that affect constituencies of individual political leaders vs. big-picture issues that affect the totality of the community. The efforts of our public agencies have been too disjointed to produce effective results. Our industries have operated in silos, without generating the synergies that are common in other metro areas.

Tolerance of the Status Quo. We have been too patient with our problems. To quote from the lead paragraph of the invitation to our Jobs Summit, “Like summer days over the century mark, we have grown accustomed to double-digit unemployment”. Agents of change have historically been defeated by the apathy and resignation of too many in our community. The conditions described here continue because the public has tolerated them and not demanded effective changes from its leaders. In fact, those who attempt to lead on these issues are most often attacked by defenders of the status quo. The voting public must share in the responsibility for this collective failure.

Self-interest over Community Interest. The community envisioned by the framers of the RJJ is one in which community interests and self-interests have

converged, where business managers, labor leaders and civic leaders recognize that their self-interests are best served by helping build a more prosperous community. Achievement of this vision will require a significant reversal of the cultural tendencies of our region, which has historically been far more focused on self-interest than on community interests.

Lack of Strategic Direction. We have lacked a cohesive strategic vision. We have failed to connect the dots. We have prided ourselves on how many more cops we put on the street, failing to realize that the reason we need so many cops on the street is because we have such a high rate of unemployment, which in turn is related to an education system that has too often failed us. We have failed to make the connection between economic development and the quality of our air; between jobs and pride in our community, in our neighborhoods and in ourselves. We have failed to clearly define desired outcomes and map backwards to the required systems, structure and people.

Inability of our Education System to Deliver Workforce Skills. Our K-12 education system deserves its own paragraph. Riddled with often-mindless rules, regulations and constraints, and students who are ill-equipped on many levels to learn, our education system has produced too many graduates that cannot read, write or do math at the 8th grade level. The national and state level aversion towards vocational training has left the 80% of our high school graduates who do not go on to graduate from college ill-prepared to join the workforce. The result has been a mismatch in available jobs and skills.

Failure to Adequately Deal with our Human Issues. A persistent theme heard from employers was that an inordinate number of employment applicants could not pass a drug test that they knew they were going to have to take. Substance abuse appears deeply engrained in our community and we appear unable to adequately determine or deal with its causes and treatments, and are thus left with its effects. Those effects are enormous on families, crime, social services, and the ability of many to be able to join the workforce and become productive members of our community.

Inefficiencies of our Traditional Workforce Development and Jobs Readiness Systems. As discussed in this report, we have surprisingly found there are many quality jobs available in our region with sometimes-desperate employers. What's lacking is a suitable cadre of work-ready and prepared candidates to fill those jobs. These problems are being addressed, but it is clear that substantial resources have been consumed without solving many basic workforce development issues. Responsibility for this ranges from government policies and funding mechanisms that are impractical and totally misaligned with local realities, to those who have unabashedly abused the system for personal gain.

Woefully Inadequate Funding of Economic Development. The City of Fresno spends more of its general fund per capita on police services than any of its

California peers; it spends less on economic development than any of its peers. Until fairly recently, Fresno County has seen economic development as an issue to be addressed by municipalities. But the problem is not just in the public sector. The private sector is also significantly less invested in Fresno than in comparable metro areas. We do not have adequate sources of risk capital to finance new business ventures or business expansions or invest in land and buildings for future business growth and development.

Lack of Business Friendliness. We have not done a good job of heeding the adage that *companies go where they are wanted and stay where they are appreciated*. As pointed out in the Customer Service section of this report, this has been particularly true of the City of Fresno, but the comment applies to our region as a whole. Companies locate in areas, not in political jurisdictions. Effective metro areas understand that they must speak with one voice, a friendly voice, to current and prospective employers. Issues that cross political jurisdictions must be handled expeditiously, in ways that are virtually transparent to employers.

Neglect from our State Government. Neglect is too soft a term. The Fresno Metro area, indeed the entire Central Valley of California, has been largely ignored by our state government. Even if you leave aside the fact that the state has, over time, usurped an ever-increasing share of the revenues generated by the residents and taxpayers of all our California communities, what reasonable explanation can there be for the state to pay such little attention to a region with an unemployment rate that runs from 1.6 to 2.9 times the state average? Just how “neglectful” is it for our state government to create, through commission and omission, a business climate that is widely regarded as the most inhospitable in the nation and then turn to regions like ours and basically say, “live with it”. To some extent, it’s our fault. We haven’t gotten mad enough yet. We have not spoken with one voice.

Impacts of the Federal Government. Absence of a coherent immigration and immigrant policy are probably the two most significant federal-level impacts on employment in our community. The failure of our government to put in place a sensible immigration policy that recognizes the needs of industry and agriculture for immigrant workers and offers dignity and legitimacy to those who are invited to work here, and a de facto immigrant policy that encourages dependence instead of an assimilation process that respects heritage, have created enormous burdens on our region.

Those, we believe, are the principal reasons for how we got to where we are. The rest of this report will deal with how we plan to create a bright new employment future for Fresno.

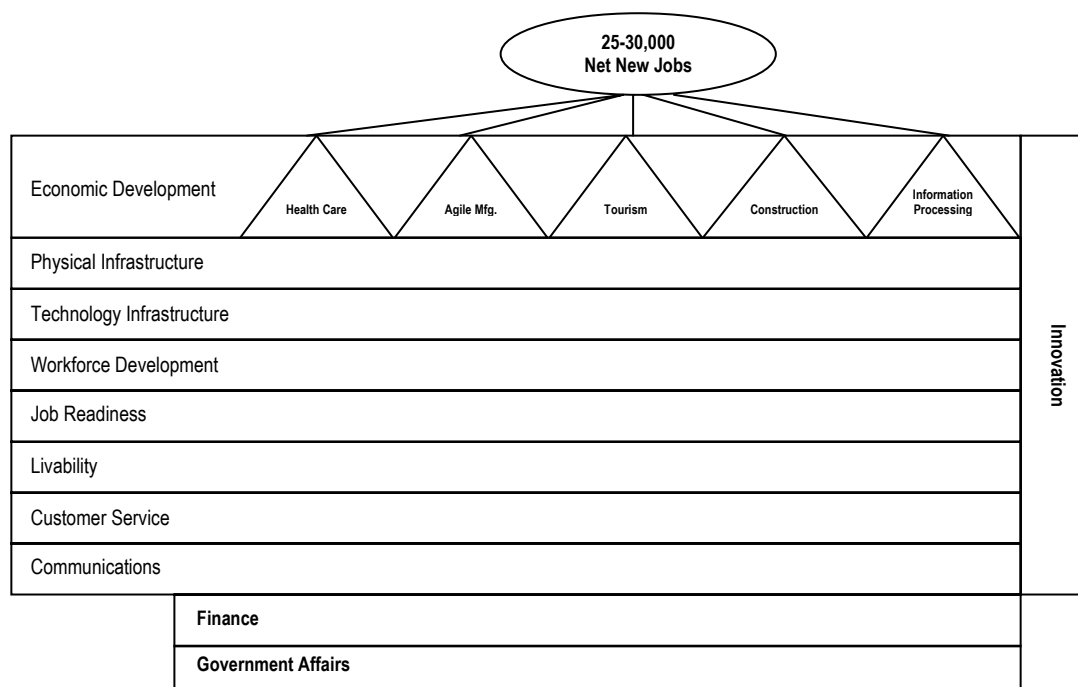
III. Planning a Path Forward

The planning process used by the RJI builds on the experience of other metro areas that have successfully conquered chronic unemployment: Akron, Ohio; Wichita, Kansas; Tupelo, Mississippi and others.

- As other regions have done, we identified economic opportunity areas, industry clusters or occupational clusters, that we believe offer job growth opportunity, not because we wish it to be so, but because we have solid reasons to believe that our area offers competitive advantages to employers.
- What is different about our process is that we then methodically looked at each of the issue areas that determine competitive advantage – physical infrastructure, workforce quality, livability and the like – and asked ourselves, what do we need to do to make each cluster more attractive to current and prospective employers, and what results do we expect from those actions. We tried to inject innovative ideas at every step in the process, and we asked ourselves how we would finance the initiative and gain the support of our state and federal officials.

The process is graphically illustrated in the matrix shown below. This report will examine our findings and conclusions on both dimensions of the matrix.

Task Force Structure



IV. Scope of the RJI

The Regional Jobs Initiative proposes to significantly reduce the unemployment levels and improve the economy of the Central California region. Our vision of the RJI is like a stone dropped in a pond. While it has to start somewhere, the ripples will move outward in all directions, and improve the economy of the entire region and the lives of all its residents.

While some or most of the identified occupational and industrial clusters may initially be more appropriate to start in the metropolitan area, we understand that our efforts will ultimately be successful only if we understand the plight of other surrounding communities and address the economic conditions and unemployment levels of the region as a whole.

We are conscious of the enormity of the task we have undertaken. Given the limited success of prior efforts to rejuvenate our regional economy, and given our expressed desire for immediate and demonstrable progress, we will focus our initial efforts on the metropolitan area. We wish to develop momentum by capitalizing on the committed private-public partnership that has arisen in the Fresno/Clovis metro area, and the specific comparative advantages we have identified for this area.

We fully intend, however, to work with interested communities in the surrounding area. We invite and welcome such participation. The RJI plan is expected to continue to evolve and be expanded to cover an ever-increasing geography until all communities in the Central Valley of California that wish to participate can do so. While this first phase has been focused principally on the cluster areas that make the most sense for the greater Fresno area, many of the surrounding communities will derive benefit from this early phase. The tourism initiative, for example, will certainly apply to all of Fresno County and in fact, is eventually expected to encompass other counties as well. Much of what is proposed for the manufacturing cluster will beneficially impact all surrounding communities, as our region becomes known as a manufacturing hub.

The rate of expansion of the geography of the RJI will be highly dependent on the establishment of private-public partnerships in each community, similar to the one now in place for the Fresno/Clovis area. The leaders of these partnerships will need to play an active role in determining what clusters fit their circumstances. What makes sense for the Fresno/Clovis metro area may not make sense for Reedley, Kerman or Orange Cove. The sources of comparative advantage, and the initiatives required to achieve these advantages, will likely vary from one city or metro area to another. It is hoped that this first implementation plan will serve as a guide that other communities in the region can use as a basis for development of plans that make sense for them. It is also hoped that some portions of this plan can be replicated wholesale in other communities. To the extent that adaptation is required, the RJI team welcomes the opportunity to be of assistance.

III. Executive Summary

The Regional Jobs Initiative is a Comprehensive Strategy for Change

The time has come to launch a comprehensive, values-based initiative that addresses our region's chronic unemployment problem by matching the region's workforce with job growth in key economic opportunity areas.

Rather than responding to economic cycles or reacting to industry needs on a piecemeal basis, this comprehensive regional strategy involves industry, government, education, training and the community leaders in creating strategic initiatives that focus regional resources on opportunities for fundamental change.

Promoting Our Regional Advantage in Major Economic Opportunity Areas

The Regional Jobs Initiative (RJI) is an aggressive community wide effort to create over 30,000 incremental new jobs over the next five years through industry led initiatives focused on seven initial economic opportunity areas where this region has a comparative advantage:

- Healthcare
- Agile Manufacturing
- Information Processing
- Construction
- Logistics and Distribution
- Tourism
- Water Technology

The RJI worked directly with industry leaders in each of these areas to identify their industry needs and then created action plans to address them. Those individual action plans are outlined in this report. It is important to note that other opportunity areas are under review for regional potential and will be added to the RJI process as soon as appropriate.

These opportunity areas and how the RJI will promote Central California's advantage are summarized below:

Healthcare

Healthcare services have become one of the largest and fastest growing industries in the Fresno MSA (Fresno and Madera counties) with a diverse range of occupations and providers. This region has the expertise and specialized infrastructure to become a world-class healthcare services provider and education center. A collaborative effort is required to meet the broad and complex workforce development needs in this growing industry.

Agile Manufacturing

This region is a strong manufacturing hub with a central location with one-day access to the state's large markets as well as export harbors in Northern and Southern California. While growing, the region has been significantly underachieving at its manufacturing potential because of fragmentation and a lack of trained workers at every level of the manufacturing chain. Area manufacturers need to work together in a new partnership to promote manufacturing excellence in the region.

Information Processing

Information processing is a fast-growing occupation that cuts across a wide range of industries in the region, including government services. The outsourcing of information processing work also creates an opportunity for this region, together with industry leadership, information infrastructure and a trained work force. By organizing an industry partnership, the region can connect this growing industry with critical physical, technical and training resources and create a stronger economic identity in information processing.

Construction

Both private and public investment are driving construction in the region with rapid growth in housing, as well as state and local infrastructure investment. The retirement of highly skilled workers, together with this increase in construction activity, creates the need to recruit and train new workers to meet shortages that may delay projects and drive up costs. The building and construction trades offer an opportunity for career paths from entry-level to higher-level occupations for the non-college bound high school student. A new partnership among business, unions, government and education is required.

Advanced Logistics and Distribution

The region has seen an increase in jobs in logistics and distribution over the last several years due to location advantage, with "one day" service to most Western markets. By improving its air cargo and rail capacities and adopting advanced supply chain management and technology, the region can become a "hub" for advanced logistics and distribution. Critical requirements involve adopting a strategy plan for infrastructure, education and training, and better marketing of the assets of the region.

Tourism

While the region has a wide range of tourism assets and attractions and the economic impact of tourism is significant, the region has been underachieving relative to its potential due to lack of a focused approach and under-funding compared to competitor regions. Establishing a regional tourism authority would help market the region as a tourist destination.

Water Technology

The region is a world leader in water technology, which includes a wide range of industries including irrigation for agriculture and turf systems, municipal and rural water and waste systems, industrial and recreational applications. Through collaborative action by regional water technology manufacturers begun in 2001, the region has developed the International Center for Water Technology as well as cooperative marketing efforts to promote global exports. To continue to grow this industry in the region, more training for both entry-level and higher-level occupations is required as well as continued development of the Center.

Organizing a Strategic Response to Regional Economic Opportunities

To promote these economic opportunities, the Regional Jobs Initiative launched task forces of private, community and public leaders who have developed focused regional responses to meet industry needs.

These task forces included:

- Job Readiness and Workforce Development
- Physical and Information Technology Infrastructure
- Livability
- Customer Service
- Innovation
- Communications
- Financing and Government Affairs

Comprehensive regional responses in most of these areas are described in detailed task force reports in this document.

Matching the Region's Job Growth with Workforce Skills

One of the key findings in the process of identifying economic opportunities working with industry leaders was that jobs were growing in **each** opportunity area. However, the region's potential workforce is not adequately prepared to meet current and future demands. The challenge is responding to this mismatch of job demands and labor force skills through a strategically focused regional response.

One strategic response to industry needs developed by the RJI involves the creation of a *Central California Center for Workforce Development* with initially "virtual" job academies that will meet the specific workforce needs of the industries within each economic opportunity area. Each industry group will help define these needs through industry advisory boards.

In addition, a major new job readiness initiative called the *Bridge Academy* will help prepare the workforce for participation in the industry specific *Job Academies*, and the

broader employment opportunities. These innovative regional responses will provide a more comprehensive approach to industry-defined workforce needs.

Critical Importance of Industry-Led Initiatives to Long-Term, Regional Success

It is important that industry leaders have first defined their unique needs for each economic opportunity area through their own action plans and then the region has responded to those industry needs through these task force initiatives. Because the RJI process has been industry led, it will help ensure long-term success by aligning community resources around these major economic opportunity areas. This is critical for the sustainability of the RJI process.

Impact of the Regional Jobs Initiative

Together, the specific initiatives for each economic opportunity area and task force are estimated to create 30,000 incremental jobs, beyond normal growth projections over the next five years. The following chart summarizes the job growth projections:

	5 Year Growth Projections			
	<u>Est.</u> <u>2003</u>	<u>Normal</u>	<u>RJI</u> <u>Adds</u>	<u>Est.</u> <u>2008</u>
Agile Mfg & Water Tech	12,600	700	1,500	14,800
Healthcare	32,300	5,000	6,000	43,300
Advanced Logistics & Distribution	8,700	1,000	1,200	10,900
Information Processing	18,800	3,100	3,000	24,900
Construction	19,100	3,300	2,600	25,000
Tourism	14,200	700	1,200	16,100
All Other	212,200	22,100	3,500	237,800
<i>Sub-Total</i>	<i>317,900</i>	<i>35,900</i>	<i>19,000</i>	<i>372,800</i>
Multiplier Effect Jobs			25,300	25,300
Less Delivery Contingency			(14,300)	(14,300)
<i>Totals</i>	<i>317,900</i>	<i>35,900</i>	<i>30,000</i>	<i>383,800</i>

Detailed calculations and footnotes relative to the above are shown in Appendix A. A conservative “multiplier” of 1.33 per RJI-generated job was utilized to account for the fact that industry-created jobs actually produce additional jobs related to the product or personal consumption related to that direct job.

Specific Initiatives

Embedded in the industry and task force reports are specific initiatives organized into economic opportunity areas and regional responses as summarized below. The full action plans and task force reports with five-year highlights follow this executive summary.

Economic Opportunity Areas

Healthcare

Initiative #1: Create the Valley Training and Education Consortium for Healthcare (VTECH). It will be a formal regional multi-partner healthcare professional training institute that will aggregate public and private training resources and respond rapidly to the business requirements of key stakeholders.

Initiative #2: Establish a Regional Medical School and Selected Biomedical Research Institutes.

Agile Manufacturing

Initiative #3: Establish the “Regional Manufacturing Partnership and Central California Center for Manufacturing Excellence”.

- a) Serve as the Industry Advisory Board for the Manufacturing Academy in the proposed Central California Center for Workforce Development
- b) Work with Fresno State to expand the capacity of the College of Engineering and Computer Science
- c) Provide a forum for discussion, demonstration and implementation of world-class manufacturing practices
- d) Develop sourcing solutions for local manufacturers
- e) Engage in joint promotion and marketing efforts
- f) Facilitate industry communications through web-based and other communication mechanisms
- g) Work with the Central Valley Business Incubator to provide guidance and support for manufacturing start-ups
- h) Collaborate with the Advanced Logistics and Distribution Cluster
- i) Advocate on issues of importance to manufacturing in the region and state.

Information Processing

Initiative #4: Establish the “Information Processing Industry Partnership” in Collaboration with the Central California Society for Information Management.

- a) Serve as the Industry Advisory Board for the Information Processing Academy in the proposed Central California Center for Workforce Development
- b) Develop a comprehensive web-based clearinghouse of resources most needed by the information processing industry
- c) Promote advanced information technology infrastructure in the region, including pilot projects
- d) Work with the Economic Development Corporation Serving Fresno County to recruit additional information processing industry to the region

Construction

Initiative #5: Establish the “Regional Construction Partnership”.

- a) Create a Vocational Training Center for Construction Trades with links to current programs and institutions
- b) Develop an ongoing public relations and outreach program to re-establish the importance and value of vocational education in high school and upon graduation as pathways to satisfying careers
- c) Provide advocacy at all levels of government to ensure that education and training resources are customized to the needs of the Fresno area
- d) Build connections between the Construction Management and Engineering Programs at Fresno State and the Regional Construction Partnership to ensure that training and education systems are meeting needs and sharing resources.

Advanced Logistics and Distribution

Initiative #6: Develop a Strategic Plan to Improve Regional Infrastructure.

Initiative #7: Partner with the Proposed Central California Center for Workforce Development to Improve Training Opportunities Specific to the Logistics and Distribution Industry.

Initiative #8: Partner with the Economic Development Corporation Serving Fresno County to Market this Region as a State/Regional Hub for Advanced Logistics and Distribution.

Tourism

Initiative #9: Establish a Regional Tourism Authority to Prepare and Implement a Comprehensive Regional Marketing Plan that Engages all Industry Stakeholders.

Water Technology

Initiative #10: Continue Plans to Construct the International Center Water Technology.

- a) Testing and certification
- b) Cooperative marketing
- c) Applied research and development

Initiative #11: Expand Careers in Manufacturing Technology Workforce Development Program.

Initiative #12: *Expand the Export Development and Joint Marketing Activities of the Water Technology Cluster.*

Regional Response

Economic Development

Initiative #13: *Continual of Evaluation of Additional Economic Development Opportunities.*

Job Readiness and Workforce Development

Initiative #14: *Develop a Unified Framework Among “Job Readiness” Service Providers Co-branded as the “Bridge Academy”. The framework would include:*

- a) Uniform admissions and assessment
- b) Individualized achievement plans
- c) Vocational training academies
- d) Job readiness certification
- e) Job placement services with a focus on career ladders
- f) Necessary support services

Initiative #15: *Establish the “Central California Workforce Development Center”, a Network of Collaborative Training Programs for the Development of Workforce Skills Needed by the Industry Clusters Targeted by the RJI.*

Physical and Technology Infrastructure

Initiative #16: *Develop a Regional Physical Infrastructure Strategy that Provides Adequate Public Facilities and Services to the Growing Industry Clusters identified in the RJI.*

- a) Develop and maintain an inventory of “ready to go” industrial and commercially-zoned properties
- b) Identify specific development goals based on requirements to provide superior quality services to the “clusters”
- c) Discuss how current industrial projects play into a long-range scheme and the direction(s) which would be considered for future business and job development
- d) Assemble future project areas
- e) Solicit through RFP process public/private partnerships

Initiative #17: *Respond to the Needs of the Clusters and other Task Forces and Investigate the Feasibility of Establishing a Metropolitan Area Network (MAN) in the Greater Fresno Area.*

Livability

Initiative #18: *Develop an Annual “Report Card” that Measures all Major Quality of Life Indicators to Track Progress on the RJI as well as the Quality of Life in the Region as a Whole. Commit to Reporting Annually on these Measures.*

Initiative #19: *Directly Engage the Arts and Cultural Communities in the Execution of the RJI 5-year Plan.*

Initiative #20: *Support Officials in the Aggressive Pursuit of a Low- Cost Air Service.*

Initiative #21: *Establish a Regional Transportation Authority.*

Initiative #22: *Continue Efforts to Designate Highway 99 as an Interstate Highway.*

Innovation

Initiative #23: *Develop a National Reputation for an Innovative Culture.*

Initiative #24: *Develop a National Reputation for High Growth Startup Businesses.*

Initiative #25: *Retain and Attract 20-29 year old “Knowledge Workers”.*

Initiative #26: *Develop Collaborative Methods for the Formulation and Implementation of Change.*

Customer Service

Initiative #27: *Develop a National Reputation for Dedication to Customer Service Aimed at Retaining and Attracting Employers.*

- a) Make customer service a central part of the vision and mission of the governance organizations in the region
- b) Trumpet job creation as the region’s top priority
- c) Organize the City of Fresno staff consistent with the mission of customer service and the priority of job creation
- d) Implement a city-wide customer service training program in the City of Fresno with emphasis on all aspects of job creation
- e) Make it easy for “customers” to do business with the City of Fresno
- f) Re-design processes and staff relationships between the cities and county around customer service and job creation
- g) Hire an experienced change process consultant in the City of Fresno to help implement the above recommendations
- h) Put in place a “watchdog” organization to ensure continued commitment to these recommendations through political transitions.

Communications

Internal Communications

Initiative #28: *Develop and execute a Comprehensive Communications Plan Specifically for the Fresno Regional Jobs Initiative.*

Initiative #29: *Create a Clearinghouse for Industry Specific Information Tools to Facilitate Intra-and Inter-Industry Communication.*

Initiative #30: *Develop and Promote a Web-Based Community Portal That Better Connects Area Non-Profits, Civic, Arts and Cultural Organizations to the Region's Residents.*

External Communications

Initiative #31: *Support the Economic Development Corporation Serving Fresno County in Developing an Industry Recruitment Campaign for each Industry Cluster.*

Initiative #32: *As The RJI and other Social and Economic Indicators are Improved in the Fresno Region, Conduct a Focused Public Relations Campaign Targeting External Audiences.*

Financing and Government Affairs

Initial estimates of resource requirements for the RJI are provided that relate specific projects to one-time costs, annual expenses, primary responsibility and potential funding sources, including federal, state and private sources as well as local government sources. During the next six months, the RJI will develop a more accurate assessment of resource requirements and a more definitive identification of funds for each project.

Initiative #33: *Develop a Regional Strategy for Funding Economic Development.*

Initiative #34: *Help Promote the Establishment of an Industrial Development Capital Fund.*

Initiative #35: *Federal Unemployment Demonstration Project.*

Initiative #36: *Priority Consideration by the Federal Government for Areas with Chronic Double-Digit Unemployment.*

Initiative #37: *Sacramento Recognition of Federal Unemployment Demonstration Project.*

Initiative #38: *Priority Consideration by the State Government for Areas with Chronic Double-Digit Unemployment.*

Organizing for Sustainability

The RJI is a community plan that has been developed by a broad group of regional leaders, not the plan of any one political or other leader. It is imperative that responsibility and accountability for sustaining the RJI be clearly defined.

Two bodies will be formed to guide and monitor the implementation of the RJI plan:

Initiative #39: Establish the RJI Council whose Function will be to set Implementation Policy and Ensure that the Plan is a Living Document. It will meet quarterly.

Initiative #40: Establish the RJI Implementation Task Force whose Function will be to Monitor the Implementation of the RJI Plan and Provide Quarterly Reports to the RJI Council. It will meet monthly.

Summary Statement

This is not just a plan. It is an action plan. It contains forty initiatives and more than one hundred implementation milestones associated with those initiatives in just the first year of the plan (see Appendix “F”). The RJI goals are ambitious, but attainable. The key to the long-term success of the RJI will be a commitment to regional stewardship based on a recognition that addressing the chronic unemployment problems of the region will take a collaborative, community-wide effort to mobilize total resources to promote economic opportunities. The Regional Jobs Initiative is an important step in that direction. Many more steps will be required to achieve the goal of reduced unemployment in the region and sustainable economic vitality for the region. This document is merely the beginning. Its success will be dependent on a concerted and sustained regional effort over the next several years.

IV. Introduction to the Economic Opportunity Areas

This region has long suffered from double digit unemployment and lack of industrial and economic diversity. In order to meaningfully address these historic and chronic anomalies, the region must seek a systemic approach to economic development and job creation that is regional in scope, industry led and strategically focused on economic opportunities.

Regional Scope: The effort must be approached regionally because the issues are regional in nature and funding from state and federal agencies is heavily dependent on the region speaking with one voice.

Industry Led: The Regional Jobs Initiative needs to be industry led to help determine where economic opportunities are emerging and what jobs are needed to meet them. By identifying industry needs and organizing industry leadership, the RJI will be able to communicate with those who supply job training and other infrastructure assistance more effectively.

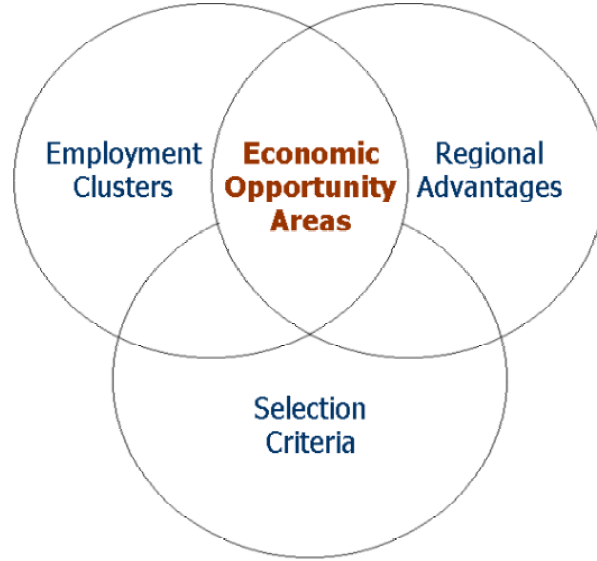
Strategic Focus on Economic Opportunities: The RJI is focused on a set of employment clusters or “Economic Opportunity Areas” that have been identified based on certain selection criteria, where the region has or can develop a competitive advantage. Once identified, available local resources will be deployed to maximize the opportunity for success. Economic opportunity areas include employment clusters already operating in the region as well as potential new clusters. The focus is on creating an attractive environment for retention (and expansion) of existing businesses, as well as for innovation and attraction of new businesses. Additional economic opportunity areas will be considered in the future.

Framework for Selecting Initial Economic Opportunity Areas

In evaluating the economic opportunity areas that are most likely to promote high-quality job growth, the RJI Economic Development Task Force examined three important factors.

- First, the task force identified significant employment clusters across both industries and occupations (see definitions in section below). The employment clusters revealed where jobs are concentrated and where they are growing.
- Second, the task force considered this region’s unique advantages. Just as successful companies develop and sustain core competencies, regions develop niches where they can sustain competitive advantage.
- Third, the task force agreed on a set of selection criteria that could be used to prioritize among the possible economic opportunities.

Framework for Evaluating Economic Opportunity Areas



Employment Clusters

Employment clusters can be found across both industries and occupations.

Industry employment clusters are defined as networks of related firms that drive wealth creation in a region, primarily through the export of goods and services. The largest industry employment clusters in this region are government, agriculture, healthcare, construction and logistics (transportation and warehousing). Given anticipated cutbacks in government and continuing restructuring with job declines in agriculture, the strongest opportunities for future growth exist in healthcare, construction and logistics. Additionally, other data suggests that good growth is also possible in tourism.

Employment (Fresno MSA)

	1990	2002	Absolute Growth
Government	55,500	77,600	22,100
Agriculture	59,700	55,700	(4,000)
Healthcare	25,700	31,400	5,700
Construction	16,100	18,500	2,400
Logistics	7,200	8,600	1,400

Employment Development Department

Occupational employment clusters are defined as concentrations of interrelated occupations that share the same or similar training and skills but may cut across industries. For example, one growing occupational cluster in the Fresno region is information processing. This cluster consists of related occupations—computer support specialists, systems analysts, and database administrators—that are found across multiple industries such as healthcare, government, and insurance. Another occupational cluster is

agile manufacturing, which cuts across several manufacturing industries, including industrial machinery and fabricated metals.

Occupational Clusters

Occupation	Employment		gain/loss '99-'06	
	1999	2006*	absolute	percent
Information Processing				
Computer Support Specialists	550	790	240	43.6%
Systems Analysts	370	570	200	54.1%
Management Analysts	170	220	50	29.4%
Database Administrators	160	190	30	18.8%
Agile Manufacturing				
Assemblers/Fabricators	1,950	2,130	180	9.2%
Electronic Assemblers	310	560	250	80.6%
Electronic Engineering Tech.	430	530	100	23.3%
Electrical Equipment Assemb.	260	430	170	65.4%
Sheet Metal Duct Installers	160	210	50	31.3%

**Projected by EDD*

The types of local activities encompassed within the notion of industry and occupational clusters is included in Appendix A.

Regional Advantages

Creating jobs requires building from the region's existing assets and strengths. The following distinct strengths represent examples of this region's comparative advantage in stimulating economic activity and additional jobs:

- Central location and accessibility
- Strong and technically adept agricultural base
- Robust transportation networks, including highways and rail
- Presence of enterprise/empowerment zones and a foreign trade zone
- Relatively affordable housing and cost of living
- Growing population (including an aging and rural population which creates health demands)
- Reasonable business and commercial realty and labor costs
- Access to world-class outdoor recreation activities

Selection Criteria

In addition to identifying economic opportunities based on employment clusters and regional advantages, the economic development task force considered the following

selection criteria to evaluate various economic opportunities for the Regional Jobs Initiative:

- Quantity of jobs created
- Quality of jobs created
- Synergy with existing businesses
- Jobs/Skills match
- Job multiplier effect on local economy
- Potential for job mobility/career lattice
- Segment growth potential
- Resources required for successful launch and support
- Start-up time
- Environmental considerations

Initial Regional Economic Opportunity Areas

Using the framework described above, six initial economic opportunity areas were identified as poised for regional growth:

- Healthcare
- Agile Manufacturing
- Information Processing
- Construction
- Logistics and Distribution
- Tourism

Additionally, it was determined that the existing Water Technology Cluster should be folded into the RJI process to provide additional resource and visibility to that early-stage cluster, as well as to learn from its experiences.

Action plans for promoting these economic opportunities were developed by industry leaders. Those action plans are attached along with lists of industry champions. The estimated job impact of the RJI beyond normal projected growth is 30,000 incremental jobs and is summarized in the section of this report entitled “Adding It All Up”.

It should be noted that additional regional opportunities will be reviewed for economic potential and will be added to the RJI process at the earliest opportunity.

Following the economic opportunity action plans are task force reports that identify the regional support structures for the development of these economic opportunities.

Healthcare

Five-Year Plan Highlights:

- ***Job growth in the health services industry will accelerate from 2.90% to 6.0% per year generating 14,000 incremental jobs in 5 years.***
- ***The Valley Training and Education Collaborative for Healthcare (VTECH) will establish Fresno and the San Joaquin Valley as a world-class center for healthcare services, health professions, and health workforce development and dramatically advance the health and economic vitality of the Central California region.***
- ***Substantive work will be completed toward establishing a graduate medical school and selected biomedical research institutes in the Fresno Region.***

I. Overview of the Regional Healthcare Sector

A. Vision

Despite today's challenges, there is a great opportunity hidden in the Fresno Region's burgeoning demand for healthcare professionals. With the growing scale and quality of health providers in the Greater Fresno Area, the healthcare sector has the potential to become a powerful engine of region-wide economic revitalization. By creating a comprehensive, state-of-the-art infrastructure of hospitals, training centers, specialty clinics, and other health-related industries, the Region's healthcare sector can attract customers and suppliers from throughout the state. This robust "sectoral strategy" can, in turn, help create a diversified, high-wage economy and a healthier community throughout the Central California region.

B. Current Strengths

Fresno County is increasingly becoming a hub for the delivery of health services in the Central California region. With local institutions like Kaiser Permanente, Community Medical Centers, St. Agnes Medical Center, Children's Hospital Central California, Fresno Surgery Center, Fresno Heart Hospital, California State University, Fresno, University of California San Francisco, Fresno (the largest trainer of doctors in the region), and Fresno City College (the largest trainer of nurses in the region), the Fresno Region has

significant expertise and specialized infrastructure on which to build a world-class healthcare services and education infrastructure.

C. Current Employment and Economic Impact

By the end of 2003, the Health Services cluster in the Fresno MSA (Fresno and Madera Counties) is projected to employ approximately 32,300 people with an average wage of \$33,000. Since 1992, employment has grown by 41.8%, or 7,600 jobs. The primary industries in this cluster encompass all forms of medical service delivery, including acute care and specialty hospitals, doctors' and dentists' offices, pharmacists, mental healthcare, home healthcare, and nursing/personal care facilities. They are a complex array of direct providers, supportive industries and institutions, workforce training and education organizations, public and private payers and health professionals at all levels of specialization and experience.

The Health Services cluster also includes a diverse range of support companies that serve the medical services delivery industry, such as healthcare supply companies, diagnostic labs, and medical insurance companies. Because of economic multiplier effects, a significant amount of new job growth within the cluster takes place in these support sectors. A recent economic impact study has found that, on average, every \$1 spent by local hospitals leads to \$.56 spent by hospital suppliers and other companies in the region¹.

D. Occupations

Occupations within the Health Services cluster are diverse and growing fast. Among entry-level occupations, home health aides and personal care aides represent the fastest-growing job categories. This trend is expected to continue as the population ages and demand for home-based medical care increases. Mid-level occupations include medical assistants and health technicians, while higher-level occupations include registered nurses, physicians, and dental hygienists. Within the San Joaquin Valley as a whole, the *Offices and Clinics of Medical Doctors* led all occupational categories by wage levels, with average hourly wages from \$36 to \$60/hour, while *Residential Care* facilities ranked seventh among occupations, with average hourly wages of \$14 - \$28/hour.

Additional occupational statistics are provided in Appendix A.

¹ Fresno County EDC, "Economic and Revenue Impacts of Four Hospitals in the Fresno Metro Area", October 2002

II. Assessment of Issues and Opportunities for the Healthcare Sector

A. Overview of Opportunities for Collaborative Action

Over the last several months, healthcare sector leaders have been convened through many partnering organizations. Opportunities for collaborative action in the healthcare sector were identified, including:

- Expanded and enhanced health professions education and training;
- Increased healthcare infrastructure development, including specialty facilities;
- Systematic expansion of the health supplier/medical equipment base;
- Promotion of increased biomedical research;
- Enhanced public health programs and initiatives; and
- Development of a full-scale graduate medical school.

All of these potential strategic initiatives have been targeted for further research and analysis. However, stakeholders have taken immediate action to develop a collaborative structure and a Strategic Business Plan to achieve breakthrough results in the domain of workforce development and health professions education. The rationale for immediate focus on this issue is explained by the acute workforce shortages that have been experienced by leading healthcare employers—shortages which show no sign of diminishing in the near future.

B. Workforce Development Needs

Fresno County is experiencing an acute shortage of skilled healthcare workers across a wide array of specialties, including but not limited to nurses and other healthcare occupations.² For example, Fresno County currently has the fewest nurses per 100,000 population of any County in the nation. However, the workforce challenge extends far beyond the nursing professions. Population growth in the Central Valley, the aging of the population, and the steady expansion of healthcare facilities and services is exerting enormous short and long-term pressure on the local healthcare labor market, negatively impacting healthcare access and quality for all—and especially for those in underserved, language-minority communities.

Today's healthcare providers in the Fresno Region, regardless of size, scope, or services, share many of the same challenges: a lack of a trained workforce in general; shortages in key service delivery roles (including but not limited to registered nurses, radiology techs, pharmacists, clinical lab scientists, etc); competition for the same workers; significant portions of the workforce nearing retirement age; increased cost of recruiting and retention; and reduced

² The scope of this crisis has been documented and cited in reports from the UCSF Center for Health Workforce Studies, and others.

Medi-Cal reimbursement and other revenue streams that are forcing reductions in administrative and operational costs.

It should also be noted that similar factors affect the state and the nation, which places additional stress on traditional workforce development processes, funding and institutions. This circumstance only exacerbates the pressures on current employees and employers.

C. Overview of Current Workforce Initiatives

Because the workforce challenge has been prominently on the “radar screen” of local health industry and education leaders for many years, a variety of important initiatives are already in place that provide an ideal “jumping off point” for further work. These initiatives include (among others) the following important efforts:

- ***The Central Valley Nursing Work Force Diversity Initiative*** of the San Joaquin Valley Healthcare Consortium (sponsored by the California Endowment) has expanded the capacity of the nurse training system and developed programs to improve cultural competence across a six-county region.
- ***The Paradigm Program***, jointly sponsored by Community Medical Centers, other leading healthcare employers and Fresno City College, has increased nurse-training capacity in the community college system by approximately 35 slots per year.
- ***The Latino Center for Medical Education and Research*** at UCSF/Fresno has endeavored to increase the number of Latino doctors in training and local practice.
- ***The Central Valley Health Policy Institute*** at Fresno State has drawn attention to the link between healthcare staffing, healthcare access and health status through its reports and policy colloquia.³
- ***Individual healthcare employers*** have a wide array of proprietary initiatives to attract and train potential employees.

Together, these efforts have led directly to a high level of awareness of the system-wide challenges that must be addressed to enhance workforce supply and quality, and they have piloted a number of successful approaches to address the problem in specific, local contexts. Now, an opportunity exists to leverage these efforts even further in order to create a comprehensive healthcare workforce strategy that:

³ Dringer J. Ziolkowski C, Paramo, N (1996) Sacramento, CA; *Hurting in the Heartland: Access to Healthcare in the San Joaquin valley – A Report and Recommendations*, Rural Health Advocacy Institute and the California Rural Legal Assistance Foundation.

- Integrates healthcare workforce information and planning, ensuring that areas of shortage are fully anticipated and addressed;
- Enhances entry-level and incumbent worker training, building cultures of trust, flexibility, and mutual commitment in our healthcare workplaces; and
- Integrates healthcare workforce and economic development strategy to ensure that the region's healthcare institutions gain a nationwide reputation for excellence in patient care, workplace organization and employee satisfaction.

III. Recommended Action Plan

Initiative #1: Create the “*Valley Training and Education Consortium for Healthcare (VTECH)*”. VTECH will be a formal, multi-partner healthcare professions training institute that will aggregate public and private sector training resources and respond rapidly to the business requirements of all key stakeholders.

The Valley Training & Education Consortium for Healthcare is envisioned as a *world-class center for healthcare services and workforce preparation that will dramatically advance the health and economic vitality of Central California*. Through VTECH, Central California will build a regional healthcare education and workforce system that supports a world-class workforce, generates new jobs, strengthens the Fresno Region's position as the area's medical “hub” and reduces the administrative costs of participating healthcare facilities thereby freeing up dollars for investment in patient care.

Through VTECH, the region's healthcare leaders will establish both a strategic vision for healthcare system excellence and a state-of-the-art training center through which the region's current and future healthcare professionals can develop and enhance their skills and knowledge. VTECH will advance the following goals:

- Support the Regional Jobs Initiative job creation goal of 6,000 incremental new healthcare jobs over the next five years;
- Develop and execute plans for new healthcare infrastructure and sustainable capacity, including a potential Fresno Region Medical College (developed in partnership with existing education and employer leaders);
- Recruit, train, and retain qualified healthcare professionals to fill current and future healthcare job openings;
- Reduce staffing shortages over the long-term;
- Reduce recruiting costs;
- Reduce healthcare workforce turnover;
- Increase the percentage of bilingual healthcare workers; and
- Enhance patient care and community health outcomes in targeted improvement areas.

Model Healthcare Training Collaboratives. As envisioned, VTECH will be modeled after several large healthcare training collaboratives, such as the Hospital Consortium Education Network (www.hcen.org), a Northern California collaborative of over fifty hospitals—stretching from San Jose to Sacramento—that pools training resources and reduces training costs. HCEN has established two training centers in Pleasanton and Burlingame, which offer a wide variety of programs for healthcare professionals at all levels. Offerings range from EMT training to critical care certification, from six-month perioperative nurse programs to short RN refresher courses. Training providers include hospital-based trainers, college faculty, and others. The continuous growth of the HCEN network is a sign of the extremely positive return-on-investment that the Network has produced for its employer sponsors.

Other noteworthy regional collaboratives include the Iroquois Healthcare Alliance in upstate New York (www.healthjobsny.com) and the San Antonio Uniformed Services Health Education Consortium (www.saushec.amedd.army.mil).

Potential for State-of-the-Art VTECH Facility. Although much of the collaborative training can be delivered “virtually” utilizing existing facilities and resources, Fresno Area healthcare and civic leaders have begun examining options for the establishment of a VTECH facility that will meet the training and development needs of the major healthcare stakeholders. For example, one possibility may be to investigate the creation of a public-private partnership with Fresno City College to focus its planned new campus facility in Southwest Fresno—for which land acquisition costs are funded through Measure E—on healthcare and related fields. This facility could provide a combination of classrooms, laboratory facilities, and (in concert with the institutional stakeholders), ready access to real-world clinical care environments. Other such alternatives will likewise be investigated for utility and financial feasibility, as will methods that can maximize the use of existing infrastructure and programs.

Through integration with employer-based training resources, as modeled in the existing Paradigm Project, a VTECH facility would serve a variety of trainees, including individuals seeking entry-level skill development and incumbent professionals seeking to maintain their competence and certification or advance into new specialties. With appropriate financial backing from both private and public sources, the proposed VTECH facility could provide a physical training center as well as telemedicine and virtual training facilities to serve individuals and institutions in distant locations.

Potential Sources of Financial Support. Resources that may be available for VTECH include special appropriations in the Department of Labor/Health and

Human Services budget, grants from healthcare foundations such as the California Endowment, California Wellness Foundation, California Healthcare Foundation, Robert Wood Johnson Foundation, W.K. Kellogg Foundation, and others.

Initiative #2: Establish a graduate medical school and corresponding biomedical research institute in the Fresno Region.

Central California is the only heavily populated region in the state without a medical school. Given the region's growing population, ethnic diversity and complex social and economic conditions, which lead to an inordinate amount of unique health issues, access to higher medical education is a pressing issue. Within Central California, the Fresno Region is the only location with enough medical facilities and "critical mass" to do the clinical portions of graduate medical school training.

Not only would a Fresno Region medical school help to address the current and projected doctor-shortage crisis in Central California, it would also offer invaluable opportunities to develop biomedical research in the region, a fundamental driver of economic vitality and diversity in the knowledge-based economy, which has historically been lacking in the Fresno Region. Increased biomedical research provides a setting for clinical trials, which are essential for commercializing biomedical firms.

Potential partners in this initiative include Fresno State, UCSF, UC Merced, USC, University of the Pacific, and other appropriate institutions. The chief ingredient for successful implementation is mobilization of community wide support and political advocacy.

IV. One Year Implementation Plan

A. One Year Goals

- Solicit additional input and gain stakeholder consensus regarding the VTECH training collaborative and medical school/biomedical initiatives.
- Complete business plan for VTECH pilot training courses.
- Secure seed funding for part-time VTECH coordinator.
- Secure seed funding for and launch VTECH pilot training courses.
- Complete business plan for VTECH facility.
- Secure seed funding for and develop initial site specifications for VTECH facility.
- Establish graduate medical school and research institute leadership teams, secure seed funding, and complete initial feasibility studies.

B. Next Steps

Action	Start	End	Responsibility
1. VTECH Initiative			
Complete MOU among VTECH partners	9/1/03	9/30/03	VTECH working group
Develop VTECH strategic business plan	8/15/03	9/30/03	VTECH partners
Develop funding proposals for pilot VTECH training courses	9/15/03	10/30/03	VTECH partners
Develop VTECH facility strategic plan	9/1/03	1/30/04	VTECH partners
Begin pilot operation of initial VTECH training programs	1/1/04	ongoing	VTECH project coordinator
Develop and initiate VTECH facility resource development efforts	3/1/04	12/31/04	VTECH partners
Identify VTECH facility site	3/1/04	12/31/04	VTECH partners
Begin Design of VTECH facility	7/1/04	12/31/04	VTECH partners
2. Medical School/Biomedical Research Institute Initiative			
Establish working group to advance the early stages of the initiatives	9/30/03	10/31/03	RJI Leadership
Initiate contact with possible consultants for feasibility study	9/1/03	10/15/03	RJI Leadership
Secure seed funds to develop feasibility study	10/15/03	12/31/03	Initiative working group
Complete feasibility study	1/1/04	1/30/04	Consultant
Initiate discussions with potential MD-granting partner institutions; secure partner	1/30/04	6/30/04	Fresno State; working group
Develop and begin execution of legislative action plan	3/1/04	12/31/04	Fresno State; initiative working group

V. Job Creation Expectations from these Initiatives

The expected result of the healthcare sector initiatives is to increase the region's annual compound growth rate in health services jobs from 2.9% in the period 1992 – 2002 to 6.00% in the period 2004 – 2008. For the Fresno MSA, this would result in 6,000 additional direct jobs over the five-year period, 2004 – 2008. Using a conservative multiplier effect of 1.33 on these direct jobs, an additional 8000 jobs would be created.

Projected Total Jobs Y-E 2003 Health Services Sector:	32,300
Historical annual compound growth rate:	2.9%
Extrapolated New Jobs, Y-E 2008	5,000
Target annual compound growth rate	6.0%
Incremental Direct Jobs, Y-E 2008	6,000
Total Health Services Jobs, Y – E 2008	43,300
5-Year Growth in Health Services Jobs	34.0%
Incremental Indirect Jobs (1.33 multiplier)	8,000
 Total RJJ generated incremental jobs: 6,000 + 8,000	 14,000

VI. Principal Resource Requirements

- First year operating capital for pilot VTECH training courses estimated at \$100,000;
- First year operating capital for medical school/biomedical research institute initiatives estimated at \$50,000;
- Physical infrastructure capacity for proposed VTECH facility;
- Gigabit connectivity to support telemedicine, distance learning capabilities; and
- Government advocacy for establishment of medical school.

VII. Preliminary Initiative Champions

To date, the following entities and institutions have been engaged in the exploratory discussions to establish VTECH and/or the medical school/biomedical research institute initiatives: the Fresno Regional Jobs Initiative leadership, the Fresno County Workforce Investment Board, Kaiser Permanente, Community Medical Centers, the Fresno Heart Hospital, St. Agnes Medical Center, Children’s Hospital Central California, Fresno City College, Fresno State, UCSF Fresno, and the Economic Development Corporation Serving Fresno County.

Specific initiative champions for the VTECH institute to date include:

- Lynne Ashbeck, City of Clovis
- Tristine Bates, Kaiser Permanente
- Pilar De La Cruz, Fresno Heart Hospital
- Dr. Ned Doffoney, Fresno City College
- Bryn Forhan, The Forhan Company
- Cathy Frost, Bennett-Frost Personnel
- Corwin Harper, Kaiser Permanente
- Blake Konczal, Fresno County Workforce Investment Board
- Dr. Diane Moore, Fresno City College

- Ken Newby, Deloitte & Touche
- Sister Ruth Marie Nickerson, St. Agnes Medical Center
- Nanda Schorske, *representing the* Fresno County Workforce Investment Board
- David Spaur, Economic Development Corporation Serving Fresno County
- Ashley Swearengin, California State University, Fresno

Specific initiative champions for the medical school/biomedical research institute initiative include:

- Dr. Kathleen Curtis, California State University, Fresno
- Corwin Harper, Kaiser Permanente
- Dr. Phil Hinton, Community Medical Centers
- Ken Newby, Deloitte & Touche
- David Spaur, Economic Development Corporation Serving Fresno County
- Ashley Swearengin, Fresno State
- Dr. Joan Voris, UCSF Fresno
- Dr. John Welty, Fresno State
- Dr. Kin Ping Wong, Fresno State

Agile Manufacturing

Five-Year Plan Highlights:

- ***Job growth will accelerate from 1.0% to 3.2% per year, generating 3500 incremental jobs in 5 years.***
- ***A foundation will be laid to make the Central California Region the location of choice for California manufacturers.***

I. Overview of the Manufacturing Sector

A. The United States Manufacturing Sector

Conventional wisdom suggests that manufacturing is disappearing in the United States. While it is true that manufacturing is a global industry with components sourced from diverse geographic locations and repetitive, high-volume production increasingly going overseas, the following facts indicate that manufacturing continues as a strong and vibrant component of the national economy:

- U.S. manufacturing employment has remained roughly constant since the 1940s.
- Manufacturing activity, including intermediate activity, accounts for more than 25 percent of U.S. economic output.
- Manufacturing is responsible for almost two thirds of U.S. exports.
- In 2000, U.S. based job-creating investment in business plant and equipment by both domestic and foreign firms totaled \$1.2 trillion -- more than seven times the amount invested by American firms abroad.

There are a number of reasons why the U.S. will continue to have a strong manufacturing base for the foreseeable future, including:

- Proximity to markets is the number one criterion for company decisions on where they locate their manufacturing, and the U.S. is the largest market in the world.
- Manufacturing competitiveness rests not just on being the low cost producer, but also on product design, productivity, flexibility, responsiveness and customer service.
- Because innovation and manufacturing are intimately intertwined, companies want production close to their centers of research and development and engineering.

- Offshore sourcing is complicated for companies that have short- and medium-sized production runs of products that have frequent changes in configuration.
- Customer demands for service level improvement and lead time reductions have increased within the U.S.

The biggest threat to U.S. manufacturing is the absence of trained workers, with experienced baby-boomers retiring faster than they are being replenished with new workers. A recently released study conducted by the National Association of Manufacturers (NAM), The Manufacturing Institute and Deloitte & Touche, projects a need for 10 million new manufacturing workers by 2020. This fall, NAM will be launching a nation-wide campaign to promote manufacturing careers in order to help address this problem.

B. The California Manufacturing Sector

But what about the California manufacturing sector? Conventional wisdom also tells us that the California environment for manufacturing is atrocious, and that manufacturers are leaving the State in droves. This wisdom is partially correct. For example, the index of manufacturing cost competitiveness in California is 131, which means it is 31% more expensive to manufacture in California than the national average. By comparison, the next, most expensive place to manufacture west of the Eastern seaboard is Texas at 115. Furthermore, California's workers' compensation regulations are the worst in the nation; our energy costs are the highest in the nation; our regulatory environment is the most difficult in the nation; and wage, tax, land and housing costs are among the highest in the country.

Despite the state's poor cost and regulatory environment, California manufacturing companies are *not* leaving in droves. Why is that? For one thing, it is not easy to pick up manufacturing facilities and move them, but there is more.

- If proximity to markets is the number one criterion for selection of company manufacturing sites, what better place than California, the 6th largest economy in the world?
- California ports provide access to the Far East, the fastest growing market in the world.
- California remains a remarkably innovative state, which is why companies continue to want to house their R&D and engineering in California.

For all of its problems, California's manufacturing sector employs 1.9 million people, more than any other state in the nation with the exception of Texas. The percentage of California's total income from manufacturing occupations is larger than the national average. Manufacturing is the most export-intensive

industry in the State. Finally, the manufacturing industry has a high “job multiplier effect”, with 3.5 additional jobs created for every one manufacturing job.

II. The Fresno Region Manufacturing Sector

How does the Fresno Region fit into this picture? It is a closely held secret that this region is already a strong manufacturing hub. There are over 180 manufacturing companies in the Fresno Labor Market Area, some employing as many as 1400 employees, which indicates that a tradition of manufacturing already exists providing a large number of companies manufacturing success in our area. However, the region is significantly underachieving in its manufacturing potential. Consider this:

- The Fresno Region’s central location in the state is a big advantage with equidistant access to the large markets in Northern and Southern California. In fact, one of every nine residents in the U.S. can be reached from the Fresno Area within a one-day trucking distance giving us one-day access to the equivalent of the 3rd or 4th largest economy in the world.
- Export harbors in Northern and Southern California are easily accessed from the Fresno Region.
- We have lower wage rates and far more affordable land and housing costs than most locations in the state.
- Significant portions on the Region’s manufacturers are subscale and may be easily grown with appropriate support.
- Workforce limitations have impeded the growth of many incumbent manufacturers.
- The region offers an Empowerment Zone, an Enterprise Zone and a Free Trade Zone, all within easy access to the well-equipped Fresno Yosemite International airport and major road and rail transportation systems.
- The area’s higher education system, including Fresno State, State Center Community College District and Fresno Pacific University, coupled with a developing environment of entrepreneurship fostered by the Lyles Center for Innovation and Entrepreneurship and the Central Valley Business Incubator, offers strong support for manufacturing companies.
- The City of Fresno itself is the 37th largest City in the nation and is growing faster than all but three of the larger cities. The Fresno-Clovis Metropolis offers the services and amenities one would expect from a metropolitan area its size.
- Concurrent development of the Fresno Region’s manufacturing industry and its logistics and distribution industry offers significant potential benefits to both sectors.

Manufacturing has been growing modestly in our region. In 2002, manufacturers of Non-Durable Goods in the Fresno MSA (includes Madera County) employed 12,500 people. The cluster has grown 10% since 1992, a ten-year annual compound growth rate of 1%.

“Agile Manufacturing” is particularly important to Central California. The term describes highly flexible, short-to-medium run production, as compared to high-run assembly line production. It is vital to many local industries, including the manufacture of industrial machinery used in agriculture, electronic equipment for export, and transportation equipment. The region’s manufacturing capacity—in metalworking, machinery, and fabrication—can be a source for future job growth, especially if local firms can fill underutilized capacity with contract manufacturing now being sourced from other regions. In addition to the manufacturing industries that it directly serves, the agile manufacturing occupational cluster is connected to support industries such as distribution and logistics, wholesale trade, and electronic components. The agile manufacturing “cluster” is comprised of several industry segments, some of which are depicted in Appendix.

Among entry-level occupations, the jobs that grew the fastest during the last decade were hand workers (4,633%), electrical and electronic assemblers (3,314%), and coating, painting, and spraying machine operators (1,461%). Mid-level occupations also showed growth, particularly in machine operators & tenders (3,120%), precision electrical/electronic equipment assemblers (1,064%), and metal fabricators (535%). Among higher-level occupations, first-line sales supervisors showed the greatest growth. Additional occupational statistics are shown in Appendix.

III. Assessment of Issues and Opportunities for the Agile Manufacturing Cluster

Over the last three months, a series of industry meetings and focus groups were held to determine the barriers to and opportunities for expansion of the agile manufacturing cluster. In total, 25 manufacturers participated in the focus groups, as well as representatives from Fresno State’s College of Engineering and Computer Science and Office of Community and Economic Development, Fresno Chamber of Commerce, California Manufacturing Technology Center, Fresno City College’s Center for Applied Competitive Technologies, the City of Fresno, Economic Development Corporation Serving Fresno County, Fresno Business Council, and the Fresno County Workforce Development Board. The issues and opportunities identified by the industry and key stakeholders are summarized below.

There are major state-level issues (partially identified above) that must be addressed to create a better climate for manufacturing in California. The Fresno Region can and should participate in actions that will help address these state-level issues, but it cannot solve them by itself. There are however, a number of other issues, the solution for which rests entirely within the region’s area of controllability.

- As is the case in the rest of the nation, the biggest constraint to growth of the manufacturing sector in the Fresno Region is the absence of trained

workers at every level in the manufacturing chain (from entry-level through engineers and general managers).

- Basic workforce readiness for entry-level jobs is an added complication. Too many workers lack the most basic essentials to hold down a job.
- The industry is highly fragmented, resulting in companies sourcing out of the area simply because they do not know of the presence or capabilities of area companies. There is virtually no leverage of the combined manufacturing capacity of the area to improve efficiencies.
- Many regional manufacturing companies, generally developed as family businesses, lack scale and/or have not adopted the most modern manufacturing and business practices.
- The lack of external market awareness of the region's manufacturing tradition and capability is a growth-limiting factor.

IV. Recommended Action Plan

Initiative # 3: Establish the “Regional Manufacturing Partnership” and the “Central California Center of Manufacturing Excellence”

This comprehensive recommendation is to launch an industry-driven initiative aimed at establishing national recognition for the Fresno Region as a regional center of excellence in “agile” manufacturing. **The goal of the Central California Center of Manufacturing Excellence is to retain, grow and strengthen incumbent manufacturing businesses and to attract new entities into the area by creating a comparative advantage for manufacturers located in the Fresno Region.** Implementation of the recommendation will be driven by the formation of a “Regional Manufacturing Partnership” comprised of all interested manufacturing companies in the region.

The initial activities of the **Central California Center of Manufacturing Excellence** would include, but not be limited to, the following:

A. Serving as the “Industry Advisory Board” of the Manufacturing Academy in the Proposed Central California Center for Workforce Development.

The Manufacturing Academy, discussed in the Workforce Development and Workforce Readiness section of this report, would establish its training performance standards and design its curriculum based on the guidance provided by an Industry Advisory Board. The Industry Advisory Board would be responsible for providing the following support to the Manufacturing Academy:

- Articulation of industry “workforce readiness” standards and basic skills requirements for entry level jobs;
- Partnering with the Manufacturing Academy to provide continuing education for incumbent workers in the manufacturing industry;

- Providing a perpetual 5-year forecast of workforce and skill needs;
- Providing internships and mentoring for new entrants into manufacturing; and
- Providing faculty, equipment, and other resources, as needed.

B. Working with Fresno State to expand the capacity of the Engineering Department in the College of Computer Science and Engineering.

C. Providing a forum for discussion, demonstration and implementation of world-class manufacturing practices.

The goal would be to help raise standards of performance for regional manufacturing firms by:

- Providing the technical assistance necessary to help local manufacturers implement “best practices” techniques; and
- Providing mentorship and other resource assistance to subscale and emerging manufacturing enterprises, as well as others, who are struggling to compete in the global economy.

D. Developing sourcing solutions for local manufacturers by:

- Developing and promoting a database of local supplier capacity to promote local sourcing; and
- Establishing cooperative sourcing of commonly used materials to increase industry-buying power and improve efficiencies for local manufacturers.
- Bundling of like materials of components and products to gain economies of scale for supply of domestic and international sources.
- Develop cooperative sourcing of expense items to enable competitive advantage for local manufacturers.

E. Engaging in joint promotion and marketing efforts by:

- Increasing the amount of contract manufacturing for local firms by developing a database of the area’s manufacturing capacity and promoting it to other California and western markets through direct selling efforts;
- Jointly participating in trade shows;
- Marketing the “Central California Advantage” for manufacturing companies; and
- Cooperating with the Economic Development Corporation Serving Fresno County to attract new manufacturing companies to the area.

F. Facilitating industry communications through web-based and other communication mechanisms by:

- Providing relevant notices to Regional Manufacturing Partnership members;
- Providing industry data, trends and updates on current issues;
- Providing regional data, trends and updates current issues, including workforce forecasts;
- Promoting manufacturing careers; and
- Posting available manufacturing job openings.

G. Working with the Central Valley Business Incubator to provide guidance and support for manufacturing startups.

H. Interfacing and collaborating with the Advanced Logistics and Distribution Cluster.

I. Providing advocacy on issues of importance to manufacturing in the region and state.

V. One Year Implementation Plan

A. One Year Goals

- Establish the Industry Leadership Group by October 31, 2003.
- Launch the Regional Manufacturing Partnership with a minimum of 45 area manufacturers. Expand the Partnership to include 75 active participants by the end of year one.
- Complete initial fundraising and recruitment efforts required to hire an Executive Director by July 1, 2004.
- Launch each program component of the Central California Center for Manufacturing Excellence.

B. Next Steps

Industry leadership is truly the most important determinant of success and achieving job creation goals for the agile manufacturing cluster. As a result, the recommended focus of the first year activity in the agile manufacturing cluster is on developing and supporting the activities of the Regional Manufacturing Partnership, the industry collaborative that will be the key driver in developing the Central California Center of Manufacturing Excellence and its corresponding program elements described above.

- Establish an initial industry leadership group comprised of 6 – 8 industry leaders and representatives from key support entities.
 - Timeline: Recruit industry leadership group and convene initial meeting by October 31, 2003.

- *Responsibility: RJI Leadership*
- Launch industry recruitment effort for Regional Manufacturing Partnership.
 - Refine industry mailing and contact list.
 - Distribute initial recruitment correspondence to solicit industry participation in the Regional Manufacturing Partnership.
 - Timeline: Begin recruitment by December 1, 2003.
 - *Responsibility: Industry Leadership Group*
- Convene first Regional Manufacturing Partnership meeting involving a minimum of 45 area manufacturers to prioritize the work plan of the Partnership and establish sub-working groups to champion each priority.
 - Timeline: Convene Partnership by January 31, 2004.
 - *Responsibility: Industry Leadership Group*
- Regional Manufacturing Partnership sub-working groups develop action plans for launching each program area of the Central California Manufacturing Center of Excellence, including estimated time lines and resource requirements.
 - Timeline: Action plans developed by February 28, 2004.
 - *Responsibility: Sub-working groups of the Regional Manufacturing Partnership.*
- Launch each program component of the Central California Manufacturing Center of Excellence.
 - Timeline: March 2004 – September 2004
 - *Responsibility: Regional Manufacturing Partnership, sub-working groups and support institutions.*

VI. Job Creation Expectations from this Initiative:

The expected result of this initiative is to increase the region's annual compound growth rate in manufacturing jobs from 1.0% in the period 1992-2002 to 3.2% in the period 2004-2008. For the Fresno MSA, this would result in 1,500 incremental direct jobs over the five-year period, 2004-2008. Using a conservative multiplier effect of 1.33 on these direct jobs, an additional 2,000 jobs would be created.

Projected Y-E 2003 Non-Durable Manufacturing Employment:	12,600
Historical annual compound growth rate:	1.0%
Extrapolated New Jobs, Y-E 2008	700
Target annual compound growth rate	3.2%
Incremental Direct Jobs, Y-E 2008	1,500
Total Manufacturing Jobs, Y-E 2008	14,800
5-year growth in manufacturing jobs:	17.5%

Incremental Indirect Jobs (1.33 multiplier)	2,000
Total RJI generated incremental jobs: 1500 + 2000 =	3,500

VII. Principal Resource Requirements

- Industrial Park capacity to accommodate the projected job growth (see physical infrastructure section)
- Gigabit internet connectivity (see technology infrastructure section)
- Manufacturing Academy (see Workforce Readiness and Development section)
- Funding of Staff and initial operating capital for Regional Manufacturing Partnership (\$180k/ year, beginning in July 2004)

VIII. Initiative Champions

- Tim Borneman, California Manufacturing Technology Center
- Kathy Bray, Greater Fresno Area Chamber of Commerce/Denham Personnel
- John Brewer, SPX Valves
- Bob Cain, Harris Manufacturing
- Ray Dunn, Floway Pumps
- Claude Laval, Lakos
- Ken Olson, Center for Advanced Competitive Technologies
- Lydia Zabricki, Economic Development Corporation Serving Fresno County
- Others to be determined

Information Processing

Five-Year Plan Highlights:

- ***Job growth will accelerate from 3.10% to 5.8% per year, generating 7000 incremental jobs in 5 years.***
- ***The “economic identity” of the Central California Region will expand to include excellence in information processing due to our superior training systems and streamlined processes for meeting industry’s needs.***

I. The Fresno Region Information Processing Sector

Unlike many of the other clusters targeted by the Regional Jobs Initiative that focus on specific industries, the “information processing” sector is an “occupational cluster”. Occupational clusters are defined as concentrations of interrelated occupations that share the same or similar training and skills but may cut across multiple industries.

Broadly defined, information processing occupations provide “back office” support to large organizations that have heavy information processing requirements, such as government, insurance, financial services, healthcare and wholesale trade. These functions encompass data processing and analysis, credit checking, database administration and payroll and billing services (please see Appendix for a complete depiction of the information processing occupational cluster). The Fresno region, with the IRS center, government agencies and healthcare centers, has a strong local end-user market on which to build the information processing cluster.

Because of the dispersed nature of information processing occupations, it is difficult to estimate the size of this economic opportunity. Although many information processing jobs are found in business services—especially companies that provide data processing services, personnel supply, and research services—a large share of these positions are also embedded in unrelated industries. According to the California Employment Development Department, there are a total of 18,200 information processing-related jobs, or “administrative support services and information” jobs, in the Fresno Metropolitan Statistical Area (i.e. Fresno and Madera Counties). The average wage of information processing jobs is \$25,700. Over the last ten years, the number of information processing jobs in the Fresno Region has grown at a compound growth rate of 3.10%.

Information processing occupations range from entry-level information clerks to mid-level computer programmer aides to higher-level management support workers. Wages, especially in the higher-level occupations, are competitive and exceed the region's average wage. The Employment Development Department projects significant growth in occupations such as systems analysts (54.1% projected growth), computer support specialists (43.6% projected growth), adjustment clerks (20% projected growth), bill collectors (23.9% projected growth), and medical records technicians (32.10% projected growth). Please see Appendix for additional occupational statistics.

Several trends provide the Fresno Region with an opportunity to expand its information processing capability and to serve both regional and national markets. First, as organizations in virtually all industries need to process a rapidly growing amount of information, data entry and information processing workers are required to help ensure this work is handled smoothly and efficiently. Fresno can capitalize on this trend by being the information-processing center for large corporations all over Central California. Second, many companies have reduced or even eliminated permanent in-house staff in favor of temporary-help and staffing services firms. These outsourced functions are moved to regions that have a well-trained workforce at affordable wages. Fresno is well-positioned to be the site selection for large information processing facilities like an EDS center. ***In summary, the information processing cluster represents an exciting opportunity for the Fresno Region to develop eminence in an information technology-intensive industry with well paying jobs at entry, mid, and high levels and well defined career ladders.***

II. Assessment of Issues and Opportunities for the Information Processing Cluster

Industry leaders from the information processing cluster were convened on July 30th at the Regional Jobs Initiative planning session to discuss issues and opportunities affecting the expansion of the cluster in the Fresno Region. In addition to the industry leaders, representatives from Fresno State, City of Fresno, City of Clovis, Fresno Business Council, Fresno County Workforce Investment Board, Central California Society for Information Management, and several for-profit vocational training providers participated in the focus group. 75 different ideas were submitted by the industry leaders and key stakeholders, which can be categorized into three areas: (1) workforce development, (2) leadership development and (3) technology infrastructure.

- ***Workforce Development:*** As with other industries reviewed as a part of the RJI process, one of the largest barriers to growing the information processing cluster is the availability of a trained and ready workforce. It is difficult to access workers who are already prepared and trained to meet industry's needs. Furthermore, there is a lack of coordination among the

public and private workforce training providers. Employers need to be able to fill jobs quickly.

- ***Development of Industry Leadership:*** A leadership body is needed for the information processing industry that can identify and articulate both workforce and operational standards for the cluster in the region. The newly launched Central California Society for Information Management is well positioned to provide such leadership and/or to serve as an umbrella for an information processing-specific leadership group.
- ***Technology Infrastructure:*** High-speed, pervasive technology infrastructure is critically important to the information processing industry. Industry leaders would like a better understanding of the baseline inventory available in the region to not only help with the expansion of their business operations, but to also help facilitate the recruitment of other information processing entities to the Fresno Area.

III. Recommended Action Plan

Initiative # 4: Establish an “Information Processing Industry Partnership” in collaboration with the Central California Society for Information Management.

Similar to the other cluster initiatives identified in the RJI plan, this comprehensive recommendation is to launch an industry-driven initiative aimed at establishing broad recognition of the Fresno Region as a center of excellence in information processing industries and occupations by improving the quality of the regional labor supply in information processing occupations and putting a clearinghouse in place to better connect industry with needed physical, training, technical, and workforce infrastructure. Implementation of the recommendation will be driven by an industry partnership comprised of all interested information processing entities in the region and supported by the appropriate authorities and agencies. The initial activities of the ***Information Processing Industry Partnership*** would include, but not be limited to, the following:

A. Serving as the “Industry Advisory Board” of the Information Processing Academy in the Proposed Central California Center for Workforce Development.

The Information Processing Academy of the Central California Center for Workforce Development, discussed in the Workforce Development and Workforce Readiness section of this report, would establish its training performance standards and design its curriculum based on the guidance provided by the Industry Advisory Board. The Industry Advisory Board will be responsible for providing the following support to the Information Processing Academy:

- Articulation of industry “workforce readiness” standards and basic skills requirements for entry level jobs;

- Partnering with the Information Processing Academy to provide continuing education for incumbent workers in the industry;
- Providing a perpetual 5-year forecast of workforce and skill needs;
- Providing internships and mentoring for new entrants into the information processing field; and
- Providing faculty, equipment, and other resources, as needed.

B. Convene focus and discussion groups of comparable information processing businesses (for example, calls centers and third party administrators) to (1) identify equivalent job categories, skills required, wage levels, and projected growth and (2) potential areas of collaboration that might benefit each group of comparable businesses.

C. Developing a comprehensive, web-based clearinghouse of resources most needed by the Information Processing industry.

Working with the Central California Society for Information Management and the Fresno County Workforce Investment Board, information processing industry leadership will undertake the development of a web-based clearinghouse of industry resources. The effort will involve cataloging and developing databases of information in three main categories:

- ***Information Technology Training Capacity and Career Ladders in the Fresno Region:*** This section of the web clearinghouse will catalog all of the available training programs for IT-related occupations in the region offered by both for-profit, private vocational training programs, as well as public education systems. The training programs will be cataloged according to the specific career ladders for information technology and information processing-related jobs in the Region. Both degree/certificate-granting and non-degree/certificate granting programs will be included. Length of program, application processes and deadlines, fees, space availability, training objectives, and occupations targeted by each training program will be included in the database. The primary purpose of this section of the web clearinghouse will be to promote careers in information technology by making training resources readily and easily accessible to the labor force. It will also serve as a simple, one-stop source of information for incumbent employees in the industry looking to upgrade their skills.
- ***Baseline Inventory of Technology Infrastructure Available in the Fresno Region:*** To make easy the expansion of information processing businesses in the Region and to better attract outside entities, a baseline inventory of available technology infrastructure will be provided on the web clearinghouse. Envisioned as a GIS-based system, businesses will be able to enter address-specific

information into the site and quickly determine what infrastructure is already in place to meet their needs, contact information for all vendors providing service to that area and general cost information for services.

- ***Clearinghouse of Information Technology Jobs:*** This section of the web clearinghouse is envisioned as the “Monster.com” for Fresno Area information technology jobs and will help the information processing industry more quickly gain access to local, qualified job applicants. It will also raise the profile of the information technology industry in the Region, retain local talent and help change the “employment identity” of the Fresno Area.

D. Working with incumbent service providers and community organizations to continually ensure the competitiveness of technology infrastructure in the region for residential and commercial users, including the advancement of “pilot projects” in the Region.

Since high-speed, pervasive technology infrastructure is critically important to the information processing cluster, the industry will work collaboratively with other community organizations to help ensure the adoption of available high-speed Internet services and to promote innovative pilot projects in order to constantly upgrade and advance the Fresno Area’s infrastructure. The Information Processing Industry Partnership will advocate for and “push the envelope” of available services in the region.

E. Work with the Economic Development Corporation Serving Fresno County to recruit additional information processing industry to the Fresno Region.

IV. One Year Implementation Plan

A. One Year Goals

- Establish the Information Processing Industry Partnership as a “working group” of the Central California Society for Information Management by November 30, 2003.
- Establish partnership with the Fresno County Workforce Investment Board to jointly pursue implementation of the action plan.
- Convene discussion and focus groups of as many comparable businesses as possible (call centers, third party administrators, and other comparable businesses to be identified)
- Launch the Information Processing Industry Partnership with 85% of the back office/call center operations (both governmental and private) in the Region participating.

- Complete the planning and project scoping for the web clearinghouse by January 31, 2004.
- Complete fundraising to build the web clearinghouse by July 31, 2004.
- Complete and populate the comprehensive web clearinghouse by December 31, 2004.
- Meet average job creation projections established by the Regional Jobs Initiative (i.e. approximately 1200 new jobs).

B. Next Steps

- Circulate the draft action plan to industry leaders and major stakeholders for further input.
 - Timeline: Solicit final feedback by September 30, 2003.
 - *Responsibility: RJI Leadership*
- Establish initial industry champions and leadership group.
 - Timeline: Recruit industry leadership group and convene initial meeting by November 30, 2003.
 - *Responsibility: RJI Leadership*
- Appoint industry members to serve on the Information Processing Academy Industry Advisory Board.
 - Timeline: November 30, 2003.
 - *Responsibility: Industry Leadership*
- Organize the industry leadership group into three subcommittees according to the three main categories of the web clearinghouse. Develop the specifications of each component of the web clearinghouse, including financial requirements.
 - Timeline: November 30, 2003 – January 31, 2004.
 - *Responsibility: Industry Leadership Group*
- Develop and execute fundraising plan for the web clearinghouse.
 - Timeline: Complete fundraising by July 31, 2004.
 - *Responsibility: Industry Leadership Group, Office of Community and Economic Development at Fresno State*
- Oversee development of clearinghouse and launch site.
 - Timeline: December 31, 2004.
 - *Responsibility: Industry Leadership Group.*

V. Job Creation Expectations from this Initiative:

The expected result of this initiative is to increase the region's annual compound growth rate in information processing jobs from 3.10% in the period 1992-2002 to 5.8% in the period 2004-2008. For the Fresno MSA, this would result in 3,000

additional direct jobs over the five-year period, 2004-2008. Using a conservative multiplier effect of 1.33 on these direct jobs, an additional 3,990 jobs would be created.

Projected Y-E 2003 Information Processing Employment:	18,800
Historical annual compound growth rate:	3.10%
Extrapolated New Jobs, Y-E 2008	3,100
Target annual compound growth rate	5.8%
Incremental Direct Jobs, Y-E 2008	3,000
Total Information Processing Jobs, Y-E 2008	24,900
5-year growth in Information Processing jobs:	32.5%
Incremental Indirect Jobs (1.33 multiplier)	4,000
Total RJI generated incremental jobs: 3000 + 4000 =	7,000

VI. Principal Resource Requirements

- Technology-friendly industrial parks such as the Clovis Research and Technology Park, as well as infill office space with upgraded technical capacity to accommodate the projected job growth (see physical infrastructure section).
- Gigabit Internet connectivity (see Technology Infrastructure section).
- Information Processing Academy (see Workforce Readiness and Development section) and coordination of training providers.
- Streamlining processes and paperwork when hiring through government programs and for tax and other incentives; full-scale e-government initiative (see Customer Service section).
- Marketing and communications support to promote the web clearinghouse and to promote the Fresno Region in order to attract more information processing businesses.
- Funding for development of web clearinghouse (approximately \$100,000 by July 31, 2004).

VII. Initiative Champions

- Lynne Bowness, City of Fresno
- Brenda Cahn
- Central California Society for Information Management
- Cynthia Downing, Professional Exchange Services Corporation
- Mike Dozier, City of Clovis
- Ian Means

- Prudence Zalewski, Lance-Kashian & Co.
- Others to be determined

Construction

Five Year Plan Highlights:

- ***Job growth will accelerate from 3.2% to 5.5% per year, generating 6100 incremental jobs in 5 years.***
- ***Training and placement programs in the construction trades are increased and linked through a central clearinghouse overseen by the “Regional Construction Partnership.”***
- ***The number of students involved in vocational education increases by 20% over the next five years.***

I. Overview of the Building Trades & Construction Industry

A. The United States Construction Industry

Due to the retirement of the highly skilled national workforce and the increase of construction activity, we must recruit 240,000 new workers each year for the next ten years. In a high-growth state like California, the need is even more pressing. This shortage means that companies must spend more to train workers, and that contractors are less competitive because they are unprepared to build new projects. Both of these factors contribute to increased costs.

Across the nation, high schools are joining forces with the construction industry and labor unions to accomplish two goals—prepare students for stable careers and meet the needs of industry and labor for new employees. Some examples of partnerships include:

- A charter school in Cranston, Rhode Island opened in 2002 that was developed by the New England Laborers’ Union and the Cranston Public Schools to provide construction specific education by integrating career and core academic standards. Graduates are prepared for college or an apprenticeship in the cluster.
- The Construction Tech Academy opened at Kearny High School in the Fall of 2002 with an advisory board that included San Diego State University, a host of unions and many private businesses.
- The Building Industry Association in California has established a variety of partnerships with high schools including a charter school that welcomes students without high school diplomas and technology academies within a high school in Anaheim.

B. The California Construction Cluster

Recently, the State of California's Commission on Building for the 21st Century issued a major report noting that there is an \$80-90 billion backlog of statewide infrastructure needs, including building, repairing, and maintaining roads, highways, bridges, housing, schools, hospitals, power plants, and public buildings. In addition, the report indicates, "over the next 20 years, California will add 6 million jobs and 12 million people who will need at least 4 million new homes."

California's failure to invest in infrastructure for nearly 4 decades places the state near the bottom of per capita spending in this arena. The state is also 49th in home ownership and has some of the most overcrowded schools and congested traffic in the nation. There is a direct correlation between increased population and demand for expanded infrastructure. Without it, communities will not be able to attract and retain new high performance businesses, nor sustain a healthy quality of life.

The California Coalition for Construction in the Classroom (CCCC www.constructcareers.org) was created in 1998 to meet the needs of both education and industry. With increasing construction activity and the retirement of large numbers of highly trained workers, it is projected the industry will need 100,000 new workers each year through 2008. The CCCC is a nonprofit federation of more than 60 construction organizations. It is dedicated to attracting highly qualified workers through a program focusing on career awareness and exploration.

II. The Fresno Region Construction Cluster

Construction presents an occupational cluster opportunity for the Fresno Region that is stimulated by both public and private sector demand. Public investment supported by bond issues and transportation spending is advancing Downtown Fresno revitalization and highway construction projects. This public investment generates demand for construction jobs in a number of different trades. At the same time, low interest rates have stimulated housing construction in the region, which also stimulates demand for construction jobs. In 1999, the construction cluster employed 15,500 workers at an average wage of \$39,000.

The challenge for this economic opportunity is to use the short term public sector stimulus to both employ and train skilled trade and construction workers who can be employed in private sector construction jobs, as well as transferring those skills to the private sector residential market. There is some evidence that construction workers on projects in Fresno are coming from outside the region because skilled workers are not available. This creates an opportunity to work with the trades and construction unions and other training groups for more apprenticeships and on-the-job training opportunities with support from the Fresno County Workforce

Investment Board. The union construction trade members and their local associated contractors recently formed Fresno Area Construction Team (FACT) to help promote awareness of the career paths available in the industry and the impact the cluster has on the economy.

III. Assessment of Issues and Opportunities for the Construction Cluster

Based upon a series of meetings with construction companies, homebuilders, trades unions and subcontractors a number of challenges facing the construction cluster have emerged. The primary concern is the current and anticipated increasing shortage of skilled workers, managers and engineers. Other concerns include ready availability of aggregate, regulatory and permitting barriers, legal and insurance challenges, availability of water and sewer resources and utility response time. Some of these challenges are being addressed by the Customer Service Task Force, and others are largely state level concerns. The focus of this action plan is the recruitment, training and placement of skilled people to fill current needs of the industry and insure the availability of the future workforce.

In June of 2003, the State Center Consortium released “Strengthening Academic and Career Skills—A Standards-Based Approach for Building Trades and Construction Programs” through a grant from the California Department of Education. The 170-page document is the initial product of a three-year grant for the Building Trades and Construction Industry sector education in California. Advisors to the work included educators and industry representatives from throughout the state focusing on how building trades and construction courses and programs can best prepare successful students. This document could be used as a powerful vehicle to support existing training programs, connect basic training to advanced training, provide curriculum integration resources for high schools, insure alignment with industry needs, and help educate the broader community about opportunities within this cluster for quality employment. State Center has agreed to work closely with the Construction Cluster to insure leveraging of efforts. There are plans to develop standards based handbooks for other trades including electrical, plumbing and masonry.

Fresno Unified School District recently launched the Vocational/Occupational Education Task Force to look at ways the school district can restore more access to trades and technical training to students. During the next seven years, it is anticipated nearly \$300 million dollars will be invested in new facilities. The opportunity to link the activities of the Construction Cluster to this resource will be fully explored by the Task Force in partnership with those working on the Regional Jobs Initiative Job Readiness and Workforce Development Initiatives and the Construction Cluster.

While the concern is also raised in the other clusters, the issue of drug and alcohol abuse in the construction industry is a major barrier to employment. The Jobs Readiness Task Force is addressing the issue of assessment and referral. It is

important to educate employers and union representatives about treatment referral options when a potential worker fails a drug test. Without a referral network and the availability of treatment and recovery options, the unemployable rate will continue to be high. Closing this loop will make the Regional Jobs Initiative a truly comprehensive effort. We must ensure that those who fail a drug test will receive the treatment they need to succeed in earning and holding a good job.

IV. Recommended Action Plan

Initiative # 5: Establish the “Regional Construction Partnership”.

Engaged and unified leadership is critical to pulling the various aspects of the construction industry together to accomplish critical goals. The partnership would consist of representatives from business, unions, government and education to spark and oversee a series of initiatives and provide advocacy for the cluster as a whole. The initial actions will focus upon strengthening and increasing the training component, streamlining the placement of trained workers and developing an ongoing communications plan to correct myths and assumptions about construction careers in the minds of students, parents, teachers, elected officials and the broader community. Subsequent Partnership efforts may include establishing a Construction Center of Excellence to provide information about industry developments, best practices, and a forum for useful stakeholder dialog about maximizing the health and prosperity of the industry in the Central Valley.

A number of activities are already underway within this cluster. The following action items include current and proposed activities:

A. In concert with the proposed Central California Center for Workforce Development, create a Vocational Training Center for Construction Trades with links to satellite programs throughout the County in high school and private settings.

The visioning stage is already underway and includes WIB, County of Fresno, trades unions and construction companies. The Center, in addition to providing state of the art training facilities, can serve as a central clearing house for outreach, evaluation of programs, networking and placement.

B. Develop an ongoing public relations and outreach program to re-establish the importance and value of vocational education in high school and upon graduation as a pathway to satisfying careers.

This could be done in partnership with some of the other clusters or as part of a core Regional Jobs Initiative effort. Possible linkages include:

- After school programs linked to trades

- Competitions that highlight the trades (such as the Craftsman's Tools contest sponsored by the National Science Teachers Association; invention convention, etc.)
- Career fairs sponsored by trades associations
- Paid internships during the summer (mentor/mentee programs) linked to school attendance and GPA requirements for work permits
- Parent education

C. Provide advocacy at all levels of government to insure that education and training resources are customized to meet the construction industry needs of the Fresno Area.

D. Build connections between the Construction Management and Engineering Programs at Fresno State and the Regional Construction Partnership to Insure that Training and Education Systems are Sharing Resources, and that industry needs for management and engineers are met.

V. One Year Implementation Plan

A. One Year Goals

- Recruit a leadership group by October 31, 2003 with representatives from key segments of the industry.
- Clarify roles, responsibilities for the various the initiatives by November of 2003 with timelines for implementation, i.e. complete the action plan. This cluster already has active public/private partnerships. Pulling all the pieces together into one plan to insure leveraging and increased effectiveness is important for overall success.

B. Next Steps

- Circulate this draft action plan to industry members and key stakeholders for additional input and feedback in order to finalize plan.
 - Timeline: Completed by October 31, 2003
 - *Responsibility: RJI Leadership*
- Recruit leadership team to oversee finalization of the action plan and support efforts already underway.
 - Timeline: Complete recruitment by November 30, 2003
 - *Responsibility: RJI Leadership*
- Once industry/leadership is in place, begin execution of plan.
 - Responsibility: Cluster leadership team
 - *December 31, 2003*

VI. Job Creation Expectations From this Initiative

Projected YE 2003 Construction Cluster employment	19,100
Historical annual compound growth rate:	3.20%
Extrapolated New Jobs, Y-E 2008	2,600
Target annual compound growth rate	5.5%
Incremental Direct Jobs, Y-E 2008	3,000
Total Information Processing Jobs, Y-E 2008	24,900
5-year growth in Information Processing jobs:	32.5%
Incremental Indirect Jobs (1.33 multiplier)	4,000
 Total RJI generated incremental jobs: 3000 + 4000 =	 7,000

VII. Principal Resource Requirements

During the first year, much of the organizing will be accomplished through in kind donations of staff and miscellaneous funding. In order to insure sustainability of the Cluster, a staff champion will be necessary, quite likely housed within an existing organization. Developing a budget for staff and operations will be one of the tasks of the leadership group.

Outreach and communication plans are already underway and in the planning stage for this Cluster. These efforts will be leveraged with the outreach efforts of the Agile Manufacturing Cluster. Additional cost estimates will be determined during the next step of the planning phase.

VIII. Initiative Champions (Start-up)

- Robert Fain, Field Ironworkers Apprenticeship & Training Program
- David Ingram, Carpenters Training Committee
- Deborah Nankivell, Fresno Business Council
- Clayton Smith, Associated Builders & Contractors
- Valerie Vuicich, State Center
- Doug Whipple, United Brotherhood of Carpenters
- Robert Wood, Generation Homes
- Others to be identified

Advanced Logistics & Distribution

Five-Year Highlights:

- **Job growth will accelerate from 1.1% to 3.0%, generating 2800 incremental jobs by the year 2008.**
- **The Fresno Region develops a reputation as a statewide “hub” for advanced logistics and distribution services.**

I. Overview of the Advanced Logistics & Distribution Sector

A. The United States Logistics & Distribution Sector

The United States government deregulated the transportation industry when President Jimmy Carter signed an historic bill in 1980 deregulating the control of freight rates. Within 10 years all of the states followed suit with the deregulation of intrastate rates that had been regulated by the states' Public Utility Commission except for the state of Texas which finally, in 1996, abolished the regulation of intrastate freight rates. For the first time, this gave industries the opportunity to distinguish themselves by their logistic processes which is a function of the supply- chain management process. With industry members now in the position to function in a free marketplace, they have the ability to be creative in their logistics processes. It has been stated that, from 1980 to the present, the supply-chain management process cost has been reduced from just over 15% of our gross domestic product costs to just under 10%.

With industry members now having the ability to operate in a free marketplace, the opportunity to professionalize the distribution and logistics processes has been created in their specific organizations. Several trade organizations have been formed that are focused on the education and professionalism of the distribution and logistics industry. Two such organizations are the Warehousing Education Research Council (WERC) and the Council of Logistics Management (CLM). Universities across the nation have also responded with the formation of specific schools in distribution, logistics and supply chain management. The trend continues for industries to distinguish themselves in logistics, distribution and supply chain-management processes from which we, in the Central Valley, can benefit.

B. California Logistics Sector

California is a formidable economic force and effectively comprises the 5th largest economy in the world. The state's diverse economic base covers many vertical markets that have transportation needs. Current trends indicate that businesses are consolidating their distribution warehouses in order to control costs and shrink inventories. This trend will continue so long as they are able to gain access to their current markets in an expedited and cost effective time frame. For instance, elimination of one distribution center presents an opportunity to reduce related inventories and holding costs by as much as 20% to 30%; with potential for even greater savings if several locations are eliminated, which in turn might pay for the entire cost of distribution in say the western United States.

The costs of doing business in the metropolitan communities in southern and northern California are high versus Central California. These costs, coupled with the demographic disadvantages, position the Central California region as an attractive alternative, especially when service capability is not lost. There is also a trend known as "reverse logistics" that is positive for the California market. Companies are decentralizing repair and return centers by regions, thus allowing returns to be shipped to shorter zones rather than one return center in the U. S.

The increase in Southeast Asian manufacturing has increased the import business to California. That business is dependent on ocean, air and ground transportation and there will continue to be significant growth in those modes of transportation. In Central California railroads can provide significant competitive advantage if the region provides an easy place for them to do business. Local air transportation has growth potential as well.

The trends toward consolidation of facilities will remain positive for the California market. Further, companies will look to Central California to gain access to the south and north with one distribution center. However, state regulation and compliance remains a large liability versus other states, as does the cost of doing business in a generally non-friendly business environment.

II. The Fresno Region Logistics Sector

There are over 423 transportation companies in the Central Valley. They are responsible for over \$2.1 billion dollars in sales annually. The projected jobs generated in the logistics and distribution segments are expected to exceed 10,900 by the year 2008 in the Central Valley. With the deregulation of interstate and intrastate freight rates a significant opportunity has been created for the Central Valley to become more competitive.

Further, the Advanced Logistics and Distribution Cluster should have the capability to provide reliable information which companies and consultants can utilize to make decisions relative to their warehousing options. This benchmarking capability has not previously existed and could clearly position the Fresno Region and Central California to attract and retain more businesses. However, to fully take advantage of this opportunity, the region may need significant infrastructure improvement for rail, air and truck transport as well as distribution facility infrastructure.

The Advanced Logistics and Distribution Cluster will focus on providing industry solutions to meeting customers' needs. The cluster will develop a defined action plan that will support the delivery of logistical solutions to regional businesses.

III. Assessment of Issues and Opportunities for the Logistics and Distribution Cluster

Over the last two months, focus groups and industry meetings were convened to determine the issues and opportunities facing the logistics and distribution industry in the Fresno Region. The following summarizes feedback from industry members that was solicited during the RJI process.

- **The Central Valley has seen an increase in jobs specific to the Logistics and Distribution Sector over the last five years.** A chief factor is the proximity of the Central Valley to the metropolitan areas of California, Arizona, Nevada and Washington. Many companies are attempting to compete against numerous competitors in these markets. Some of these competitors have several warehouses throughout this region in an attempt to deliver products in a cost-effective yet expedited time frame. The proximity of Central California, in conjunction with many of the transportation carriers' service levels, allows companies to expeditiously reach many of these regions. This advantage allows companies to eliminate distribution centers in other parts of the country thus reducing their cost to operate. Because a majority of companies are re-defining their logistics model in an attempt to drive down cost and improve service, the Central California location can give companies immediate advantages.
- **Infrastructure improvements, including better connections to air cargo and rail capacities, are needed.** We need a better understanding of the type of freight coming in or leaving the area and how to match it with capacity for airfreight, rail and truck transportation. Facility infrastructure gaps also need to be identified and filled to make the Fresno Region world-class for logistics and distribution.
- **Education and training are needed at the entry level (including truck driver training and continuing education), as well as a logistics degree program at California State University, Fresno for management and**

technology. A management program could include an interdisciplinary program supply chain management course involving business and engineering modeled after similar programs at the University of Nevada, Reno.

- **General Industry Needs.** Overall cost reductions are needed through: 1) better government customer service, including permit streamlining; and, 2) reduced workers' compensation and insurance costs.
- **Encourage legislation to promote the industry, as well as possible state unitary tax changes.**

IV. Recommended Action Plan

The Advanced Logistics and Distribution Cluster will focus on developing solutions that bring value to its industry and the broader business community. This can be attained through expansion of services, increased and improved training customized to the industry, providing enhanced logistics solutions for businesses within the region, and developing initiatives that influence businesses to choose the Central California Region as their distribution hub.

Initiative #6: Develop a strategic plan to improve infrastructure.

We will work with transportation companies on expansion of our air cargo; with rail to make improvements to our rail service; and with regional trucking industries to improve their infrastructure.

Initiative #7: Partner with area workforce and education entities to improve training opportunities specific to the Logistics and Distribution Industry..

Specific areas of focus will include:

- Better matching of available training dollars to industry needs, including providing industry representatives to detail requirements for logistics and distribution jobs;
- Developing a university logistics program; and
- Matching high school and community college programs with industry developed curriculum.

Initiative # 8: Partner with the Economic Development Corporation Serving Fresno County to market the Fresno Region as a state/regional hub for advanced logistics and distribution.

The Advanced Logistics and Distribution Cluster will work with the EDC to pinpoint logistics for both private and 3PL companies (third party logistics) looking to gain greater access to the California market. We will market the region as a “hub” that can serve West Coast markets within one day and develop a comprehensive package that will demonstrate the advantage the Central

California Region has over other regions for the logistics and distribution industry. This will be packaged in a format that is specific to client needs. We will educate consultants on the unique Regional advantages, and we will work to market the Central Valley as a regional hub to the West Coast in specific trade publications and through targeted communications with the cities.

We will educate our community about what we do and the impact that we can have. We will align and coordinate connectivity to the public-private partnership that will be created. We need to be known as an easy place to do business.

V. One Year Implementation Plan

A. One Year Goals

- The “infrastructure improvement” working group will develop plans for the expansion of air cargo and rail services within the first year.
- Training will have a formal structure, commitments and dedicated agreements by industry leaders within the first year. A program will be in place that will provide trained employees for the Logistics & Distribution cluster.
- Industry leadership will work with the EDC to develop a comprehensive marketing package that will focus on the strengths the Central Valley has over competing communities. We will identify specific strengths of transportation companies and the impact on their business. This will be bundled into a format that can be tailored to the client’s needs rather than a generic package of general information. We will also work with the cities within the Valley to incorporate certain initiatives to brand the Central Valley as the, “Gateway to the West Coast”. This will be available within the first year.
- University logistics degree program.

B. Next Steps

- Circulate draft action plan to industry leaders and stakeholders for further input.
 - Timeline: Solicit final feedback by October 31, 2003.
 - Responsibility: *RJI Leadership*
- Secure commitment from initial industry champions and recruit industry cluster participants.
 - Timeline: Recruit an industry leadership group and convene initial meeting by November 30, 2003.
 - Responsibility: *Initial Industry Champions*

- Organize the industry cluster participants into committees according to action plan areas described above. Develop the specifications of each component of the action plan, including financial requirements.
 - Timeline: November 30, 2003 – January 31, 2004.
 - Responsibility: *Industry Leadership Group and Cluster Companies*
- Identify and secure financial resources needed to execute the action plan.
 - Timeline: February 1, 2004 – April 30, 2004.
 - Responsibility: *Industry leadership with support from RJI Leadership*
- Execute action plan and achieve one-year goals listed above.
 - Timeline: May 2004 – December 2004
 - Responsibility: *Industry leadership and cluster companies with support from RJI leadership*

VI. Job Creation Expectations from the Initiative

The expected result of this initiative is to increase the region's annual compound growth rate in advanced logistics & distribution jobs from 1.10% in the period 1992-2002 to 3.0% in the period 2004-2008. For the Fresno MSA, this would result in 1,200 incremental direct jobs over the five-year period, 2004-2008. Using a conservative multiplier effect of 1.33 on these direct jobs, an additional 1,600 jobs would be created.

Projected Y-E 2003 Logistics and Distribution Employment	8,700
Historical annual compound growth rate:	1.10%
Extrapolated New Jobs, Y-E 2008	1,000
Target annual compound growth rate	3.0%
Incremental Direct Jobs, Y-E 2008	1,200
Total Logistics and Distribution Jobs, Y-E 2008	10,900
5-year growth in logistics and distribution jobs:	25.3%
Incremental Indirect Jobs (1.33 multiplier)	1,600
 Total RJI generated incremental jobs: 1200 + 1600	 2,800

VII. Principal Resource Requirements

- Physical Infrastructure:
 - Malaga South Industrial Distribution Center to accommodate the projected job growth
 - Fresno Yosemite International Airport for the expansion of air cargo services
 - BNSF Fresno Inter Modal Facility for the expansion of rail services
- Workforce Development:

- It is anticipated that the training/workforce development initiative will be funded through existing training programs and resources and will not initially require additional financial resources.
- Potential partnerships with State Center Community College, Fresno State and University of Nevada, Reno for logistics, warehouse and supply chain management programs. No financial requirements expected in the first year.
- Economic Development Corporation Marketing Initiative – The costs to promote the Central Valley as a Regional Hub to logistics and 3PL companies, consultants, site selectors and specific trade publications are included in the overall budget established by the RJI Communications Task Force Action Plan.

VIII. Initiative Champions

- Chris Rinehart, CPR Logic
- Michael Kelton, Inland Star Distribution Centers
- David Spaur, Economic Development Corporation *serving* Fresno County
- Suggested additional champions:
 - Tim Fortier
 - Mark Milakovich
 - Dennis Manning
 - Noah Lagos

Tourism

Five-Year Plan Highlights:

- ***Job growth will accelerate from 1.0% to 2.40% per year, generating 2,800 incremental jobs in the tourism industry in 5 years.***
- ***Identification of the Fresno Region as a tourist destination.***
- ***Increase the number of visitors to the region and enhance the economy.***
- ***Improve quality of living environment to promote general business attraction.***

I. Overview of the Tourism Sector

Tourism is the nation's fastest growing and third largest industry (after health services and businesses). Tourism is one of the purest forms of economic development in that the object is to have people come to your community, spend money and then leave. A tourism-friendly area will spawn non-tourism industries faster than others will, as it contributes positively to quality of life factors important to business development.

Tourism can include both business travel and leisure travel. Ideally, tourism promotion will result in not only bringing more visitors to the community, but in getting them to stay longer, as overnight visitors spend four times more than day visitors.

Some other quick facts about the tourism industry:

- 90% of tourism industry businesses are small businesses.
- 83% of tourism spending is by visitors with annual household incomes of \$70,000 or more.

II. Overview of Tourism for the Fresno Region

For decades, local community leaders have recognized the incredible potential for tourism in this area, given our central location within the State, our agricultural bounty, recreational opportunities, unique attractions, and our proximity to three national parks. A tourism bureau was established in the early 1980's, which was eventually combined with the Convention Bureau to form the Convention and Visitors Bureau. Because this organization's first priority is promoting and booking conventions for the downtown Convention Center, tourism in itself has never been a major focus.

Numerous efforts have been made recently to bring a focus to tourism. The County of Fresno launched a marketing effort in the late 1990's. The Greater Fresno Area Chamber of Commerce made it a focal point of its agenda in 2001, 2002, and 2003.

In 2002, Fresno County hired a consultant, Sprague & Associates, to prepare a Tourism Master Plan for the County region. The Plan, completed last year, includes specific immediate action items that can be taken to promote tourism. This has led to the recent establishment of the Fresno County Office of Tourism, whose goal it is to implement the marketing strategies outlined in the master plan, help promote local attractions through co-op marketing, and develop itineraries and promotions for visitor and convention groups.

Other communities throughout the County are also becoming more involved with tourism and have begun partnering with the County in regional tourism efforts. For example, Clovis, Reedley and Kingsburg have already formed committees and/or have established visitor centers.

Other organizations in the Valley have recognized the importance of tourism. The Central Valley Tourism Authority has embarked on a new level of activity, and the Great Valley Center based in Modesto has recently formed a Travel Informational Economic Magnets Project Team. The Regional Jobs Initiative recognized the value of tourism and has made it one of its focus areas in 2003.

The principal reason that tourism in our region has underachieved its potential are lack of a focused approach and under funding. Our tourism competitors in California are the other similarly sized cities. Compared to them, we are dramatically under funded for tourism marketing. These competitors, which include Sacramento, San Jose and Long Beach, are spending four, six and eight times as much as we are for tourism marketing.

III. Tourism Potential for the Fresno Region—A Sleeping Giant

Tourism today in the Fresno MSA is responsible for 4.5%⁴ of our total employment, or 14,000 jobs of a total of 311,000 non-farm jobs, with little or no attention having been paid to it. We do not currently compete for our fair share of the tourism trade. Given our proximity to three world-class, national parks – Yosemite National Park, Kings Canyon National Park and Sequoia National Park -- and our varied and plentiful attractions, we are a natural destination for national

⁴ Employment figures in the tourism industry for the Fresno MSA were taken from the February 2003, state-funded report by Dean Runyan and Associates entitled "California Travel Impacts by County, 1992-2001." The employment figures were derived by aggregating spending by all travelers/visitors who either spent the night in the region for any reason or who spent money in the region with a destination more than 50 miles from their home, regardless of their travel purpose, whether for business, pleasure, shopping, meeting attendance, personal, medical or educational purposes.

and international travelers, as well as for coastal Californians to visit as an escape from the big cities, relaxing in a more rural environment.

The area already has a wide range of tourism assets, and while many could be made more tourism friendly, no massive investments are needed. The most recent database of attractions is shown in the Appendices. These attractions are widely ranged within the categories of agri-tourism, amusement parks, gardens, historical, casinos, museums, nature tours, national parks, performing arts, outdoor recreation, parks, planetarium, unique shopping, sports venues, golf, snow skiing, water sports, and zoos. The new Save Mart Center at Fresno State will add considerable critical mass to the region's tourism assets.

These attractions are also offered in a wide range of unique settings from big city to quaint, smaller communities and in such varied outdoor venues as farmland, foothills, mountains, meadows, forests, lakes and rivers.

Among its other recommendations, the Sprague Report proposed the creation of a "catalyst photo opportunity attraction in the downtown area to draw 300,000 people per year and stimulate dramatic tourism growth in downtown Fresno and throughout the entire area". The report also recommended an offering of golf packages. We have over 25 first class courses with reasonable rates and reasonable lodging costs. This is done very successfully elsewhere and does not require any additional infrastructure.

IV. Benefits of Enhancing the Tourism Sector

A. Job Creation

It is estimated that through specific focus and actions, the number of jobs in the tourism industry in Fresno County could be significantly increased. Conservatively, it is estimated approximately 1,200 direct additional jobs could be created within five years. Direct and indirect jobs together would total 2,800. The available labor base in Fresno County is ideally suited to the services provided by tourism. Training in basic skills required is minimal and available. Once trained and given job experience, this labor force can expect to move up to more challenging positions, thus creating a siphon effect for job availability for the ever-increasing population.

Tourism businesses are also attainable for young adults trying to start a new business. Tourism is a suitable industry for entrepreneurial training programs. Establishment of expanded and additional tourist-related businesses will result in well-paying as well as entry level positions, which will appeal to any number of people because of the wide variety of skills required for the different types of positions.

B. Economic Development

New wage earner spending promotes growth in all areas of the community and the local economy. With increased visitors will come the opportunity to expand existing attractions and attract new ones. Tourism spending could significantly impact the local economy. Increased tourism promotes an enhanced quality of life for all residents and is essential in business attraction efforts. With today's technology, companies have more flexibility in where they will locate facilities. As described more fully in the Livability Task Force Action Plan, quality of life is a major factor in business attraction and retention.

C. Crime Reduction

High unemployment fosters criminal activity, while employment fosters responsibility. Crime and poverty, like tourism, do not recognize political boundaries. Increased employment will result in lower crime rates.

D. Community Image and Esteem

Through asset promotion efforts, community residents will become aware of and learn to appreciate how fortunate we are to live here. All citizens can become ambassadors and sales persons for the community. Through increased tourism, the community's image can be vastly improved, both internally and externally. This will in turn further enhance tourism and business development opportunities.

V. Recommended Action Plan

Initiative #9: Establish a Regional Tourism Authority (RTA).

A. Primary Goal

The recommendation is for the RTA to be assigned the responsibility and accountability for identifying the Fresno Region as a tourist destination and to increase the number of visitors to the region. This goal is critically important to the creation of jobs and economic development. The focus of actions to achieve this primary goal will be to identify and promote the existing attractions and to foster the development of new attractions.

B. Specific Measurable Outcomes – Two Year Goals

The following specific outcomes are expected to be achieved within two years:

- Increase the number and quality of attractions
- Increase the number of visits/stays

- Increase the number of visitors at attractions
- Increase the number of jobs at attractions

C. Next Steps to Achieve Measurable Outcomes

The following steps are recommended in order to be able to achieve the measurable outcomes and ultimately the primary goal.

- Establish the Regional Tourism Authority by March 31, 2004, with the “Community Values of the Fresno Region” used as guiding principles for Authority representatives.
- Identify and engage all industry stakeholders.
- Prepare a comprehensive regional marketing plan building on the Sprague Report and the County’s Tourism Master Plan by June 2004.
- Establish an ongoing program to foster existing and emerging tourist-related businesses to assist them in becoming more successful.

D. Support From Other RJI Task Forces

Support from other RJI Task Forces will be critical to assist with the full implementation of the primary goal. This support includes:

- Physical Infrastructure Task Force – Implement community and transportation artery beautification (emphasis on Highway 99); provide for tourism-oriented signage.
- Technology Infrastructure Task Force – Establish tourism website content and navigation/links.
- Workforce Development Task Force – Provide training for hospitality industry; development of career ladders.
- Job Readiness Task Force – Develop friendliness/attitude issues in the workforce.
- Customer Service Task Force – Foster regional thinking; modify appropriate regulations.
- Livability Task Force – Attract a low-fare airline to the Fresno Yosemite International Airport. Address transportation issues; provide for highway designation and appropriate regulatory modification.
- Communications Task Force – Develop appropriate messages for internal and external audiences and plans to broadly communicate such.
- Innovation Task Force – Develop an approach to bring innovation to this initiative, especially related to processes and idea flow, and providing a forum to receive and discuss community input.

- Government Affairs Task Force – Address transportation issues; provide for highway designation and appropriate regulatory modification.
- Finance Task Force – Establish designated revenue stream for tourism through a public/private partnership; assist pursuit of grant funding for innovative projects/ideas.

VI. Job Creation Expectations from this Initiative

The number of jobs which will be created as a result of this initiative is conservatively estimated at 1,200 jobs over the five year period 2003-2008. This 1,200 figure represents incremental, direct jobs. Using a conservative multiplier effect of 1.33 on these direct jobs, an additional 1,600 jobs would be created, for a total of 2,800 RJI generated jobs.

Projected Y-E Tourism Employment	14,200
Historical annual compound growth rate:	1.00%
Extrapolated New Jobs, Y-E 2008	700
Target annual compound growth rate	2.4%
Incremental Direct Jobs, Y-E 2008	1,200
Total Tourism Jobs, Y-E 2008	16,100
5-Year growth in tourism jobs	13.4%
Incremental Indirect Jobs (1.33 multiplier)	1,600
 Total RJI generated incremental jobs: 1200 + 1600	 2,800

VII. Principal Resource Requirements

In addition to the necessary steps to achieve outcomes as outlined in Section V (C) above, it is estimated that an annual budget of \$1.25 million will be needed for tourism marketing to produce the desired impact.

VIII. Initiative Champions

The champions for first-year implementation of this initiative will be the RJI Tourism Task Force, key industry stakeholders and the members of the RTA.

Five-Year Plan Highlights:

- ***The International Center for Water Technology at Fresno State is recognized by industry and academia as the world's leading center for state-of-the-art water and flow technology and related, applied sciences.***
- ***A foundation will be laid to make the Central California Region the world's undisputed leader in water technology.***

I. Introduction

Access to useable water is developing into the greatest challenge of this century. The world's ability to find, use, clean, recycle, transport, distribute, sell, tax, and conserve water will determine in large measure whether the world will progress or digress in the next 100 years. The technology to properly use and manage this precious resource is the critical tool to providing sufficient water supplies for the world's major uses, such as agricultural, municipal and commercial applications.

The San Joaquin Valley, one of the leading regions in the world for water technology manufacturing, has the opportunity to become the undisputed, global leader in water and flow technology, and, in the process, expand an industry with valuable, high-paying jobs in a region with chronic double-digit unemployment, attract and retain intellectual capital through research and development activities, inform the public and influence public policy in an area central to the success of our state and nation, and develop a regional identity for dominance in a knowledge-based industry.

To begin to realize those opportunities, the Fresno Business Council and California State University, Fresno with financial support from the Great Valley Center and James Irvine Foundation jointly convened the first water technology industry meeting in April 2001. The water technology industry, selected prior to the Regional Jobs Initiative process, was identified for its long-term opportunity, as opposed to its short-term job creation potential. Approximately 40 industry representatives from throughout the San Joaquin Valley participated in the initial meeting, which quickly led to the formal launch of the Water Technology Cluster.

Since convened in April 2001, the Water Technology Cluster has achieved several "early wins", such as:

- Gaining active participation of over 75 manufacturers of water technology from throughout California with an additional 300 entities participating from throughout the United States and several international locations;
- Increases in sales for 43% of the cluster manufacturers during 2002-2003 over the 2001-2002 period;
- Increases in export sales for 40% of the cluster manufacturers during 2002–2003 over the 2001-2002 period;
- The creation of 126 jobs by cluster manufacturers during 2002-2003;
- Developing business and architectural plans for the establishment of the International Center for Water Technology, a facility that will become the epicenter of the global water industry;
- Attracting \$1.8 million in 2002-03 Federal funding for the launch of the International Center for Water Technology with an additional \$1.5 million pending in 2003-04 Federal funding; and
- Launching a customized workforce training program for the Water Technology Cluster, “Careers in Manufacturing Technology”, in partnership with Fresno City College, Reedley College and the James Irvine Foundation.

As a result of these and other successes, the Water Technology Cluster serves as the Fresno Area’s “prototype” for industry cluster-driven economic development strategy. The other industry clusters being developed through the Regional Jobs Initiative process are modeled after lessons learned from the Water Technology Cluster.

II. Overview of the National and Global Water Technology Industry

A. Definition of “Water Technology”

“Water technology” refers to the equipment required to move, clean, measure, monitor and control liquids (e.g. water, oil, slurries, etc.) in management and processing systems.

B. Industry Segments

When considered in a broad context, “water” is the largest, single industry in the world. It encompasses virtually every activity of every life form and includes water sources and conservation, water use and reuse, the geography and policy of water, the economics of water, basic water technology and water flow technology. The water technology industry can be broken down into the following categories:

- Irrigation and Drainage for Agricultural and Turf Systems – All of the 200+ crops produced in the San Joaquin Valley, as well as those produced around the world, utilize the Valley’s manufactured equipment, including (valves, filters, pumps, sprinklers, micro-drip, fittings, flow meters, backflow equipment). Additionally major golf

courses, parks, street medians, sports fields and entire cities have their turf and landscape irrigation needs supplied by San Joaquin Valley manufacturers.

- **Municipal and Rural Water and Waste Systems** – These systems include wells and related pumps, transmission and distribution systems (including valves, hydrants, fittings, connections, backflow equipment) and water treatment equipment and processes for obtaining desired water quality goals.
- **Industrial Fluid Applications** – Industrial systems include cooling towers, water filter systems, fire protection systems, mining systems, coolant systems and oils along with wastewater distribution and treatment components.
- **Recreational and Waterscape Applications** – These systems include theme parks, water features at hotels, swimming pools, etc and their related components such as valves, piping, meters and other hydraulic infrastructure.

C. Size of the Industry

- **Irrigation for Agricultural and Turf Systems** – Estimated U.S. market size is \$2.75 billion, and total worldwide market is estimated to exceed \$6.0 billion (as reported in “Economic Future of the San Joaquin Valley” by Collaborative Economics).
- **Municipal and Rural Water and Waste Systems** - Estimated U.S. market size is \$25+ billion and \$40+ billion worldwide, excluding dams and reclamation projects.
- **Industrial Fluid Applications** - Estimated U.S. market size is \$8+ billion and \$14+ billion worldwide.
- **Recreational and Waterscape Applications** - Estimated U.S. market size is \$1 billion and \$2 billion worldwide.

D. Growth Opportunities

The growth opportunities for these market segments are extensive. All markets will focus on water reuse, conservation, energy efficiency and lower cost innovations. Water quality (salt to fresh) and water exploration technology will also be in the forefront of development.

E. Competitive Regions

The strongest competition for the San Joaquin Valley's water technology industry is from international sources. This is true for manufacturers in other parts of the state and nation, as well. Israel and Australia compete strongly in irrigation. Europe, Canada and Pacific Rim countries are leaders in municipal and industrial water and waste water systems. China, Mexico and other third world countries will play an increasing role in each segment as their low cost commodity capabilities allow them to become more cost effective.

F. Factors Affecting the National and Global Water Technology Industry

Not surprisingly, the issues affecting the national and global markets mirror those affecting the San Joaquin Valley industry, such as increasing pressures for water conservation due to environmental concerns, population growth and development of underdeveloped areas. Water policy and politics will be at the forefront of factors affecting future technology as water becomes more precious. The prospects of significant drought in the next few years will further exacerbate the problem, as well as the trend in treating marginal quality water and having more stringent water quality regulations.

III. Overview of the San Joaquin Valley Water Technology Industry

A. History

It is no surprise that the development of the Valley's water technology industry is tied to the area's rich agricultural heritage. In fact, the agricultural and water technology industries were completely intertwined and mutually dependent until the recent growth in landscape and turf irrigation markets, which have provided diversification opportunities for the water technology industry into the more broadly defined "flow technology".

The history of the San Joaquin Valley agricultural and water technology industries dates back to the construction of water delivery and power systems in the 1920s and 1930s. Once the state California Water Project and federal San Joaquin Valley Project were built in the 1950s and 1960s, the Valley became the most productive agricultural region in the world and the largest laboratory for the development and implementation of irrigation products. Pump products were developed to address the need to take water out of wells and water canals and apply it with enough pressure to reach entire fields. Valves were developed to control water pressure, and filters were created to screen sand and dirt out of well and canal water.

Over time, farmers began to realize the need to conserve water and reduce the cost of water inputs. Local manufacturers responded with water-saving technologies. Now the Fresno area and the state of California are world

leaders in micro-irrigation manufacturing. The industry has diversified even further, and innovations in all aspects of the water technology industry have occurred as pressures to conserve water and energy have escalated worldwide.

B. Industry Segments

The San Joaquin Valley water and flow technology industry can be broken down into manufacturers, distributors, and dealers of: (1) irrigation and related components such as valves, sprinklers, and drip; (2) pumps and related equipment such as piping, valves, and tanks; (3) filters, water meters, and hydrants; and (4) electronic controls and flow measurement equipment, water quality measurement, and sensor technology components.

C. Size of the San Joaquin Valley Industry

The most current data available (1998) shows that the water and flow technology industry in the eight-county San Joaquin Valley consists of about 2800 employees in approximately 90 establishments. Employment in the industry grew by about 1% between 1993 and 1998, representing an average annual growth rate of just about .25%. The average firm size is about 33 persons per establishment. The industry is 1.2 times as concentrated in the San Joaquin Valley as in the nation, making water and flow technology a regional specialization.

IV. Assessment of Issues and Opportunities

A. Internal Factors Affecting the San Joaquin Valley Water Technology Industry

Four primary factors are currently affecting the water and flow technology industry in the San Joaquin Valley:

- Firms are seeking and finding new applications for their product lines in diverse markets, thereby sustaining their operations in spite of shrinking agricultural markets.
- To compete against large, often public, companies, San Joaquin Valley firms are seeking partnerships with other firms located outside the region, which is leading to more and more industry consolidation.
- San Joaquin Valley firms are more aggressively seeking international markets.
- The San Joaquin Valley industry is working more collaboratively through the development of its own industry cluster, which is intended to create more acceptance of the technology worldwide and lead to expansion of the local firms.

B. External Factors Affecting the San Joaquin Valley Water Technology Industry

- The most significant external factor affecting the San Joaquin Valley water and flow technology industry is the growing recognition worldwide of the importance to conserve water and, when used, to apply it with maximum efficiency. The sentiment is strongly felt in the State of California by all sectors, whether agricultural, commercial or municipal especially in light of the state's energy crisis.
- Increased demands on finite water supplies by population growth in other parts of the United States and the development of underdeveloped nations will also create tremendous opportunities for the water and flow technology industry.
- Other external factors include increased demands for automation controls and remote sensors to decrease labor costs and advances in materials, which present the industry with opportunities for cost-savings and quality improvements.

C. Opportunities for Collaborative Action by the San Joaquin Valley Water Technology Industry

At its earliest meetings in the spring of 2001, the water technology manufacturers identified three opportunities for collaborative action and have been working to realize those opportunities since. They are:

- Improve the quality and quantity of job applicants for entry level manufacturing technician occupations;
- Pursue joint marketing and export development initiatives; and
- Collaborate on research and development efforts.

V. Recommended Action Plan

Initiative # 10. Continue plans to construct the International Center for Water Technology.

The International Center for Water Technology (ICWT) is a proposed \$36 million facility to be housed on the campus of Fresno State to serve the research and development, export development, and workforce and training needs of the region's water technology industry. The vision of the ICWT is "to be recognized by industry and academia as the world's leading center for state-of-the-art water and flow technology and related applied sciences". Its mission is "to foster the growth of the water and flow technology industry in the San Joaquin Valley and facilitate advances worldwide in related technology through testing and certification services, research and development, collaborative marketing, technology demonstration, and education and outreach".

Current and planned activities of the International Center for Water Technology include the following:

A. Testing and Certification

Expanding on the 20-year history of Fresno State's Center for Irrigation Technology, ICWT's Testing and Certification Division will provide the water industry with state-of-the-art testing and certification facilities and will conduct testing and certification on water technology equipment and applications in a timely and unbiased manner. ICWT will then communicate the results of conducted tests to water users, policy makers, manufacturers, contract customers and other interested parties.

- **Equipment Testing and Evaluation** – Fresno State's Center for Irrigation Technology (CIT) is the only independent laboratory in the United States specializing in testing and evaluating irrigation equipment. CIT will continue its testing and certification services for a wide variety of irrigation equipment, such as sprinklers, valves, drip emitters, micro-sprayers and sprinklers, drip hose, filters, pressure/flow regulators, backflow prevention devices, water meters, pipes, fittings, air and vacuum valves, soil moisture sensing devices, valve actuators, irrigation controllers, and specialized irrigation machinery. CIT also designs and implements non-standard testing procedures to meet specialized needs, provides large project product evaluation test services for selected end-users, and evaluates new technologies.

Through the ICWT, the Center for Irrigation Technology will expand its services to include equipment testing and certification for municipal and wastewater, industrial and commercial, drainage, erosion, watershed applications, water treatment and process evaluation.

- **Development of National and International Standards** – CIT conducts industry reviews of draft International Standards Organization (ISO) standards, summarizes results, and drafts the United States' positions for transmittal to ISO. CIT also develops standardized testing procedures for equipment evaluations where applicable standards are lacking.
- **Project Consulting** – CIT enjoys an international reputation for excellence and expertise in the irrigation industry. Principals from CIT will be available for individual consulting projects through ICWT. Demand for such consulting services is increasing in foreign markets, and few organizations exist that can respond to the demand with the depth and breadth of CIT's experience.

B. Cooperative Marketing

A major function of the International Center for Water Technology will be cooperative marketing activities that primarily benefit the San Joaquin Valley Water Technology Industry by increasing water and flow technology usage worldwide. The marketing function will include four major strategies:

- **Water and Flow Technology Exposition Center and Trade Shows**
 - Envisioned as a state-of-the-art physical facility within the International Center for Water Technology, the Water and Flow Technology Exposition Center will be a permanent, year-around trade show that displays the latest water technology equipment, applications, and services. Industry members will pay an annual fee to display their technology in the exhibit space, which will include special sections for:
 - Industrial equipment and applications;
 - Municipal water and waste water exhibits;
 - Irrigation, agricultural, turf, and mining applications;
 - Drainage and erosion control technology;
 - Water, energy-related, and environmental conservation and preservation; and
 - Recreational and waterscape exhibits.

The Water and Flow Technology Exposition Center will be the only location in the world where every component of water and flow technology is displayed in one location. Visitors will be able to view the various technological devices and understand how each component works together in integrated water systems. Such an exhibit will be a magnet for attracting worldwide attention to the San Joaquin Valley's water and flow technology industry, especially considering the increasing need for public and private entities to implement water-conserving technologies.

In addition to accommodating tour requests from various external groups, ICWT's Marketing Division will proactively seek and coordinate special engagements with targeted client groups (see description of Export Assistance below).

When ICWT is operating at full capacity, it will host two, semi-annual trade show-conferences, which will include highly visible plenary speakers, technology demonstrations, and educational workshops. The Save Mart Center would serve as an ideal location for such events.

- **International Marketing Campaign** – On behalf of the San Joaquin Valley Water Technology Industry, the ICWT will oversee the

development and implementation of an international print advertising campaign that brands and promotes San Joaquin Valley water and flow technology. Industry publications will primarily be targeted, but for maximum effectiveness several, more general business publications will be used to communicate to a broader audience the capabilities of the Valley's water technology industry.

- **Public Relations and Communications** – The ICWT will rely heavily on public relations and communication strategies to add value to its member firms and provide maximum awareness of the ICWT, the San Joaquin Valley Water Technology Industry, and in general, the benefits of water technology.

The primary public relations and communications activities will include:

- Development of major web presence that includes (1) an online clearinghouse of information related to water technology, such as industry publications, academic papers, and potentially a database of patents related to water technology products; (2) a database of member firms' products; and (3) general information about water technology and the industry.
 - Development of a media relations program that provides a continuous stream of water news to interested media outlets and governmental entities worldwide.
 - Participation in targeted association trade shows and development of related collateral materials.
 - Development of a member communications program (primarily electronic) that updates members of ICWT activity and opportunities.
- **Export Assistance** – ICWT provides two forms of export assistance to member firms. First, ICWT initiates and coordinates trade and reverse trade missions. Second, the ICWT partners with other business assistance programs in the San Joaquin Valley such as the Fresno City College Export Center to deliver technical assistance in exporting to member firms. Technical assistance includes both one-on-one consulting, as well as group workshop formats. General assistance will be provided for free to members. Specific consulting services, such as market research and development of company-specific export programs, are provided on a fee-basis.

C. Applied Research and Development

ICWT will incorporate current research activity of the Center for Irrigation and Technology, as well as expand its focus to include research and development for municipal and industrial water systems. All of these activities will focus on the water/energy conservation, availability and recycling aspects of water usage.

Additionally, the R & D Division will provide the services to facilitate new private and public innovations. Other University resources such as the College of Engineering and Computer Science, its Engineering Technology Transfer Center, the Lyles Center for Innovation and Entrepreneurship, and the Central Valley Business Incubator can be leveraged to provide technical and engineering assistance to industry members wishing to take a new product concept from the idea stage to commercialization.

ICWT's research and development will be both academic and commercial in its pursuit. The ICWT will annually support academic studies on topics of interest to the water technology industry through internal and/or grant funds. In addition, ICWT will seek sponsored research opportunities within the industry.

Initiative # 11: Expand the Careers in Manufacturing Technology Workforce Development Program.

The Careers in Manufacturing Technology Program (CIMT) was launched in the last year and focuses on three occupations determined by industry leaders to be most in demand: (1) welders, (2) maintenance mechanics and (3) machinists.

The CIMT program targets Fresno City College and Reedley College students already enrolled in the manufacturing technician program. It involves three components:

- The “work experience” program which gives students the opportunity to work for water technology cluster companies while in school in order to gain experience working in a manufacturing environment;
- The paid “summer internship” program which allows students to be mentored and work in their chosen occupations (i.e. welding, machinists, or maintenance mechanics) in water technology companies; and
- The “Water Technology Academy,” which is a training program offered to the summer interns during the course of their internships and includes classroom training on such topics as workplace safety, “job ready” behaviors, shop math, and manufacturing processes

Initiative #12: Expand the Export Development and Joint Marketing Activities of the Water Technology Cluster.

Funded by the Fresno County Workforce Investment Board since 2001, the Water Technology Cluster has undertaken a number of collaborative export and market development activities. The efforts have proven successful and should be expanded. They include:

- Joint participation in national and international trade shows;
- Joint participation in reverse trade missions;
- Collaborative advocacy for the water technology industry at state and Federal levels; and
- Establishment of an international conference on water technology in the Fresno Area.

VI. One Year Implementation Plan

A. One Year Goals

- Secure the pending \$1.5 million Federal appropriation for the further development of the International Center for Water Technology.
- Begin construction on the International Center for Water Technology Phase I building, an 8,000 square feet hydraulics testing laboratory.
- Launch an industry fundraising campaign for financial and in-kind donations to the International Center for Water Technology.
- Conduct a minimum of seven export development missions.
- Launch the Water Technology Research and Development Working Group to facilitate industry innovation.
- Stage an international conference on water technology in the Fresno Area.
- Develop and begin execution of a joint marketing campaign focusing on three markets: separation and treatment; delivery systems; and instrumentation and measurement.
- Expand the Careers in Manufacturing Technology training program to serve a minimum of 35 students.

B. Next Steps

- Work with industry and political leadership to secure 2004 Federal appropriation.
 - Timeline: September – October 2003.
 - Responsibility: Dr. David Zoldoske, Director, International Center for Water Technology and industry leadership.
- Begin construction on the International Center for Water Technology Phase I building, an 8,000 square feet hydraulics testing laboratory.
 - Finalize location for the facility on Fresno State campus.
 - Finalize architectural and engineering plans for the facility.

- Secure in-kind donations from industry for needed equipment.
- Timeline: September 2003 – June 2004.
- Responsibility: Dr. David Zoldoske, Director, International Center for Water Technology and industry leadership.

- Launch an industry fundraising campaign for financial and in-kind donations to the International Center for Water Technology.
 - Develop financial and campaign plan.
 - Develop collateral material to promote the campaign.
 - Secure initial commitments.
 - Timeline: October 2003 – September 2004.
 - Responsibility: Dr. David Zoldoske, Director, International Center for Water Technology, industry leadership, university leadership.

- Conduct a minimum of seven export development programs.
 - Timeline: September 2003 – August 2004.
 - Responsibility: Dan Clawson, ICWT Export Development Program Manager, Laura Ramos, ICWT Export Development Program Assistant, industry leadership.

- Launch the Water Technology Research and Development Working Group to facilitate industry innovation.
 - Timeline: November 2003 - ongoing
 - Responsibility: ICWT staff and industry leadership.

- Stage an international conference on water technology in the Fresno Area.
 - Timeline: within the next 12 months.
 - Responsibility: ICWT staff and industry marketing/advocacy committee.

- Develop and begin execution of a joint marketing campaign focusing on three markets: separation and treatment; delivery systems; and instrumentation and measurement.
 - Timeline: complete plan by January 31, 2004; plan execution from February 1, 2004 through September 30, 2004.
 - Responsibility: ICWT staff and industry marketing/advocacy committee.

- Expand the Careers in Manufacturing Technology training program to serve a minimum of 35 students.
 - Timeline: within the next 12 months.
 - Responsibility: Manjit Muhar-Atwal, Office of Community and Economic Development at Fresno State, industry workforce development committee, Fresno City College, Reedley College.

VII. Job Creation Expectations from this Initiative:

Because the Water Technology Industry falls within the overall “manufacturing sector” for the region, job creation expectations from this initiative are included in the projections for the Agile Manufacturing Cluster.

VIII. Principal Resource Requirements

- Industrial park capacity to accommodate the projected job growth of the manufacturing sector as a whole (see physical infrastructure section).
- Manufacturing Academy (see Workforce Readiness and Development section).
- Continued funding of staff and operating capital for the Water Technology Cluster and the International Center for Water Technology (approximately \$250,000 per year, beginning July 2003 – currently funded by the Fresno County Workforce Investment Board).
- Political advocacy from Government Affairs Task Force to secure 2003-04 and potentially 2004-05 Federal appropriations

IX. Initiative Champions

- Sheri Abercrombie, Grundfos Pumps, Workforce Development Committee
- Denise Cano, Fresno Valves and Casting, Workforce Development Committee
- Center for Irrigation Technology Staff, Fresno State
- Rick Christl, Fresno City College
- Dan Clawson, International Center for Water Technology, Fresno State
- Ray Dunn, Floway Pumps (cluster co-chairman)
- Joan Edwards, State Center Community College District
- Gene Evans, Reedley College
- Fresno County Workforce Investment Board and Staff
- Vernon Highley, Highley Associates, Marketing and Advocacy Committee
- Claude Laval, Lakos Corporation (cluster co-chairman)
- Dr. Karl Longley, College of Engineering and Computer Science, Fresno State
- Angelo Mazzei, Mazzei Injector Corp, ICWT committee
- Kathe McCall, Office of Community and Economic Development, Fresno State
- Rita Mell, Floway Pumps, Workforce Development Committee
- Manjit Muhar-Atwal, Office of Community and Economic Development, Fresno State
- Ron Parks, American AVK, Workforce Development Committee

- Jolene Polyack, City of Kingsburg Consultant, Marketing and Advocacy Committee
- Gail Quesada, Grundfos Pumps, Workforce Development Committee
- Laura Ramos, International Center for Water Technology
- Ashley Swearengin, Office of Community and Economic Development, Fresno State
- Larry Wimmer, Grundfos Pumps, Workforce Development Committee
- Dr. David Zoldoske, Director, International Center for Water Technology, Fresno State

V. Introduction to Task Force Reports

As the industry leaders were developing action plans for each of the economic opportunity areas, task forces of business, government and community leaders were formulating regional responses in several specific areas:

- Job Readiness and Workforce Development
- Physical Infrastructure
- Information Technology Infrastructure
- Livability
- Customer Service
- Innovation
- Communications
- Finance
- Government Affairs

The Regional Jobs Initiative will mobilize the resource of the total community to support job development within selected major economic opportunity areas through *both* the industry action plans and the regional responses as outlined in the following task force reports.

The economic opportunity area action plans and the task force reports relate to each other using a matrix framework. Some examples of how task forces will support economic opportunity areas are provided in the following matrix. More details are provided in the specific task force reports.

A comprehensive regional response to industry needs developed by the Job Readiness and Workforce Development Task Force involves the creation of a *Central California Center for Workforce Development* that will include specific job academies that will meet the specific workforce needs of the industries within each major economic opportunity areas. Each industry group will help define these needs through industry advisory boards.

In addition, a major new job readiness initiative called the *Bridge Academy* will help prepare the workforce for participation in the industry specific Job Academies, as well as other employment opportunities. This innovative regional response is a comprehensive approach to industry defined workforce needs.

Other comprehensive regional responses involve physical and information technology infrastructure, improved livability, customer service, innovation, communications, finance, and government affairs also help meet the requirements of specific economic opportunity areas while promoting improvements for the entire community. The following matrix illustrates examples of how the task forces support some of the economic opportunity areas.

***Examples of How Task Force Actions Support
Selected Economic Opportunity Areas***

TASK FORCE	Health Care	Agile Manufacturing	Advanced Logistics	Information Processing
Central California Workforce Development Center	Valley Training and Education Collaborative for Health Care (VTECH)	Center for Manufacturing Excellence	Center for Excellence in Logistics and Distribution	Information Processing Academy;
Bridge Academy	Workforce Readiness	Workforce readiness	Workforce readiness	Workforce readiness
Physical Infrastructure	Downtown Health District	Business Parks Empowerment Zone	Logistic Distribution	Business Parks
Technology Infrastructure	Telemedicine and distance learning	Supplier network	Distribution Networks	High speed Broadband
Livability	Amenities to attract talent	Amenities to attract talent	Amenities to attract talent	Amenities to attract talent
Customer Service	Government support for health as driver of economic development	Government support for manufacturing, Efficient permit process	Government support for logistics, efficient permit process	Government support for information processing, E-government

Other examples involve support for economic opportunities in construction and tourism.

The task force reports provide the critical regional infrastructure support required to sustain the industry specific initiatives. They are the “cross-cutting” initiatives that will be important for providing the “glue” that will connect these efforts through a more comprehensive, region wide approach. In the end, they create the environment that is essential for making fundamental change toward reducing the region’s chronic unemployment.

Initiative #13: Continuation of Evaluation of Additional Economic Development Opportunities

In addition to the initial clusters included in the RJI, there are other economic development opportunity areas that are under consideration for inclusion in the Initiative, such as:

- Aeronautical
- Ag-Related Technology and Processing
- Bulk Printing and Design
- Government Services and Supplies
- Repair and Reclamation Services

- Renewable Energy and Environmental Technology
- Security Technology

This list is non-exclusive and all meaningful targets of opportunity will be vigorously pursued as conditions warrant. The Economic Development Task Force of the RJI will be responsible for this analysis. An initial report of progress on this initiative and recommendations for action will be due by December 31, 2003; additional reports will be due each quarter of 2004.

Job Readiness and Workforce Development Task Forces

Five-Year Plan Highlights:

- ***The Fresno Region establishes a national reputation for having a large number of skilled residents who possess positive work habits.***
- ***The Bridge Academy will be established as an integrated, comprehensive set of job readiness services designed to provide the pathway to employment for the workforce in the Fresno Region.***
- ***Standardize job readiness certification will be instituted.***
- ***The Central California Workforce Development Center will be established as a multi-focused vocational training program specifically geared towards the RJI industry clusters.***
- ***A standardized job qualification certification will be instituted to guarantee high-quality job applicants that meet area employers' specific needs.***

I. Introduction

The Business–Workforce “Skills/Readiness Gap”. The RJI was launched with the underlying assumption that the root cause of the Fresno Region’s high unemployment was a shortage of job opportunities relative to the size of the area’s workforce, which led to the goal of increasing the number of net new jobs in the Region by 30,000 over the next 5 years. Although a shortage of employment opportunities is a fundamental issue for our region, an additional opportunity to impact the area’s high unemployment level surfaced through the RJI planning process.

After literally dozens of industry meetings and focus groups involving over 80 businesses in the Fresno Region, we discovered that a significant number of job openings go unfilled every day in our area due to a mismatch between employers’ needs and job applicants’ skills and/or basic job readiness. A conservative estimate of the unfilled positions within the targeted RJI clusters is between 2,000 and 3,000 direct jobs. The estimate does not take into account the indirect jobs that would be created by filling the open positions. Closing this “business-workforce ‘skills/readiness gap’” represents an excellent opportunity to relatively quickly improve the competitiveness of the Region by successfully aligning our workforce development systems with thoroughly articulated industry demands. Closing the “business-workforce ‘skills/readiness gap’” is the focus of this action plan.

The Abundance of Job Readiness and Training Resources. Job readiness and workforce development programs have long been abundantly available in Fresno

County, but the efforts have often been disconnected. They vary as much as the numerous funding sources that pour into the County to address unemployment and job training issues. Communication and coordination between the different entities involved in the comprehensive workforce development system have significant room for improvement.

While various components of the system have improved efficiencies resulting in many individuals being placed in sustainable employment, the overall unemployment figures in the region remain high. Fresno County has had an average employment rate of 86% for more than ten years. During this time, many hundreds of millions of dollars, particularly from Federal and state sources have flowed into the County for education, job training and employment-related activities. However, due to the silo-nature of the funding and specific target groups for most of these funded activities, the training/employment agencies historically operated in isolation.

Legislative Change and Consolidated Action. The fragmentation of efforts within the comprehensive workforce development system began to turn around slowly with the implementation of CalWORKs in April 1998 (Welfare Reform), which repositioned the Welfare Department from social services to a job readiness and employment focus. The most important transforming step was the Workforce Investment Act (WIA), which began in July 2000. The Fresno County Workforce Investment Board, which administers United States Department of Labor funds, was charged with establishing a collaborative effort of business representatives, job trainers, educational institutions, employment development, rehabilitation, and welfare reform programs, etc. The importance of these legislative changes cannot be overstated. As Mark Wilson, Director of Cesar Chavez Adult School, recently phrased it: *“Five years ago organizations affiliated with job training spoke completely different languages. In the last couple of years, we have evolved into speaking different dialects of the same language, and only recently, through collaboration of ‘Workforce Connection’ and working closely with each other, we are finally speaking the same dialect.”*

The timing is right to transform Fresno’s workforce into a regional advantage that drives business competitiveness through a highly leveraged, industry-focused workforce development system.

II. Assessment of Issues and Opportunities

The comprehensive workforce development system is comprised of three major stakeholder groups: employers, employees (incumbent and unemployed workers), and training and/or “job readiness” service providers. Through the RJI process, a number of issues were uncovered concerning each stakeholder group.

A. Employers' Concerns: "Good employees are hard to find!"

- It is difficult to hire employees who demonstrate "work-like behavior". Many employers indicate they have to interview an inordinately large number of candidates to fill a few vacant positions. Of the employees they hire, employers have to release some of them in the first few weeks for a lack of work-like behavior.
- From employers' perspectives, "work-like behavior" includes the ability to take directions, work independently and accept constructive criticism; individuals who are self-motivated, flexible, reliable, loyal, enthusiastic, trust-worthy, and are team players; and individuals who have the desire to help, a willingness to learn and grow, are dependable, and can follow-through.
- Employers have expressed the following: "Give me an employee with work-like behaviors, and I'll do the necessary job training". As laudable as this notion is, it also speaks to the relative performance shortfalls of our current education/training processes when employers have no expectations regarding workforce skills; they are willing to settle for employees who are merely ready to work. This represents a considerable opportunity to make our employer base much more efficient and thus competitive within whatever markets they serve.
- Not only are employers concerned about the low numbers of "job ready," entry-level applicants, but they have also expressed there is a scarcity of trained workers in more advanced skill areas (e.g. nursing, advanced manufacturing practices, etc) causing many job openings to be unfilled, which hampers competitiveness and growth of incumbent businesses and which discourages prospective employers from locating in the area.

B. Prospective Employees' Concern: "One size does not fit all!"

- Prospective employees have expressed a desire for a wage and benefits that will sustain the employee and his/her family.
- Prospective employees want to be included in developing their training plan. They want to know about the available resources so they can make an informed decision. The training plan must make sense to them.
- Prospective employees need to ensure the physical needs of their families are met while they are in a training program.
- Prospective employees want to be assured that jobs will be available upon completion of a training program.

- Prospective employees are seeking clearly defined “career ladders”, or career progression prospects, including “life-long learning” opportunities.

C. Training / Job Readiness Service Providers Concern: Partnership is the key to success.

- The training/education dollars flowing to the Region are diminishing and require that the most cost-effective individual training plan be developed.
- Training/education funds can be maximized by using uniform testing and assessment mechanisms with job seekers and sharing the information with the provider system and all prospective employers.
- Larger structural issues such as seasonal unemployment need to be addressed. How does Fresno County transform seasonal employment into “jobs for all seasons”?

III. Recommended Action Plan

Initiative #14: Develop a unified framework among “job readiness” service providers co-branded as the “Bridge Academy”.

The “Bridge” is envisioned as an integrated, comprehensive set of job readiness services designed to provide the pathway to employment. Rather than create additional infrastructure, the Bridge would be a virtual partnership of various key entities co-branded and jointly coordinated by a small administration and admissions office. To be effective, institutions and organizations must be aware of the opportunity, and people who need the job readiness services must have easy access to them. By co-branding the services offered by job readiness providers as “The Bridge” and using all the communication tools available today, the availability and accessibility of job readiness resources would permeate the community and reduce traditional barriers to accessing the services.

The job readiness services offered by the Bridge Academy and its partner providers would include six major components:

A. Uniform Admission and Assessment

- Admission to the Bridge Academy requires taking two simple tests: one measuring basic language and math skills and the other assessing work-like behaviors required by most jobs.
- An “Academy Prep” program will be established to help the individual gain the math and language skills and work-like behaviors that are needed for successful entry into the appropriate vocational training programs.

- Each candidate will “own” his/her testing and assessment information. The information can then be shared by the candidate with prospective training providers, employers, etc. The information will be accessible through the Internet. By giving the candidate ownership of the testing and assessment information, potential issues involving confidentiality are avoided. Notwithstanding the need for individual confidentiality, meaningful data will be accumulated and shared with the various systems which shows the results of such testing, which in turn will provide the information necessary for continued development of the program.
- If drug testing is required for jobs targeted by the job candidate, he/she must test free of chemical dependency to qualify for admission to the Bridge.
- Should someone fail the drug test, he or she will be referred for further assessment.

B. Individualized Achievement Plans

- Upon completion of the admission and assessment process, an Individualized Achievement Plan (IAP) will be developed based on what would be best for the individual candidate/future employee rather than trying to make the individual fit into a particular organization’s criteria or training focus.
- The individual must be a key participant in developing the IAP, and the plan should be reviewed periodically with the candidate to measure progress and determine any necessary plan modifications.
- The IAP will consider and respond to: (1) the language, math, and work-like behavior assessments; (2) the reason(s) for unemployment/underemployment; (3) the length of time the individual has not worked; (4) the supportive services that are needed by the participant in order to become job ready (e.g. transportation, childcare, books, etc); and (5) the training approach which will result in developing the most effective and efficient plan for achieving employment or upgrading employment. Additional factors that should be considered in the training plan are specific requirements for entry-level positions in the candidate’s desired field; whether or not employers in the targeted industry want to provide the needed training; and the cost of the proposed training.
- The importance of including the job candidate in the process of developing the IAP cannot be overemphasized.

C. Vocational Training Academies

Coupling the job readiness skills provided through the Bridge Academy with vocational training that leads to specific job opportunities will be a critical determinant in the success of the Bridge. The “promise” of jobs at the completion of the Bridge Academy will be the single most motivating factor for job-seeking participants.

There are a number of excellent for- and non-profit vocational training programs throughout the Fresno Region. The development of the IAP will help the candidates understand their choices for vocational training and facilitate their enrollment into the program of their choice.

The Central California Workforce Development Center is a proposed pilot project of the Regional Jobs Initiative and is an example of a vocational training center that will be linked to the Bridge Academy. The Central California Workforce Development Center will be unique in its specific focus on training for jobs in the clusters being developed by the RJI and its industry-driven leadership (see next section for a more complete description of the proposed Central California Workforce Development Center).

D. Job Readiness Certification

- A standardized certification process will be instituted across the vocational training programs working with the Bridge that will certify participants at several different levels, depending on employers’ needs. For example, the job readiness certification could address work habits, reading levels, math skills or any skill proficiency as required by employers.
- The certification will be developed according to standards that make it universally accepted throughout the County.
- There will be a need to market the credibility of the job readiness certification to the local community, as well as to prospective incoming employers.
- “Preferred hiring” status will be sought for job seekers with the job readiness certification.
- User-friendly follow-up procedures will be developed to track employer experience and satisfaction with certificate holders, and the development programs will be modified as appropriate to ensure effectiveness of the overall system and certificate-granting process.

E. Job Placement Services with a Focus on Career Ladders

In order to maximize resources, one of the goals of The Bridge Academy will be to provide basic information about the various career opportunities, and then place individuals into entry-level positions in the participants' chosen fields, as opposed to temporarily placing them in unrelated positions while training programs are being completed. This will provide a level of income to the participant as they continue to upgrade their skills and ascend the career ladder.

F. Necessary Support Services

Identified during the development of the Individualized Achievement Plans, the Bridge will link participants to a number of support services to ensure their successful completion of the program. Support services include childcare, transportation, uniforms, tools, relocation, mentoring, coaching, etc.

Initiative #15: Establish the *Central California Workforce Development Center*, a network of collaborative training programs for the development of workforce skills needed by the industry clusters targeted by the RJI.

What is envisioned is a comprehensive vocational training network that, coupled with the job readiness services provided by the Bridge Academy and its partners, addresses *all* the elements industry says it needs from its workforce. The Center will, in effect, act as a program clearinghouse, building on what already exists through affiliations, extension programs, etc., providing integration and support mechanisms for all the institutions already engaged in workforce training and development in the targeted industry clusters. ***It will build on top of what already exists only to fill gaps, assess quality and effectiveness and add capacity.***

Note that due to the unique nature of the health care industry, a separate program and training process will be utilized to meet much of that industry's needs. That program is more fully described in the Health Care Cluster Action Plan. Additionally, as future clusters are identified their needs will be woven into the framework as appropriate.

A. Central California Workforce Development Center Target Population

- Unemployed adults.
- Incumbents in the target industry/occupational clusters who wish to upgrade their skills.

- In partnership with high school vocational training programs, juniors and seniors in high school who choose vocational education.

B. Objectives of the Central California Workforce Development Center

- Provide entry-level and advanced workforce skills for specific industrial or occupational clusters, including a comprehensive continuing education program.
- Upgrade math and language capabilities of the workforce as needed and as required by industry.
- Provide professional development for staff in all affiliated institutions.
- Provide mechanisms for information exchange among all affiliated institutions.
- Market the Center's workforce development capabilities to the local community as well as to prospective incoming employers.

C. Design Principles

- To the maximum extent practical, the Center will operate virtually and build on what already exists through affiliations, extension programs, etc. A physical facility may be required for the Center that could include Bridge Academy administration, job readiness and support services (such as professional development for affiliated organizations), placement services, and instructional facilities that are either unavailable or under-capacity in the region.
- No industry or occupational academy will be included that does not have an Industry Advisory Board responsible for defining the skills and competencies needed by industry and helping map and perhaps fulfill those requirements to curriculum and training standards. The Industry Advisory Board will also facilitate industry internship and mentorship programs, as well as provide a rolling 5-year forecast of industry skill and resource needs.
- The Center will operate collaboratively with an oversight body that will include the Chair of each of the Industry Advisory Boards, as well as the representatives of key workforce development agencies and industry-specific training programs needed to serve the target industry clusters.
- Curriculum at the academies will range from basic to advanced, depending on the specific needs expressed by industry.

- Candidates will be tested for 8th grade reading, writing and math skills. Failure to pass in any one of these areas will require that the candidate take courses in that area in parallel with specific skill training in one of the academies.
- “Soft skills” training may be done in separate programs, as is currently the case, but will also be fully integrated into each of the cluster training programs, so graduates have a keen sense of the soft skills required in the specific industry for which they are being trained.
- Similarly, math and language training may be done in separate programs, but will also be fully integrated into each of the cluster training programs, so trainees can be focused on the most critical math and language skills required in the specific industry for which they are being trained.
- The Center training programs will provide industry-specific certification. A user-friendly employer feedback program will be developed to track the effectiveness of the programs and the quality of the certificate-granting process.
- To the extent practicable, it may be appropriate to develop a process for start-up businesses associated with the Central Valley Business Incubator to use the training services of the Center for purposes of beta product development.

D. Sample List of Candidate Affiliated Organizations & Programs

- WIB and One Stop Organizations
- Center for Applied Competitive Technologies, Fresno City College
- ROP Program, Fresno County Office of Education
- Duncan Polytechnic High School
- Center for Advanced Research and Technology
- Fresno City College Career and Technology Center
- Fresno County Economic Opportunities Commission
- Training Services Companies (for- and non-profit)
- Placement Companies (for- and non-profit)
- Fresno County Employment and Temporary Assistance Department
- Community-based organizations
- Union and industry sponsored training programs
- State Center Community College District
- West Hills Community College District
- California State University, Fresno
- Fresno Pacific University

- Area adult schools
- Other institutions as appropriate

IV. Job Creation Expectations from these Initiatives

All clusters will benefit from this initiative. In the near-term, this initiative will help fill the estimated 2,000 to 3,000 jobs that are currently open. Longer-term, the objective is to eliminate workforce deficiencies as a constraint for growth of our employment base.

V. One Year Action Plan

Defining the Relationship between the Bridge Academy and the Central California Workforce Development Center

The Bridge Academy exists primarily for the assessment and basic job readiness functions. It is envisioned as a collaborative among the existing entities that deal with the various funding streams that target the adult unemployed and under-employed population right now. The Bridge Academy will be designed to better connect several component parts into one, systematic, easy-to-understand process through common assessments, data sharing, common Individualized Action Plans, and common job readiness certification programs. Once a participant has gotten onto the "Bridge" they will have a number of choices of where they will go for more job-specific, occupational training.

The Central California Center for Workforce Development will be an important new source of industry-led vocational training institutions, but it will not be the only one. People can access all area training programs for any number of occupations from the Bridge. However, the CCWDC will act as an umbrella for training in the targeted RJI clusters.

Action Steps

- Establish an oversight group to further develop the framework for both the Bridge Academy and the Central California Workforce Development Center by November 31, 2003. The RJI Leadership Group will be responsible for completing this task.
- Compile an inventory of "critical" open job categories and job training funding. This effort is to be completed by the Fresno County Workforce Investment Corporation and the Department of Employment and Temporary assistance by December 31, 2003.
- A similar inventory process should be undertaken for existing readiness and training programs, to include their targeted participants and relative level of effectiveness related to the mission of the RJI. The RJI Leadership

Group will be responsible for identifying a select group of leaders by November 30, 2003 to develop measurement and performance standards and begin the assessment process by February 2004, to be completed by April 2004. This team will have ongoing responsibility for maintenance of the assessment program.

- Develop and implement tools for common assessment of workforce readiness skills across workforce and training providers. This activity will be co-chaired by Fresno County Workforce Investment Corporation and the Department of Employment and Temporary Assistance by December 31, 2003.
- Conduct a “gap analysis” to identify gaps between skills and competencies required by industry and currently available training capabilities by January 31, 2004. This outcome is under the oversight of the RJI Job Readiness and Workforce Development task group.
- Continue to develop and modify a universal passport/electronic database in which the participant is the owner of the data, which can be shared with training entities and prospective employers. This outcome is under the oversight of the Fresno County Workforce Development Board. The first deadline for this activity is March 2004.
- Complete specifications and preliminary program design of the Bridge Academy and Central California Workforce Development Center by March 31, 2004.
- Initiate “virtual” operation of the Central California Workforce Development Center by April 1, 2004.

VI. Next Steps

- Add business representatives to the Job Readiness Task Force to obtain their input.
- Define the “Academy-Prep” infrastructure.
- Work with others to establish common assessment, data collection and outcome measurements.
- Develop a mechanism to integrate job readiness skills into the curriculum of each Academy.
- Partner with others to develop a universally accepted admission process and passport system.

VII. Principal Resource Requirements

First year costs are minimal for the activities needed to launch the Bridge Academy and Central California Workforce Development Center and can likely be absorbed by existing resources available in the workforce development system. Should the need for a new physical space be identified for the Central California Workforce Development Center, it is estimated to be \$4-7 million, including technology infrastructure, equipment and furnishings.

VIII. Initiative Champions

- “Bridge Academy” Job Readiness Initiative:
 - The RJI Job Readiness and Workforce Development Task Groups agreed to champion this initiative for another year.
- Central California Workforce Development Center Initiative:
 - Juan Arambula, County of Fresno
 - Lynne Ashbeck, City of Clovis
 - Ray Dunn, Floway Pumps, Water Technology Cluster Co-Chairman
 - Corwin Harper, Kaiser Permanente, Health Care Cluster
 - Blake Konczal, Fresno County Workforce Investment Board
 - Claude Laval, Lakos Corporation, Water Technology Cluster Co-Chairman
 - Ken Olson, Center for Applied Competitive Technologies, Fresno City College
 - Roger Palomino, Fresno Economic Opportunity Commission
 - Don Pierce, Fresno County Human Services System
 - Peter Weber, Agile Manufacturing Cluster
 - Ken Wiseman, ACS State and Local Solutions
 - Pat Wright, Real World Schools
 - Others to be determined

Physical Infrastructure Task Force

Five-Year Plan Highlights

- *The Fresno Region will develop and maintain an inventory of industrial and commercially zoned vacant property within identified growth areas. Existing Clusters will be identified in order to attract businesses to areas offering the ‘best use’ of existing resources.*
- *Each mapped area will show existing infrastructure capacities and will be analyzed for future infrastructure needs, consistent with the existing 2025 general plan.*
- *A preliminary cost will be determined for each area spread over a timeline for development.*
- *Funding sources will be identified and development will be prioritized.*

I. Introduction

The Fresno Metropolitan Area has many prime locations for new businesses, whether commercial, medical or industrial. The major growth for the region is planned for urban areas. Municipalities are service companies trying to improve quality of life for their citizens. Many factors contribute to successful implementation of a job creation effort. The case for Infrastructure development involves the successful creation of opportunities for corporate expansion, retail development and real estate projects.

II. Building Infrastructure in Anticipation of Growth vs. Infrastructure in Response to Growth

Policies differ from community to community on economic development, but one of the most fundamental responsibilities of the city is to ensure provision of adequate public facilities that will support the existing city as well as projected growth. The goal of the Physical Infrastructure Task Force is to identify all physical infrastructure requirements needed to provide services to the growth clusters identified by the Economic Development Task Force. This report covers the Metropolitan area, but devotes the majority of its attention to the City of Fresno. Consistent with the 2025 City of Fresno General Plan specifically within the Economic Development and Public Facilities Element, the Regional Jobs Initiative will promote the growth of regional business clusters in the San Joaquin Valley and will quantify benchmarks used to identify, monitor and measure the progress of these programs.

III. Where should we start?

The task force took the approach within each of the areas asking the question, “What will open up this area to development?”

CITY OF FRESNO (See Appendix for map and schedule of information)

The task force has identified four business park areas within the City of Fresno that are targeted for development to support Agile Manufacturing / Durable Goods Manufacturing, and Advanced Logistics and Distribution. Those Areas are identified as: 1. The 99 corridor 2. The Airports Area 3. South Industrial Area and 4. The Roeding Business Park. The additional clusters, Health Services, Information Processing, Construction and Tourism, will primarily serve as “in-fill” projects mostly along the 41 corridor, in Downtown and other currently developed areas. As a development vision is determined within each of these areas, public/private partnership pro-forma will emerge that will identify future opportunities for investment.

Area #1 – Highway 99 Corridor

This is an area that gives the out-of-towner a first glimpse of the City of Fresno. Driving into Fresno on Highway 99 from the North we wanted to impress upon businesses that Fresno is a growing city and ready for industrial development. This area contains approximately 250 acres of vacant property in development stages or planned for industrial use that can be controlled within a five year timeframe. Available City of Fresno Incentives: Empowerment Zone Areas – SW Highway 99.

Area #2 – Airports

Planning is underway for the Air Cargo Park, located on approximately eighty-seven acre on the north side of the airport, the cargo park will feature two aircraft ramps together with over 500,000 sq. ft. of air cargo building space. Land surrounding the Fresno Yosemite International Airport designated as industrial in the 2025 General Plan will provide an estimated 250 acres of land for development. Available City of Fresno Incentives: Empowerment Zone Areas, Enterprise Zone Areas, Redevelopment Areas and Foreign Trade Zone Areas.

Area #3 – Southwest Industrial

The south Fresno development area is located approximately one mile south of downtown Fresno adjoining Freeway 99. The area is bracketed by Freeways 99 and 41 with immediate access from major four lane arterial streets within the Project Area. The redevelopment project area provides development opportunities on twenty to forty acre parcels or larger. Recently, the Southwest area is a target for many industrial developments. It is estimated that with this

proposal 250 acres of vacant property will be controllable within a five-year time frame. Available City of Fresno Incentives: Empowerment Zone Areas, Enterprise Zone Areas, Redevelopment Areas and Foreign Trade Zone Areas.

Area #4 – Roeding Business Park

The Roeding Business Park incorporates approximately 900 acres, including the Fresno Chandler Downtown Airport and is currently available through the Redevelopment Agency of the City of Fresno. The area currently has approximately 250 acres available for parcels in the five to twenty acre range for opportunities in light and heavy industrial and commercial development. Available City of Fresno Incentives: Empowerment Zone Areas and Redevelopment Areas.

CITY OF CLOVIS (No Map Available)

Dry Creek Industrial Park

Phase I - 15 Acres, Commercial / Light Manufacturing, 350 Employees, Wages - \$23,491-\$50,281. All Infrastructure Complete.

Phase II – 30 Acres, Commercial / Light Manufacturing, 750 Employees, Wages – \$23,491-\$50,281. Infrastructure to Complete: \$1,950,000

Clovis Research and Technology Business Park

Phase I – 168 Acres, Research and Technology, 4,000 Employees, Wages - \$29,657-\$73,755. All Infrastructure Complete.

Phase II – 428 Acres, Research and Technology, 7,760 Employees, Wages - \$29,657-\$73,755. Infrastructure to Complete: \$27,820,000

Southeast Urban Center – Business Campus

91 Acres, Class A Office / Research and Development / Corporate Headquarters / Light Assembly / Warehouse. 6,588 Employees, Wages - \$29,657-\$73,755.

Clovis Industrial Park

Pelco International currently controls approximately 35 acres of undeveloped property, which will be developed within the next five years adding an additional 1,750 jobs to the area.

FRESNO COUNTY AREAS (See Appendix for Map and additional information)

Selma / Kingsburg / Fowler (SKF area)

Area as noted on map is “shovel ready”. Available Incentives:

- No hook up fees for water and sewer if jobs are created.

Sanger

“Shovel ready”. Available Incentives:

- Fee adjustments
- Redevelopment Funding.

Reedley

“Shovel ready”. No Incentives.

Kerman, Firebaugh, Mendota and San Joaquin

“Shovel ready”. No Incentives.

Huron, Parlier and Orange Cove

Planned Park. Available Incentives:

- Renewal Community Incentives.

Coalinga

“Shovel Ready” sites at the airport and next to the Prison. Available Incentives:

- Redevelopment Funding.

There are a few 250 acre sites in the County for distribution center and potentially part of the 80,000 acres of the Westland’s settlement for an in-land cargo port on I-5.

IV. Funding Sources

Traditionally, funding for public infrastructure has come from developer impact fees, Mello-Roos districts, tax increment financing, low interest loans, user fees and in some cases, special grants.

One way of providing economic development and job creation is for the City to invest in acquiring property and installing public works infrastructure in expansion areas. Many regions across the U.S.A. have successfully implemented similar ventures with great success. This method of focusing on evolving opportunities for Public/Private Partnerships uniquely designed to fit Corporate Expansion projects puts the public entity in the driver’s seat allowing for the possibility of additional incentive to the business attraction effort. Further

analysis is warranted in the area of land acquisition. Since the passage of SB975, which expands the use of prevailing wage rates to virtually all public/private development projects, the cost/benefit projection of public involvement must be scrutinized closely.

It is essential for all Economic Development tools available in the communities to work together towards identified goals. A city acting together with Redevelopment is the most consistent and prolific tool used to induce and complete real estate projects. Some alternate forms of financing are available and with each particular defined area can be analyzed for efficiency allowing tools such as:

- Site specific tax pledges as credit enhancement collateral
- Site specific “assessment district” to secure private activity loans and
- Mezzanine debt sources.

Significant efforts must be made to secure additional funding from State and Federal Sources. The City and County of Fresno is an area of double-digit unemployment. It is imperative that we take every available avenue to secure priority in funding.

It is also important to note that in addition to the above mentioned areas, downtown Fresno infrastructure improvements are needed for the successful implementation of the City’s economic development program. Many infrastructure improvements are needed to build out housing in the downtown area. The City of Fresno is currently evaluating funding alternatives and methodologies to establish an “Urban core neighborhood improvement fund”. This study is being done as part of a more comprehensive impact fee feasibility study done as an implementation measure for the 2025 City of Fresno General Plan.

V. Recommended Action Plan

Initiative # 16: Develop a Regional Physical Infrastructure Strategy that Provides Adequate Public Facilities and Services to Growing Industry Clusters Identified in the RJI.

- Develop and maintain an inventory of “ready to go” industrial and commercially zoned properties.
- Identify specific development goals based on requirements to provide superior quality services to the clusters identified by the Economic Development Task Force.
- Discuss how current industrial development projects play into a long range scheme and the direction(s) which would be considered for future business and job development.
- Assemble future specific project areas.
- Solicit Private/Public partnerships through RFP process.

VI. Job Creation Expectations

Fresno Metropolitan Area:

Given the development of an additional 1,000 acres of currently vacant property within a five year timeline, the average total jobs potentially created is estimated to be 17,000 new jobs, although the actual amount would vary depending on the mix of new businesses who choose to invest in this area.

Clovis Area:

With the infrastructure completion at the Clovis Industrial Parks, Clovis projects adding an estimated 6,000 jobs to the Region during the five year timeline. Actual jobs created have a number of variables and are dependent on the particular business choosing the area.

Fresno County Areas:

There are many opportunities within the outlying areas of Fresno County that present the potential for business to move and provide the growth potential the smaller areas of the County are looking for. Based on current estimates the job potential in these areas could reach 15,000 within the five-year projection period.

VII. Initiative Champions:

- Nick Yovino, City of Fresno, Director of Planning and Development
- Lisa LeBlanc, City of Fresno, Management Analyst III, Planning and Development
- Rhonda Hill, City of Fresno, Economic Development Analyst
- Jon Ruiz, City of Fresno, Director of Public Works
- Jon Elam, City of Fresno, Assistant Public Works Director
- Mike Kirn, City of Fresno, Assistant Public Works Director
- Martin McIntyre, City of Fresno, Director of Public Utilities
- Carolina Jimenez-Hogg, County of Fresno, Assistant CAO for Economic Development
- Jerry Duncan, City of Fresno, Council District 6, Member
- Dan Fitzpatrick, City of Fresno, Executive Director-Fresno Redevelopment Agency
- David Spaur, Economic Development Corporation, President and CEO
- Doug Davidian, CEO, California Business Furnishings
- John Wright, City of Clovis
- Bruce O'Neal, Principal, Land Use Associates
- Robert Wood, Generation Homes

Technology Infrastructure

Five-Year Plan Highlights:

- ***The Central California Region develops a national reputation for leadership in providing access to cutting-edge technology to citizens and enterprises.***
- ***Training activities in health care and other cluster areas are facilitated by high-bandwidth networks and distance learning.***
- ***The availability of trained applicants to employers in Information Processing and of good jobs for those working in this field are enhanced by a web-based clearinghouse providing connections between these two groups and information on careers in this industry.***
- ***The availability and affordability of high-bandwidth connectivity set the Central California Region apart as an excellent choice for innovative and environmentally sustainable business ventures.***
- ***Using collaborative web-based communications, the Central California Region realizes dramatic growth as a destination for tourism and business travel.***

I. Introduction

Economic development professionals agree that a strong physical and technology infrastructure is a necessary component in regional efforts to create high quality jobs and a baseline requirement to establish and maintain a flourishing regional economy. In order to achieve regional competitiveness in today's economy, the Fresno Region must develop and attract a workforce skilled in utilizing technology infrastructure to create value in the marketplace. To support productivity and job creation, we must continually invest in, deploy and promote the adoption of appropriate technology infrastructure for the industries, enterprises and public agencies in our region.

Throughout the nation, and around the world, cities are using the quality of their information technology infrastructure as a differentiator in retaining, expanding and attracting innovative companies in their regions. From the "Silicon Forest" of Portland, Oregon and "Bandwidth Bay" in San Diego to "Smart Zones" in Michigan and technology initiatives in Greater Western Sydney, Australia, communities are pursuing initiatives that will provide superior technology infrastructure to new and existing business ventures. In many of these areas, the presence of high-bandwidth network capabilities is seen as a critical factor in the

development of new local ventures that contribute to economic prosperity and to new products and services offered by existing enterprises.

Our use of technology infrastructure to connect businesses to their suppliers, partners and customers will facilitate the creation of similar opportunities in the Fresno Region. By connecting our citizens and businesses to governmental, healthcare and educational institutions, we can leverage our investment in technology infrastructure to promote a more effective use of their services resulting in cost savings, improved customer satisfaction and innovative solutions to community needs.

The Regional Jobs Initiative Technology Infrastructure Task Force explored the potential value of enhanced technology infrastructure for our region with representatives of local enterprises, both private and public. We benefited from input from the many industry focus groups convened for the clusters under study. We also conducted a series of interviews with information technology leaders from the region's public institutions, as well as from private enterprises within the target industry clusters in order to better understand the specific technology infrastructure requirements needed to support the targeted industry and occupational clusters, as well general requirements to support the overall economic vitality of the community as a whole. Based on this information, we are identifying the following areas in which an investment in appropriate technology infrastructure will contribute to the success of the RJI objectives and the economic development of the Greater Fresno Area.

II. Assessment of Issues and Opportunities

A. Cluster-Specific Issues and Opportunities

1. Regional Health Care and Specialty Medical Services

- **Collaborative Healthcare Training Center – “The Valley Training and Education Collaborative for Healthcare”**

The creation of the Valley Training and Education Consortium for Healthcare (VTECH), a collaborative healthcare training program, is a key initiative within the regional health care and specialty medical services cluster. In order to make best use of existing resources we must use technology infrastructure to connect current health care and education facilities. In addition to the creation of this “virtual” training environment, it is likely that we will need to build or identify some additional physical space for this purpose. Appropriate levels of technology infrastructure must be included in any plans for such a facility.

- **Distance Learning and Telemedicine Capabilities**

In order to take full advantage of the training resources developed within our health care sector and to develop a regional specialty in telemedicine, participants in our study process identified a need to offer training and medical services to remote students and patients in dispersed locations via distance learning and telemedicine over the Internet. This will require appropriate media, computing and network technology at the training centers and medical facilities paired with high-bandwidth network connectivity. Consumers of the training and medical services will also require higher bandwidth networking capabilities.

2. Agile Manufacturing and Water Technology Manufacturing

Participants in our interview process did not identify cluster-specific requirements for technology infrastructure in association with agile and water technology manufacturing. However, the increased network availability and capacity recommended in other sections of this report will be beneficial to effective collaboration for participants in the “Regional Manufacturing Partnership” and will be critical to the success of the “Central California Center of Manufacturing Excellence” and the International Center for Water Technology. Respondents from this cluster in our study process did identify a need for much higher bandwidth “gigabit” networks (*see Abbreviations and Acronyms Glossary section at the end of this report*) within the timeframe of the five-year RJI process.

3. Construction

Participants in the construction industry did not identify specific requirements for technology infrastructure in our region. However, respondents from this cluster did identify a need for less expensive, more quickly available network capacity. The increased network availability and capacity recommended in other sections of this report would address this need.

4. Advanced Logistics

- **High-Speed Data Connectivity**

The advanced logistics process relies very heavily on a high-speed data connection. If an advanced logistics company were to lose their data connection, this outage would severely curtail their ability to process new transactions and serve their customers.

The amount of data a logistics company needs to process will dictate the required speed of the data connection. Based on our research, a T1 line (1.5 Mbps) seems to be the minimum requirement. Higher speed data lines, such as a DS3 (45 Mbps) or OC3 (155 Mbps), provide the

ability to accommodate a higher volume of transactions. For example, Weyerhaeuser located a data center in their warehouse in Exeter, California to take advantage of the high-speed data connection available along the railroad lines in this area. In addition, a company locating in an industrial park might choose to have its data connections from different providers to help eliminate a single point of failure and ensure constant connectivity.

- **Redundant Power**

Connectivity to a reliable power system is also important for advanced logistics operations. Ideally, the power system should be designed to avoid a single point of failure. Redundant power feeds (looped power) or a backup generator capability are some alternatives to provide this capability. Although this capability is critically important to the Advanced Logistics industry, planning for redundant power is beyond the scope of this report.

5. Information Processing

- **Qualified Job Applicants for Positions in Information Processing Occupations**

A focus group of information processing executives and managers identified the lack of qualified applicants for some information processing jobs in our region as a significant problem. This group recommended that appropriate training and a web-based, database driven employment system could be a key asset in addressing this problem. The characteristics of a successful system would include the ability to host employer provided job listings, employee provided resume and skills information, information processing career paths in our region and information on local training resources and requirements associated with specific career goals. The group indicated that, once available, we could expand such a system to provide similar services for other industry clusters (please see Information Processing Action Plan).

- **Access to Affordable High-Bandwidth Data Services**

The requirement for network bandwidth will continue to increase over time. The availability of adequate bandwidth at affordable prices will be critical to the success of businesses in the Information Processing industry in our region.

- **Off-Site Data Storage, Data Center Services and Security**

The availability of off-site data storage and data center services is becoming important for businesses in this sector. These services are generally too costly now, but they would be of great value if available at affordable prices. An opportunity exists for collaboration among industry cluster companies to create a shared off-site data storage facility. Data backup capability and uninterruptible power are also critical for keeping services offered by these companies up and available for their customers. Security is also a key concern for this sector. This issue will remain a challenge as threats to data security and regulatory requirements continue to evolve.

6. Tourism

- **Web-based Information for Regional Tourism**

The creation and maintenance of an attractive, effective regional website that promotes tourism within our region is a key issue with regard to information technology in this “economic opportunity area”. The creation of a collaborative approach to this issue among key stakeholders will be a critical factor for the success of any effort of this nature. Ongoing efforts that could be combined to create a comprehensive web presence for the Fresno Region include the County of Fresno-led e-government portal, the community portal described in the Communications Task Force action plan, and the regional tourism portal referenced here.

B. General Technology Infrastructure Issues and Opportunities

1. Providing Affordable, High-Bandwidth Network Connectivity at Key Locations throughout the Region

- **Wired Network**

Most of the jobs we are seeking to create through the RJI process are associated with industries where access to appropriate network connectivity is a critical issue. Ensuring that affordable access to high-bandwidth network connectivity in key locations throughout the region is available will create an environment that helps existing businesses grow, helps entrepreneurs pursue new ventures, and provides an incentive to firms considering Central California as a site for expansion or relocation. Many of the key locations where we must address this issue are located near the Fresno Yosemite International Airport, along the Freeway 41 corridor and in the Roeding Business Park area

- **Wireless Network**

The availability of wireless network access provides substantial benefit in training facilities and areas where businesses are locating to pursue collaborative initiatives. While this technology is not yet an appropriate replacement for wired network connectivity in most circumstances, the added utility and flexibility it provides can substantially increase productivity where collaborative interaction is an important part of the learning or business process.

The existence of readily available wireless network access in key areas is also beginning to differentiate cities and regions across the U.S. and throughout the world. Examples include Long Beach, San Diego, San Francisco, Portland, Seattle, Boston, London, Prague and Sydney. By providing this service where related business are seeking to collaborate, where business travelers congregate and where local residents interact with business, government and educational institutions, cities are highlighting their commitment to superior technology infrastructure.

2. Providing Affordable High-Bandwidth Connectivity to All Private and Public Sector Enterprises and to Residents of our Region

As we seek to increase employment, we need to consider the technology infrastructure available in our region for private and public sector enterprises, wherever they are located. We also need to consider the technology resources available to residents of our region. With the increasing importance of constant access for business-to-business and business-to-customer transactions, the availability of appropriate technology resources becomes ever more critical. To the extent that we use technology to create a competitive advantage in the global economy for businesses in our region, we will increase their ability to grow and to provide high quality jobs.

By ensuring affordable access to high-bandwidth connectivity for all residents of our region, we create the opportunity for them to access new kinds of services across the full spectrum of our economy. From telemedicine to entertainment, from distance learning to telecommuting, the impact of ubiquitous, high-speed network access would be transformative.

III. Recommended Action Plan

Note: In most instances, the role of the RJI Tech Infrastructure Task Force was to provide supportive technical and/or cost information required to implement the other task force and industry action plans. Therefore, most of the information provided below simply details cost estimates for various networking initiatives.

There are two projects, however, that the RJI Tech Infrastructure Task Force would be directly involved in helping to implement: the development of the Information Processing Industry Portal and the investigation of establishing a Metropolitan Area Network.

A. Cluster Specific Actions and Initiatives

1. Regional Health Care and Specialty Medical Services

- **Cost Estimate for Technology Infrastructure at a Collaborative Healthcare Training Center Campus**

Technology infrastructure has become the critical element in supporting the very high volume network activity generated by modern health care diagnostic equipment. It will continue to be an increasingly important factor as more sophisticated 3D imaging and future technologies come on line. For the purpose of this section of the action plan “technology infrastructure” is defined as the technical components required to provide networked voice, video and integrated data communications at speeds of 1Gigabit per second and faster to the desktop.

Within the campus environment the most basic infrastructure component is ‘future proofed’ single mode optical fiber from the telecommunications network provider to the wiring closet in each building and vertically between the wiring closets in multi-story buildings. By ‘future proofed’ we mean that this basic component will not need to be replaced as future protocol standards, (10GbE), and electronics (switches), are replaced with more sophisticated versions that will handle ever increasing throughput. The current cost of 12-fiber single mode optical is \$1.10 per lineal foot plus an average cost per hour for electricians at \$70.

Most workstations can be supported with Gigabit speed by connecting to the appropriate wiring closet with CAT 5, 5E or CAT 6 copper wiring. Based on current experience the average cost for materials and labor for an existing building is \$200-250 per end-device connection.

Classrooms that will address the most sophisticated medical imaging technologies should be cabled from the wiring closet to the workstation with multi-mode optical fiber. Average cost for materials and labor for this specialty cabling is likely to run at double or triple that of the standard CAT 6.

Based on current experience the electronics for a campus with three, two-story buildings would likely run between \$100,000 and \$165,000

- **Cost Estimate for Connectivity Between the VTECH Training Center and Local Hospitals**

The expense for a Gigabit link from the proposed VTECH facility to each local hospital at CALNET rates would be \$5,000 per month. This CALNET rate is only available for certain public sector enterprises and is highly discounted from the rate generally available to local private business customers. Commercial rates for Gigabit service would be substantially more. Example rates are provided in section B.1 below.

A major issue related to implementing this initiative is the availability of high-speed communications services. Incumbent Local Exchange Carriers (ILEC), e.g. SBC & Verizon, have not built out infrastructure capable of Gigabit transmission speeds in all areas. The ILECs' business model requires up-front payment for the network build-out to the campus and sufficient ongoing utilization to justify the project. ILEC build-out cost experience on the low end was \$7,000 between Fresno Police Department and the County Courthouse and on the high end \$417,000 for the new Juvenile Justice Center on American Ave. The build-out cost would vary depending on the physical location of the facility.

2. Advanced Logistics

- **Cost Estimate for High-Speed Data Connectivity**

As noted above, the advanced logistics process relies very heavily on a high-speed data connection. In order to create an environment that will support and be attractive to firms in this industry, we need to ensure that high-speed data connections are readily available.

While the relatively low-speed connection provided by a T1 line (1.5 Mbps) will suffice for some advanced logistics operations, DS3 (45 Mbps), OC3 (155 Mbps) or Gigabit (1000 Mbps) connectivity may be necessary for higher volume operations.

Estimated costs for the data connection will vary based on desired speed, location and any discounts available from the provider. Based on the data we obtained, a T1 connection can cost between \$500 and \$1,000 per month. A router to connect the T1 to the local area network (LAN) will require a one-time cost of \$2,000 to \$3,500. A DS3 connection will cost between \$3,000 and \$8,000 per month. An appropriate router to connect the DS3 to the LAN will require a one-

time cost of between \$10,000 and \$20,000. Estimates of commercially available Gigabit connectivity are substantially greater than the CALNET pricing referred to above. A router to connect the Gigabit circuit to the LAN will require a one-time cost of approximately \$25,000.

In addition to these costs, there may be one-time costs to complete the build-out of connectivity from the ILEC to the location of the advanced logistics facility. These costs can range from as little as \$1000 or less to over \$100,000, depending on the existing connectivity in the area.

In many cases, redundant data connectivity will be desirable for advanced logistics operations. Ideally, this connectivity would be obtained from a second provider, or contracted for with a single provider that can supply fully redundant circuits. Depending on the availability of alternate providers and other factors, the cost for redundant capability could be as much as double the amounts quoted above.

3. Information Processing

- **Access to Affordable High-Bandwidth Data Services**

We are recommending that the community pursue access to high-bandwidth data services as described under General Technology Infrastructure - Recommended Actions & Associated Costs below. In keeping with the stated goal of Gigabit Internet connectivity referenced in the Information Processing Cluster action plan, enterprises in this cluster should make every effort to coordinate the aggregation of demand and to share one-time costs to secure this level of service at the lowest total cost. In addition, industry and community leaders should pursue creative alternatives for data network services in our region, such as the pilot project being investigated by the Fresno Area Collaborative Regional Initiative in partnership with CENIC's "One Gigabit or Bust" initiative. (CENIC, or the Corporation for Educational Network Initiatives in California, just completed a research report and visioning document with Gartner, Inc. on the benefits of achieving Gigabit Internet connectivity to every Californian by the year 2010.)

- **Web-based Clearinghouse for Information Processing Training and Employment**

Members of the Technology Infrastructure Task Force will assist in the planning for this service (see the Information Processing section of the

RJI action plan). We will work with the initiative champions to help rationalize the technology requirements and associated costs for the delivery of this service.

4. Tourism

The key technology-related initiative identified by participants from this sector is the creation of a regional website that all agencies and businesses in the tourism industry within our region share and support. Please see the Tourism Action Plan for a description of the actions needed to develop, deploy and operate the proposed website.

B. General Technology Infrastructure - Recommended Actions & Associated Costs

1. Network Access to Key Locations

Providing network access to each of the key physical locations most suited for the targeted RJI clusters consists of (1) leasing circuits from one or more local service providers, (2) purchasing and installing network equipment (routers, switches, etc.), and (3) providing in-building wiring to each end-device. Today, private businesses moving into the key physical locations would assume all the costs associated with network connectivity. ***Therefore, cost estimates listed below refer to potential expenditures of private funds, not public funds, and are provided as general estimates so that area businesses looking to expand and those being recruited to the Greater Fresno Area know what to expect.*** The information may also be useful, however, to local government, private developers and/or local economic development entities that may in some future instances wish to provide technology infrastructure and network connectivity as an incentive to attract new business tenants. Voice costs have not been considered in this analysis.

Because all network installations will be dependent upon the specific needs of each business (bandwidth and number of end devices), we have provided tiered service levels ranging from a T1 circuit to a gigabit circuit. The costs include physical connectivity and Internet access and assume a 7 – 10 working day installation commitment. The costs below are based on figures provided by one major, local service provider and are representative only. Other providers have been invited to submit cost information but were not able to respond prior to publication. Costs for service from all providers should be considered as the RJI process goes forward.

Three geographical areas selected for this cost analysis were based upon likely cluster locations: (1) Fresno Yosemite International airport, (2)

Palm Bluffs and (3) Roeding Business Park. Figures that are more accurate can be provided once specific addresses have been determined.

Network Access Costs

Estimated monthly costs for “On-Net”⁵ fiber optic connectivity to the general area of the Fresno Yosemite International airport, Palm Bluffs and Roeding Business Park are as follows:

Requested Bandwidth	Monthly Rate*	Non-Recurring Rate*
T1 (1.54Mbps)	\$ 575.00	\$ -
(4) T1's	\$ 2,100.00	\$ -
(12) T1's	\$ 6,000.00	\$ -
DS3 (45Mbps)	\$ 8,000.00	\$ -
1 Gigabit	\$71,250.00	\$ -

Estimated monthly costs for “Off-Net”⁶ LEC local loop connectivity to the general area of the Fresno Yosemite International airport, Palm Bluffs and Roeding Business Park are as follows:

Requested Bandwidth	Location	Monthly Rate	Non-Recurring Rate**
T1 (1.54Mbps)	Airport	\$620.00	\$922.00
	Other	\$620.00	
(4) T1's	Airport	\$2,100.00	\$3,688.00
	Other	\$2,100.00	
(12) T1's	Airport	\$6,000.00	\$11,064.00
	Other	\$6,000.00	
DS3 (45Mbps)	Airport	\$8,000.00	\$1,022.00
	Other	\$8,000.00	

**May be significantly less or slightly more depending upon actual location LEC build-out (last mile) costs; NRC rate quoted above are "book" rates.

Network Electronics

Network electronics costs assume a basic installation of 100 end devices per building at each of the cluster locations. It should be noted that these costs do not represent a firm commitment from any equipment vendor and should be used for general budgetary planning purposes only.

⁵ “On-net” service refers to locations where the provider has existing facilities.

⁶ “Off-net” services require additional infrastructure improvements.

Using costs for Cisco equipment for illustrative purposes only, the estimated cost for network electronics for the basic building installation described above is \$25,000 or less. Government agency discounts have not been applied. It is likely that a competitive bid process with multiple vendors would result in lower actual costs.

The network equipment design assumes a single building with 100 end devices, with one Building Distribution Frame (BDF) and two Intermediate Distribution Frames (IDFs). Additional end devices, and in many cases additional buildings, could be supported by replicating the switching structure specified below and upgrading the router at additional cost. The design also includes an IOS firewall feature set with VPN remote access capability.

Annual maintenance costs for this equipment range from \$1191 for basic 8:00AM to 5:00PM support with next day parts delivery to \$1908 for 24 x 7 support with a four-hour parts delivery guarantee. Installation costs have been estimated at \$75 per hour with a minimum of thirty hours labor (for a total of \$2250). Ongoing technical support for individual building LANs and devices have not been included.

In general, network electronics costs average approximately \$250 per end device. If gigabit speeds are required, a more advanced router will need to be purchased at a cost of approximately \$25,000. This router would obviously be capable of supporting far more than 100 end devices.

In-Building Wiring

It is unknown whether adequate in-building wiring will be in place in existing buildings or if new building wiring will be provided by the property owner, economic development entity or government entity. Typical industry costs for standard Category 6 wiring, risers, racks, patch cords, etc., average approximately \$125 per outlet, or \$250 for a voice and data connection at the same outlet.

Wireless

Business entities may wish to provide a wireless computing environment for their employees, partners or clients. Wireless zones could easily be incorporated into the overall network design for minimal cost. These zones could be deployed to cover specific areas, such as conference facilities, or could be deployed building-wide. Depending on the organization's bandwidth needs and the applications they use, it is probably not feasible to completely replace a wired infrastructure with a wireless one.

A single wireless access point suitable for business use currently costs between \$700 and \$1000. This cost is representative of a single wireless zone without a separate, centralized authentication device. Adding such a device will increase the complexity, management and cost of a wireless system (add approximately \$10,000 for a wireless authentication device which could manage numerous wireless access points) but will add a layer of security.

2. “Metropolitan Area Network” Option

Initiative #17: Work with appropriate staff to investigate the feasibility of establishing a metropolitan area network in the Greater Fresno Area.

The City of Fresno is in the process of building out an extensive fiber network for its traffic synchronization system. There have been preliminary discussions about utilizing this network to connect geographically diverse public assets and to serve as a transport backbone for e-government initiatives.

It may also be possible to use this network, once it is mature, to provide data access to industry cluster locations. Because these discussions are still in preliminary stages, it is not possible at this time to provide cost details for this option. However, establishing such a network could represent a significant comparative advantage for the Greater Fresno Area. Its feasibility should be thoroughly investigated. We recommend that the city direct appropriate staff to begin work on the design and associated costs of a project to connect key industry cluster locations via a publicly owned Metropolitan Area Network. Other alternatives for providing a Metropolitan Area Network (MAN) include the possibility of pursuing a public-private partnership approach, or seeking a solution from existing telecommunications providers. It may also be feasible to pursue a pilot project to provide gigabit connectivity to residential users and small businesses consistent with CENIC’s “One Gigabit or Bust” initiative in conjunction with one of these alternatives.

IV. One-Year Action Plan

- Publication of Phase One Feasibility Study by October 2003 (Fresno CRI)
- If Feasibility Study supports a MAN initiative, convene MAN working group and explore partnership opportunities with private sector communications providers and CENIC. Conclude exploration by December 31, 2003.
- Make Go-No-Go decision by March 31, 2004

V. Job Creation Expectations from this Initiative

As mentioned above, the Technology Infrastructure Task Force's report is provided primarily in support of the implementation of the industry action plans described throughout this report. Therefore, the job creation expectations related to technology infrastructure are already reflected in the other action plans. However, the exploration of the Metropolitan Area Network initiative described above is a distinct initiative from the other cluster action plans and, if pursued, may result in significant job creation.

For example, in the above referenced report prepared by Gartner, Inc. for the Corporation for Educational Network Initiatives in California (CENIC), it is estimated that the implementation of a focused gigabit broadband initiative could result in a \$376-billion increase in gross state product (GSP) by 2010 and could create up to 2 million new jobs throughout California. Using the analysis Gartner prepared of this effort, dubbed "One Gigabit or Bust" by CENIC, it would be reasonable to assume that pursuing gigabit network connectivity for our region could potentially result in several billions of dollars of increased local GSP and substantial job creation, though it is premature to project actual job creation at this point from such a regional effort.

VI. Principal Resource Requirements

As mentioned above, the majority of the costs referenced above would likely be assumed by private sector entities. Estimates for necessary technology infrastructure for the two public initiatives described in this report, the VTECH collaborative health training facility and the Central California Workforce Development, are provided above but are included in the Principal Resource Requirements sections of the Health Care Cluster and Workforce Development action plans respectively.

The only additional resources required to implement the Technology Infrastructure Task Force's recommendations are funds for a full and complete investigation of the feasibility of a Metropolitan Area Network in the Greater Fresno Area. A portion of the expense would be absorbed by City staff and volunteers from the Tech Infrastructure Task Force. In addition, however, we recommend \$200,000 be allocated in case outside engineering and consulting expertise is required.

VII. Initiative Champions

The RJI Technology Infrastructure Task Force is willing to stay in tact to act as outside community catalysts for the Metropolitan Area Network initiative. Members of the Task Force include:

- John Belt, Institute of Technology

- Ian Duffield, Consultant
- Hal Eidal, County of Fresno
- John Ennis, City of Fresno
- Steve Forker, County of Fresno
- Greg Gaither, California State University, Fresno
- Shirley Grace, Sheriff's Department, County of Fresno
- Bob Hendricks, City of Fresno
- Bob Keyes, City of Clovis Police Department
- Scott Lindsay, CA Redding
- Ian Mearns, representing Fresno County Workforce Investment Board
- Jim Michael, Task Force Chairman, California State University, Fresno
- Phil Neufeld, Britz, Inc.
- John Stewart, Pearson Realty
- Ashley Swearengin, California State University, Fresno
- Ted Uyesaka, Grundfos Pumps
- Jesse Velez, City of Clovis

VIII. Summary

The issues and opportunities identified in this report, along with the cost estimates and action initiatives provided, present one approach to meeting the technology infrastructure requirements associated with the RJI process as currently defined. Following the Regional Jobs Summit event on September 12, additional areas of opportunity will be identified, and the initiatives associated with the existing clusters will be refined. In order to ensure that we meet the technology infrastructure needs of the RJI and of our region we will need to continue to refine the information presented here while pursuing additional alternatives that offer ever higher levels of service and economic advantage.

In particular, we will need to use the representative cost estimates provided in this report as a basis for developing and validating cost models for specific technology infrastructure initiatives in the various RJI clusters. Through on-going collaboration with the cluster initiative teams, the RJI Technology Infrastructure task force will help to rationalize the technology choices and costs associated with these initiatives.

IX. Abbreviations and Acronyms

10GbE	An evolving communications technology standard that enables data transmission speeds up to 10 billion bits per second.
BDF	Building Distribution Frame
CALNET	CALNET is a public/private telecommunications network offered through the State of California Department of General Services,

Telecommunications Division. The seven-year CALNET contract with three one-year extensions was signed December 4, 1998. CALNET was competitively bid over an 18 month period and offers public sector entities telecommunications services at discounted prices.

CAT5	Category 5 - an Ethernet cable standard, CAT5 is the 5th generation of twisted pair Ethernet cabling. CAT5 supports Fast (100 Mbps) Ethernet and comparable alternatives such as ATM.
CAT5E	Also called Enhanced Category 5.A - a performance classification for twisted pair cables, connectors and systems. Specified to 100 MHz. Suitable for voice and data applications up to 1000 Mbps.
CAT6	Category 6 - an Ethernet cable standard, CAT6 is the 6th generation of twisted pair Ethernet cabling. CAT6 supports Gigabit (1000 Mbps) Ethernet and supports communications at more than twice the speed of CAT5e, the other popular standard for Gigabit Ethernet cabling.
CLEC	Competitive Local Exchange Carrier
CENIC	Corporation for Education Network Initiatives in California
CVB	Convention and Visitors Bureau
DS3	The third Digital Signal or Data Service level, a framing specification for digital signals in the North American digital transmission hierarchy. A DS3 signal has a transmission rate of 44.736 Megabits per second.
Gigabit	One billion bits
GSP	Gross State Product
IDF	Intermediate Distribution Frame
ILEC	Incumbent Local Exchange Carrier
IOS	Internet Operating System
LAN	Local Area Network
LEC	Local Exchange Carrier
MAN	Metropolitan Area Network

Mbps	Megabits per second
Megabit	One million bits
MHz	One million periods per second
NGO	Non-Governmental Organization
NRC	Non-Recurring Charge
OC3	Optical Carrier 3. (OC3) A SONET rate of $3 * 51.84 = 155.52$ megabits per second
RJI	Regional Jobs Initiative
SBC	SBC Communications, Inc.
SONET	Synchronous Optical NETwork
T1	T1 is a telecommunications industry term for a data connection at 1.544 Megabits per second. Commonly used to connect companies to Internet Service Providers or other offices.
VPN	Virtual Private Network
WAN	Wide Area Network

Livability

Five-Year Plan Highlights:

- ***The Fresno Region develops a national reputation for leveraging its strengths and collaboratively attacking its weaknesses to achieve a high quality of life for all its citizens.***
- ***Marked improvement in the Region's air quality is made. The Region is recognized nationwide for its innovative, aggressive and collaborative air improvement measures.***
- ***Root causes of the Region's poor economic and social conditions begin to diminish as reported by the annual, comprehensive community report card.***
- ***Fresno Yosemite International secures a national low-cost air service, which experiences great success in the Central California market.***
- ***Highway 99 receives Interstate designation.***
- ***The Fresno Region develops a statewide reputation for its excellence in the arts and cultural communities.***
- ***A Regional Transportation Authority begins to operate and establishes the scale needed to successfully implement effective mass transit systems.***

I. Introduction

Surveys and interviews with business owners indicate one of the key criteria in determining where they locate or maintain their companies and employees is based upon the quality of life of a region. Although it may seem counterintuitive in the era of virtual reality and telecommuting, “quality of place” matters more than ever before. Whereas regions used to compete against one another for additional businesses and jobs with such things as free land, cheap labor and other government incentives, today those incentives have lost their wooing power to such things as arts and cultural amenities, effective schools, environmental quality, and parks and recreational assets. In short, a region's livability is now its competitive edge.

Recognizing that the above transformation has occurred and has fundamentally changed the nature of “regional competitiveness”, the RJI Livability Task Force was assembled as an integral component of the plan to create 25,000 to 30,000 net new jobs in the Region over the next five years. The purpose of the Livability Task Force was “to identify all quality of life factors that currently create incentives and disincentives for businesses to launch, expand, locate and stay in the Fresno Region and to develop a plan to discuss, or participate in mitigating,

those factors.” Knowing that the Task Force itself would not have the resources necessary to address the various disincentives identified through the RJI process, the Task Force was charged with simply assessing the issues and making recommendations as to how they might be resolved. The paragraphs that follow summarize the assessment and recommendations.

II. Assessment of Strengths, Weaknesses and Opportunities

A. Strengths

When competing to retain existing business or attract new business to California, the Fresno region is actually well suited to meet and compete based on its quality of life relative to other areas of the state. Summarized below is a list of some of the Greater Fresno Area’s most compelling strengths.

- **Housing** – The average median house price is \$160,000 in Fresno County compared to significantly higher prices in other parts of California (i.e. San Jose \$440,000, Sacramento \$227,000).
- **Diversity** – In every regard, the Fresno Region provides a wide level of diversity both in the segments of business enterprises that are located in the region, as well as the cultural and ethnic make-up of our citizens who demonstrate a strong commitment to their families, their communities and their employers.
- **“Family Friendly”** – Long-time Fresnoans and those new to the region alike often comment on the strong sense of community demonstrated throughout the area’s neighborhoods relative to the rest of California. In addition, there is a strong and active faith-based community that focuses on providing support to families, which creates a “small town” atmosphere with “city” services and amenities.
- **Regional Location** – The Greater Fresno Area is located in the middle of the state and is the main population base for Central California that provides major retail, transportation, entertainment, media, business services and easy access to National Parks and outstanding recreation venues.
- **World-Class, Outdoor Recreational Opportunities** – Yosemite, Kings Canyon and Sequoia National Parks; numerous surrounding lakes; snow skiing resorts; quality private, public and semi-private golf courses; and multiple amateur and professional sporting events are just a few of the outdoor recreational opportunities in the Region. Moderate weather 10 out of 12 months each year makes these outdoor sports, entertainment and leisure activities more accessible than in most regions throughout the nation.
- **Quality Healthcare** – The Fresno Region provides a full range of primary and specialty health care, which supports the entire Central Valley. This region is the hub for the continuum of care for the full life cycle.

- **Young and Growing Population** – The Region’s continued growth substantially outpaces the state and nation. Driven mostly by internal birth rates over net migration (73% of the County’s growth is attributed to internal birth rates), the Region’s population is young and vibrant.
- **Emerging Presence of a Revitalized Downtown** – New and redeveloped commercial office buildings, a new AAA baseball complex, and a newly expanded convention center are symbolic of the transformation happening in Fresno’s downtown core. Securing a Federal Empowerment Zone designation has made Downtown Fresno the focus of even more public-private partnerships. Though much work remains to be done for Downtown Fresno to reach its full potential, the momentum for positive change is undeniable.
- **Full Complement of Arts and Cultural Organizations** – The arts and cultural organizations in the Fresno Region, which include museums, symphony, ballet, opera, Discovery Center and the zoo, etc., enjoy strong histories and rich traditions. The Fresno Arts Council, an organization encompassing 55 active entities, is in the process of building on this foundation and expanding the reach of the arts and cultural community through the development and execution of a comprehensive strategic plan.
- **Educational Opportunities** – Education represents both a “strength” and an “opportunity for improvement” in the Region. The most notable strength of the Area’s education system is its accessibility, which includes the availability of a major public university and a strong private university, a community college system that spans several counties with multiple campuses, a number of excellent public and private K-12 schools, and innovative education opportunities such as CART and other specialty charter schools. The Greater Fresno Area continues to demonstrate a commitment to education through its track record of funding special school bond measures.
- **Transportation** – Transportation is also an area of strength, as well as an “opportunity for improvement” in the Region. Fresno’s “rush hour” is more adequately described as a “rush half-hour” perpetuated by a modern and new freeway system in the Greater Fresno Area. Fresno Yosemite International offers 47 commercial flights daily. Major highway and rail access is available from the Region to all other major markets in California.
- **Other** – Other Fresno Region strengths often cited include the network of community trails, such visual elements as trees and murals, the area’s seismic stability, and lower costs of doing business relative to the rest of the state.

B. Weaknesses

The Greater Fresno Area faces a number of challenges. Summarized below are the more notable obstacles that affect the overall, long-term quality of life and keep the Region and its residents from reaching our full potential.

- **Air Quality** – The Region has one of the worst levels of air pollution in the nation. Some of this is a factor of its location and geographical makeup. Regardless, the quality of our air is negatively impacting virtually every facet of our community from public health to business expansion and retention to image.
- **Chronic Poverty and High Unemployment** – The poor economic conditions that have led to poor social conditions (higher crime rates, low educational attainment, expensive government programs, homelessness, and substance abuse, etc.) have persisted in the Greater Fresno Area for three decades. Addressing these issues in a bold and substantive manner is the purpose of the Fresno Regional Jobs Initiative.
- **Low Levels of Education and Training in the Workforce** – Despite the accessibility of the education and training systems in the Greater Fresno Area and the high level of unemployment, the region's workforce is under-educated and under-trained, which suggests measures must be taken to ensure the citizens of our Region have the support and motivation necessary to access the training and education opportunities.
- **Lack of Business Friendliness** – As thoroughly described in the RJI Customer Service Action Plan, Fresno is well known for its lack of responsiveness and lack of business-friendly systems causing the overall region to suffer from a poor image. There are many, well-documented instances of the region's poor customer service being to blame for lost business and economic opportunities.
- **Urban Sprawl** – The Fresno/Clovis Metropolitan Area is experiencing tremendous growth on its northern boundaries leaving core areas of the region behind. Few systems are in place that would drive market investment in inner parts of the cities.
- **Regional Transportation** – Although the Region offers strong transportation assets, there are three weak areas in our transportation systems that warrant attention: (1) the availability of a low-cost air carrier, (2) a viable and planned regional mass transit plan and (3) the lack of access to an Interstate Highway.
- **Lack of a Widely Shared Vision among the Region's Leadership** – The Region lacks a history of strong collaborative leadership from its elected officials. Public agencies and departments have, over time, assumed a bureaucratic "status quo" model, as opposed to a creative and customer-serving model. The general public has grown skeptical of its government's ability to provide the leadership needed to address the weaknesses listed above, plus the many others experienced in the region, and has essentially

given up hope. As a result, they do not provide the accountability and high expectations needed to raise the overall quality of elected and appointed leaders.

C. Opportunities

Like all regions, the Fresno Region will always face its difficulties and weaknesses. “Perfection” is unattainable. What is of far greater importance than achieving perfection is whether and how the many communities comprising our Region unify to proactively and innovatively respond to its challenges. There is strong evidence that the community, business, education, civic and public sectors in the Fresno Region are beginning to collaborate and unite behind common initiatives to address our long-standing weaknesses. Example after example of collaborative, innovative initiatives exists in virtually all of the “weakness” areas listed above. If even a portion of these initiatives is successful, the Fresno Region will be a different place five years from now.

It would be impossible to cite every initiative currently being undertaken to address the Fresno Area’s challenges. Summarized below are simply highlights of known actions happening throughout the Region that, if successfully executed, could lead to the reversal of some of our greatest obstacles and the creation of countless opportunities. We invite reviewers of this plan to submit any and all additional activities that are being undertaken to combat the Region’s problems so that a comprehensive catalog of civic and community action can be developed.

- **Air Quality**
 - *Launch of Operation Clean Air in Spring 2003* – an eight-county, multi-sector collaborative designed to bring all stakeholders together to deal with air quality issues. The effort has the support and involvement of governmental agencies and includes evaluating all the alternatives possible to make the greatest, long-term improvements to the quality of our air. An initiative launched from OCA includes the designation of the Valley as an “Air Quality Empowerment Zone” that would provide special incentives and financial support for air cleaning measures.
- **Chronic Poverty and High Unemployment**
 - *Fresno Regional Jobs Initiative* – This five year, comprehensive initiative builds on the efforts of many economic and social development entities while bringing the scale and focus needed to truly combat three decades of unemployment and poverty in the Region.
 - *Fresno Area Collaborative Regional Initiative* – Launched in September 2001, the Fresno Area Collaborative Regional Initiative is a joint venture between the Fresno Business Council and Fresno State.

Over the last two years, literally hundreds of volunteers and “subject matter experts” have worked together under the CRI “umbrella” to develop and begin to execute over twenty community initiatives aimed at dealing with the root issues of poverty and unemployment in the Fresno Area and improve the region’s competitiveness in the knowledge-based economy. The initiatives include such items as primary literacy, shifting the culture of the community towards innovation, improving the technology infrastructure to spur improvements in quality of life and business competitiveness, and encouraging collaborative land use and transportation planning.

- **Low Levels of Education and Training in the Workforce** – This is perhaps the most commonly targeted community challenge. It is truly impossible to list all of the positive efforts to improve the level of training and education in the Fresno Area’s workforce. The items listed below represent just a few examples.
 - *Center for Advanced Research and Technology* – a hands-on, technology-oriented high school program for juniors and seniors in Fresno and Clovis Unified School Districts. Educators and innovators from all over the world visit this unique program.
 - *Central Valley Higher Education Consortium* – Funded by the James Irvine Foundation, the Higher Ed Consortium seeks to improve the college-going rates of junior high students throughout the San Joaquin Valley.
 - *Primary Literacy Initiative* – There is a growing focus on the need for a comprehensive primary literacy program in the Fresno Region. Business plans have been drafted and funds are being raised to execute this program, which will be led by a collaborative of education, business and community stewards.
 - *RJI Job Readiness/Workforce Development Initiatives* – Described more fully in the Job Readiness/Workforce Development Initiative portion of this plan, the focus of action is on industry-driven training programs and systematic support systems to ensure access to the un- and under-employed workforce.
 - *Fresno County Workforce Investment Board* – The Fresno County WIB has taken great strides over the last several years to embrace innovative programs and strategies to invest their training dollars as well as possible. The WIB is leading change on several key fronts that will positively impact the workforce development system as a whole in the coming months and years.
- **Lack of Business Friendliness**
 - *The City of Fresno* has hired the Pacific Institute and Lou Tice to institute leadership training for the City Manager’s Office and Department Supervisors to create a more “change-friendly” and positive environment in City Hall.

- *RJI Customer Service Task Force Recommendations* – The RJI Customer Service Task Force outlines a series of recommendations that, if executed, would result in dramatic improvements in customer service primarily from the City of Fresno and other jurisdictions, as needed.
- **Urban Sprawl**
 - *Downtown Revitalization* – Described above, the efforts to revitalize Fresno’s downtown core, if fully implemented, could create the market conditions necessary to curb urban sprawl.
 - *Downtown Fresno Partnership and Property Based Improvement District* – Efforts are underway to create a partnership of private business owners in the downtown area that would create a self-assessment district to make downtown more vibrant and economically viable. The Downtown Fresno Partnership could be the tangible vehicle needed to implement the City of Fresno/Redevelopment Vision 2010 for the downtown area.
 - *Collaborative Regional Initiative Land Use and Transportation Task Force* - Many of the initiatives undertaken by this task force promote smart growth concepts, which look for alternatives to urban sprawl. Compact development patterns and walkable neighborhoods are integral components of smart growth and should be encouraged in planning and developing our communities as well as in revitalizing older neighborhoods. Promoting home ownership is also a key to successful revitalization efforts.
- **Amenities**
 - *Collaborative Regional Initiative Land Use and Transportation Task Force –A* “City Beautiful Coalition” has been proposed. The goal of this project is to form an umbrella organization that will unify “beautification” projects in the Fresno-Clovis metropolitan area. These projects would include, but not be limited to, urban parkway systems; boulevards; gateways; trails; bikeways; canals; developing regional, neighborhood and pocket parks; preserving and/or developing wildlife habitats; educating the community on the importance of recycling (including green waste); outdoor/public art and municipal art (adornment on public buildings); amenities that encourage outdoor gatherings (benches, planters, water features, lighting, etc.); and include such activities as landscaping; street design; design features; architectural standards; signage; and identifying unique districts.
- **Regional Transportation**
 - *Collaborative Regional Initiative Land Use and Transportation Task Force* – This CRI task force is working to pull all stakeholders

together to, first do the analysis necessary and then develop a plan for viable, regional mass transit.

- **Lack of a Widely Shared Vision among the Region's Leadership**
 - *Increasing Collaboration Among Elected Leaders* - There is growing evidence of collaboration among our elected leadership and various government jurisdictions. For example, the Fresno County Board of Supervisors and Madera County Board of Supervisors are holding regularly scheduled, joint meetings. The City of Clovis, City of Fresno and County of Fresno are working collaboratively on the Regional Jobs Initiative. Operation Clean Air involves the collaborative leadership of the City of Clovis, City of Fresno and County of Fresno. The County of Fresno and the municipal jurisdictions within the County have been working together on a comprehensive e-government portal. These collaborative actions and the many more that go unnoticed all represent positive signs of change among our elected leadership.

III. Recommended Action Plan

In general, the Livability Task Force strongly recommends continued action on all of the items described above in Section II.C. ***In addition, we cannot stress enough the importance of full execution of all the initiatives summarized in this RJI five-year plan.*** If successfully and fully implemented, the Fresno Region will have made substantial progress in attacking the long-term “quality of life” and “livability” issues that have deterred our progress for many years.

We also submit the following specific initiatives to be included in the comprehensive RJI 5-year plan.

Initiative # 18: Develop an annual “report card” that measures all major quality of life indicators to track progress on the RJI, as well as the quality of life in the region as a whole. Commit to reporting annually on the measures.

Currently, the Fresno County Interagency Task Force publishes an annual report card on issues related to children. The Lyles Center for Innovation and Entrepreneurship is launching an Innovation Index in 2004. These efforts, coupled with key quality of life indicators, could be combined to produce an annual, comprehensive community report card. Annual indicator reports have proven to be invaluable tools in other regions and would result in improved unity behind issues of importance to the region, as well as increased accountability.

Initiative # 19: Directly engage the arts and cultural communities in the execution of the RJI 5-year plan.

As discussed in the introduction to this report, regions now compete based on “quality of life” as much as on the availability of business parks and low cost labor. The arts and cultural communities in the Fresno Area have strong histories but have always lacked the scale needed to truly influence the internal and external image of the Region. The groups have often been fragmented and disconnected from broader community discussions about overall quality of life. We, therefore, recommend that arts and culture play an integral role in the ongoing execution of the Regional Jobs Initiative and that representatives from the arts and cultural communities be integrated into the RJI oversight body.

Initiative # 20: Support the aggressive pursuit of a low cost air service.

Securing a low cost air service (e.g. Southwest Airlines) will likely require a minimum fare guarantee (approximately \$1 million). Even though that represents a substantial commitment, it would be a worthy investment. Industry and area residents consistently indicate the availability of a low cost air service as vital to overall quality of life in the Region.

Initiative # 21: Establish a Regional Transportation Authority.

Although it is a lengthy process that would require much planning and thought, the presence of a Regional Transportation Authority is glaringly missing in Fresno County. Establishing a regional authority would provide the scale needed to plan for effective mass transit, improve air quality by reducing duplication, and streamline transportation systems for the betterment of the Region.

Initiative # 22: Continue efforts to designate Highway 99 as an Interstate Highway.

Despite the fact that Highway 99 carries more truck traffic than any other highway west of the Mississippi, Fresno is the only city its size in the country without access to an Interstate Highway. When prospective employers look at alternative locations, one of the things they do is look at the Interstate Network, and Fresno is literally nowhere on the map. Efforts have already begun to establish Highway 99 as an Interstate Highway, and they should be carried through to successful completion.

VIII. Job Creation Expectations from this Initiative

All clusters targeted by the RJI process will be enhanced by the initiatives described above, as will the region as a whole.

IX. One-Year Implementation Plan

- Establish report card planning collaborative by January 2004 – RJI Leadership.
- Secure funds for the annual report card by March 2004 – Report Card Planning Collaborative.
- Develop time lines and engage researchers for annual report card by May 2004 – Report Card Planning Collaborative.
- Publish first annual comprehensive report card by December 2004 – Report Card Planning Collaborative.
- Recruit representative from arts and cultural communities to serve on RJI Leadership Group – October 2004.
- Secure funding for low fare air service guarantee by January 2004 – FYI and City of Fresno officials with support from RJI leadership.
- Secure commitment for low fare air service by May 2004 – FYI and City of Fresno officials with support from RJI leadership.
- Establish a planning team for the Regional Transportation Authority by December 2003 – area elected bodies with support from RJI leadership.
- Develop strategic plan for development of the RTA by March 2004 – RTA planning team.
- Execute strategic plan – March 2004 – December 2004 – RTA planning team with support from elected bodies, area transportation experts and RJI leadership.

X. Principal Resource Requirements

- Annual community report card – approximately \$150,000 in development costs and \$75,000 in annual, recurring expenses.
- Low Cost Fare Guarantee – approximately \$1,000,000 in one-time reserve set aside.
- Seed funding for engineering and consulting work to establish the Regional Transportation Authority – approximately \$150,000 in one-time expenses.

XI. Initiative Champions

The Livability Task Force members included:

- Hal Bolen, Attorney at Law
- Walt Buster, California State University, Fresno
- Ralph Waterhouse, Chaffee Zoological Gardens
- John Carbray, Fresno Stadium Founders
- Noah Lagos, Fresno Yosemite International, City of Fresno
- Paul Saito, Saito Associates
- Bobbi Jensen-McKee, City of Fresno
- Pam Akin, Fresno Arts Council
- Barbara Steck, Fresno Business Council

- Dan Doyle, Central Valley Community Bank

Specific initiative champions still to be determined.

Innovation

Five-Year Plan Highlights:

- ***The Fresno Region develops a national reputation for its innovative culture.***
- ***The Fresno Region develops a national reputation for high growth startups.***
- ***The Fresno Region retains and attracts 20-29 year old “knowledge workers”***
- ***The Fresno Region builds collaborative methods for the formulation and implementation of change.***

I. Introduction

Innovation is two parts attitude and one part action. The Central Valley has a history of innovative and entrepreneurial activity that went dormant over the past several decades. The causes and theories are widespread as to why this happened, but uncovering the antecedents are of less importance to the revival of an innovative culture that can be energized and nurtured long into the future. Attitude and action are the paths to regenerating an innovative culture in the Central Valley, and this is a primary focus of the Innovation Task Force.

Instilling attitude and action cannot be achieved by pursuing a short path. Indeed, it is not a natural process to a destination. Rather, it must be imbued into the culture of a community with significant and careful agitation that will encourage many to embrace change and support both the successes and failures that change will produce. How to move a community in this direction is no simple task. But if we are to be successful in all other venues of change in the community, the desire for change coupled with its disruption must be considered to be normal and useful.

We believe that a multi-pronged attack on the status quo must take place, not to undermine the present order, but to provide the tools that all sectors of the community can utilize to improve their quality of life. And ultimately, quality of life, is of paramount concern to all regardless of where they reside in the social strata. Some of the fundamental elements of our preferred future include: children with the tools to achieve through applied innovation; career paths that reward innovative problem solving with an emphasis on building solid business foundations; the generation of ideas that lead to novel solutions to problems that in turn generate wealth and jobs; and appreciation for the cultural institutions that

challenge the status quo and give nourishment to the community through building identity and sense of being.

We live in an age where location is simultaneously of little importance and great importance: little importance in regards to physical location, but great importance in regards to the “mental tissue of a community”. How do the residents perceive themselves? What support is available to encourage innovative and entrepreneurial activity? What initiatives are in place to improve the cultural development of the community? How tolerant is the community to behaviors and ideas that do not fit preconceived notions of appropriate behavior? The new century will reward communities that thrive on creation rather than on maintaining the status quo. But reception to innovation comes from a belief that change can promise much more than an improved quality of life. Rather, that innovation itself brings about change that is rewarding and fulfilling to the citizens who participate and encourage its growth.

The Innovation Task Force has worked hard to not only challenge common truths, but to seek a vision that will enhance the quality of life of all members of the community regardless of their station. While some efforts may appear to be modest in scope, we firmly believe that an innovative culture comes from a diverse attack throughout the community that ultimately leads citizens to a level of comfort and later a desire to embrace the force of innovation.

II. Assessment of Issues and Opportunities

A. Lack of Identity

- The Region has assumed an identity parallel to an underachiever who is convinced that they lack skills and abilities and are thus exposed to ridicule.
- A belief persists that life is more rewarding elsewhere and life in the Region is by circumstance not by choice.
- A view that to leave the region, whether for a weekend or a week, will offer more amenities and value to life experiences than what is available in the Central Valley. The common phrase that “Fresno is a great place because you are 2 hours drive from” is a reflection of this view.
- A lack of knowledge about how the Valley economy was created and what forces brought people to this location has undermined an understanding of who we are and what potential we have as a community.

B. A Belief in the Future Is “Elsewhere”

- Young people are encouraged to leave the Central Valley if they want to achieve. Whether promotion of universities or colleges outside of the Central Valley, the message is that opportunity is dormant in the region.

- The lack of risk on the part of the business community to grow their companies beyond a regional presence. Businesses launched locally are allowed to feel successful by restraining their growth potential and setting goals that are rewarded by the regional culture. Stunted growth means stunted career path and stunted job opportunities. Hence, one must leave the Valley to launch a career.
- High school and college curricula that builds skills that can only be applied in locations outside of the Central Valley.

C. Lack of Institutional Support for Innovation and Entrepreneurship

- An under funded and underappreciated arts and cultural sector that must struggle to fund projects and initiatives that support and celebrate innovation.
- A political climate that emphasizes win- lose over win – win outcomes.
- Lack of a stellar entrepreneurial success that would provide support and funding for innovative initiatives in the community. It is no coincidence that the presence of one entrepreneurial success can transform a community from one that struggles to fund basic services to one that funds institutions of innovation. Notably Austin, Texas, San Jose, Portland, San Diego, Seattle, Indianapolis, etc. - all transformed by the success of a local entrepreneur who had a vision beyond their locale.
- A disconnect between high school and college education with the industry sectors that need skilled employees that also have skills in innovative thinking.

III. Recommended Action Plan

Initiative # 23: Develop a national reputation for an innovative culture.

- A. Publish “Fresno 2015”** – Produce and publish a special supplement to the Fresno Bee formatted like a newspaper that will take the reader to the year 2015 with futuristic headlines and stories that paint the picture of what the Fresno Area could potentially become if innovative actions are taken today.
- B. Develop and Launch “The Innovation Series”** – Develop and launch an executive education series focusing on various components of innovation in business today.
- C. Next-Generation Innovation Index** – Creation of an index that will track the level of innovation and entrepreneurship activity in the Central Valley. The index will be published by local media such as the Fresno Bee on a quarterly basis. The index is already being created by ART, a Boston based consulting firm and includes the following components:
 - **Phase One: Analysis of the Regional Economic Development Base**

Phase One involves analyzing regional innovation and entrepreneurship dynamics through the quantitative assessment of the Fresno region's development base, industry structure, innovation capacity, entrepreneurship assets, and relative level of economic growth.

- **Phase Two: Qualitative Assessment of the Innovation and Entrepreneurship Support Infrastructure**

Phase Two consists of an in-depth qualitative assessment of the innovation and entrepreneurship support infrastructure in the Fresno region based on a standardized survey of thought leaders in the Fresno region.

- **Phase Three: Assessment of High-Growth Entrepreneurship**

Phase Three consists of a detailed assessment of high-growth entrepreneurship activity and dynamics within the Fresno region derived from a mail survey of a select sample of entrepreneurs. This survey also involves an assessment of entrepreneurial perceptions and mindset relevant to high-growth entrepreneurship.

D. Launch “Storytelling” Project – Production and publication of numerous “case studies” of historical and modern-day, local entrepreneurs and innovators in print, online, CD and video formats to be distributed to local business organizations, classrooms, media, and service clubs to shift the region's internal image by showcasing countless examples of local innovation.

E. Valley Business Roundtable - A two-hour show that airs every Saturday starting at 9:00 a.m. The program focuses on topics that are current and relevant to the citizens of the Central Valley with an emphasis on innovation and entrepreneurship. **Dr. Tom Jones** of WORx, **Dr. Timothy Stearns**, director of The Lyles Center for Innovation and Entrepreneurship at Fresno State, and **Lee Lockhart**, executive editor of The Fresno Business journal are hosting The Valley Business Roundtable on KMPH 107.5 FM.

F. Valley Entrepreneur Spotlight - The Lyles Center for Innovation and Entrepreneurship, in partnership with KMPH Newsradio, hosts the "Valley Entrepreneur Spotlight". The Spotlight airs every Wednesday between 9:00 and 9:30 am and was created to introduce innovative people, businesses and programs throughout the Valley to discuss the importance of innovation and entrepreneurship.

Initiative# 24: Develop a national reputation for high growth startup businesses.

A. “Fast 50” - An annual measurement of the 50 fastest growing companies in the Central Valley. Would lead to annual awards banquet and recognition for successful entrepreneurs.

- B. \$100K Downtown Business Plan Competition** - Currently in discussions with political and community leaders. The proposal is to have a contest where an empty building is identified in Downtown Fresno to be the launch of a new business. Business plan proposals would be solicited from across the country, and the entrepreneur with the best plan would win \$100,000 provided they launch the business within six months in the building provided by the City.
- C. Valley Angel Network** – Launch a network of local angels who will help fund start up companies in the early stage of development. Angel group will be modeled after angel groups around the nation with potential to link and affiliate with groups outside of the Central Valley to draw more interest and knowledge about startup opportunities in the region.
- D. Venture Capital** – Seek to build a partnership with established venture capital firms and Calpers to bring needed venture capital to the Central Valley.
- E. Central Valley Business Incubator** - Expand services to client firms that focus on high growth and technology applications. Recruit startups from other regions who are seeking state-of-the-art facilities at a lower cost structure with excellent access to resources in California.
- F. Outsourcing Data Bank** – provide a web-based resource for local and non-local companies to gain access to suppliers in the Fresno Region. Small to medium sized companies list their products and services that are available for purchase. Focus will be on firms that reside in the clusters identified by the RJI.

Initiative# 25: Retain and attract 20-29 year old “knowledge workers”.

- A. Launch of College of Innovation at CSU Fresno** – Provide innovative curriculum in a college degree format that will build skills for success in the New Economy. Curriculum will be hands on learning closely linked to the needs of industry clusters identified by the RJI.
- B. On-Line Talent Bank** - Proposed website utilized by college graduates and Fresno County employers. Graduating students attend resume writing workshops and then submit their resumes to be posted and cataloged in a digital data base. Employers will be able to use a browser-based tool to search for prospective employees. Firms seeking to move to the region will have access to knowledge about job pool.

Initiative# 26: Develop collaborative methods for the formulation and implementation of change.

- A. Implement “Community Values” Campaign** – Launch a campaign that promotes the Community Values of the Fresno Region in order to institutionalize the values across sectors.
- B. Workshops** - offer a series of workshops that build on knowledge of change and methods of collaboration. Workshops emphasize methods of creativity, negotiation, collaboration and leadership.

IV. Job Creation Expectations from this Initiative

All clusters will benefit from the above initiatives. The desired transformation necessary to bring about large-scale job creation in the region will depend on a shift in attitude about the qualities and opportunities available in the Valley. The required attitude shift will have to move in the direction of championing and rewarding innovation and entrepreneurship. A region that embraces innovation and entrepreneurship will retain and attract knowledge workers, provide support for change in product and processes, will enhance creativity, and provide for a strong sense of self leading to greater collaboration across the various communities.

- **Healthcare** – A shortage of health care professionals exists across the country. Attracting workers in this field is competitive and a function of the community and its perceived livability. A community that values creativity and innovation will have a strong competitive advantage for the attraction of health care professionals. A community that values creativity and innovation will better retain those members of the community who are trained to participate fully in the health care cluster. Innovative programs in the training of the work force through the proposed VTECH, establishment of a medical school, a biomedical research institute will further support the goals of the Innovation Task Force by growth of a work force in the community that is at the cutting edge of research and the delivery of health care throughout the Valley.
- **Agile Manufacturing** – A shift from mass production manufacturing to agile manufacturing across the country offers opportunities for innovative problem solving. Agile manufacturing, or flexible short to medium run production, is more responsive to customers by solving unique problems with innovative solutions. A workforce prepared to meet the needs of agile manufacturers will require training and support for innovative applications to the manufacturing process. Establishment of a Manufacturing Academy, expansion of the College of Engineering and Computer Sciences, raising standards of performance for manufacturing, building a web support system, and related initiatives will enable collaborative activities to emerge and thus further enhance innovative efforts of the task force.
- **Information Processing** – the creation, management and diffusion of information is vital to innovation. Innovation relies on information flows that collide, inform and disperse at rapid speed. Lacking a system debilitates a

community and undermines innovative efforts. The success of the information processing cluster will achieve the needed flows of information that build a culture of innovation in the community. An Information Processing Academy provides the skills and development of a work force prepared to participate fully in the creation, management and diffusion of information. Linking information processing to service providers and community organizations will serve to enhance information collisions, enable decisions to be informed, and provide for the management of information in a collaborative context. As information processing evolves over the next several decades and moves further into the forefront as a vehicle for innovation, the success of the cluster will directly enhance the formation of an innovative culture in the Central Valley.

- **Construction** – California has a history of long-term growth. The Central Valley has lagged in growth with the coastal parts of the state until recently. We are now experiencing a strong growth in population which is coupled with the need for more products and services from the public and private sectors. Whether home, building, or infrastructure construction, growth is likely to persist. Construction of facilities is more than shelter and an environment for work. It has a strong influence on behavior, methods of work, and ways people engage in problem solving. The creation of a construction cluster will not only solve the most paramount issue – providing jobs to the workforce through training – but also enable the rethinking of how the community is organized spatially, the use of building space and the flow of behaviors that can support innovation across the community.
- **Logistics and Distribution** – Central Valley means location. With access to 1 in 9 Californians in less than six hours by truck, the Central Valley offers national and international companies a cost friendly location for supplying outlets along the coast. Proving to be one of the more innovative and important growth areas in business applications, logistics and distribution systems solve critical problems for business as they attempt to achieve greater customer satisfaction in a cost effective manner. The focus on training a work force in logistics and distribution, at both the high school and college level, will expose the labor force to state of the art applications that will not only improve business performance, but will lead to applications in untraditional sectors of the economy such as not for profits and social services. This has the potential to make the Central Valley a leader in logistics and distribution applications in sectors yet to benefit and thus promote the region as an innovative hub.
- **Tourism** - visitations to interesting and unique locals is embedded in the human experience. Indeed, leisure travel has grown in abundance due to technological advances in transportation and the impact of the baby boom now entering a life stage that promotes the desire to travel. Traditional destinations such as Yosemite, Lake Tahoe, and San Francisco will always be a point of reference for those seeking to vacation. But destination travel is only one aspect of tourism. The trend towards novel and unique experiences is also expanding and the Central Valley can meet the needs of tourists seeking

to venture off the beaten path. However, to attract this segment of the tourism trade, the community will need to change its internal image and more readily identify the various opportunities for tourists that exist in the area. An innovative culture is one method for enhancing the change. And it serves as a desired outcome by those seeking a unique travel experience to visit a community that offers innovative sight seeing and experiential activities that are not available elsewhere. With the growth of tourism will come greater opportunities for the community to expand and diversify its offerings. Which in turn, will attract more tourism.

V. One-Year Implementation Plan

- Publish Fresno 2015 Fall 2003.
- Launch first Innovation Series Fall 2003.
- Complete the Next Generation Index by Spring 2004.
- Launch Story Telling Project Spring 2004.
- Valley Business Roundtable and Entrepreneur Spotlight currently under broadcast.
- Create “Fast 50” Spring 2004.
- \$100K Downtown Business Plan competition finals to be held Fall 2004.
- Launch Valley Angel Network Fall 2003.
- Acquire venture capital funds directed at the Fresno Region by end of 2003.
- Facilitate the recruitment of high growth firms to the Central Valley Business Incubator by establishing contacts with incubators and entrepreneurship groups along the coast of California.
- Obtain funding to revamp the Outsourcing Data Bank to facilitate the industry clusters and expand their growth by end of 2003.
- Launch first set of courses through the College of Innovation Spring 2004.
- Secure funding to build an On-Line Talent Bank Fall 2003 and launch Spring 2004.
- Implement Community Values campaign Fall 2003.
- Offer workshops in change and collaboration Fall 2003.

VI. Principal Resource Requirements

- Fresno 2015: self funded.
- Innovation Series: \$20,000 (\$8000 received to date).
- Next Generation Index: \$125,000 (\$75,000 received to date).
- Story Telling Project: Self-funded.
- Valley Business Roundtable and Entrepreneur Spotlight: Funded by KMPH.
- Fast 50: \$50,000.
- \$100K Downtown Business Plan competition: \$100,000.
- Valley Angel Network: Self-funded.
- Venture Capital: \$10-20 million.

- Recruit high growth firms to Central Valley Business Incubator: funding undetermined.
- Outsourcing Data Bank: \$75,000 (\$25,000 received).
- College of Innovation: Self-funded.
- On-Line Talent Bank: \$75,000.
- Community Values campaign: Self-funded.
- Workshops: Self-funded.

VII. Initiative Champions

- Jerry Geisler, KSEE24
- Susan Anderson, Fresno County
- Dr. Alan Pierrot, Fresno Surgery Center
- Dr. Bob Hill, California State University, Fresno
- Lance Donny, Brightcode
- Mike Dozier, City of Clovis
- Riley Walter, Walter Law Group
- Keith Kelley, Fresno Westside Community Economic Coalition
- Ashley Swearengin, California State University, Fresno
- Deborah Nankivell, Fresno Business Council
- Genelle Taylor, Lyles Center for Innovation and Entrepreneurship
- Ken Newby, Deloitte & Touche
- Garrett Jones, Lyles Center for Innovation and Entrepreneurship
- Ken Blackwell, San Joaquin Valley Black Chamber of Commerce
- Suzanne Bert-Rosa, Bertz-Rosa Design
- Pamela Akin, Fresno Arts Council
- Pamela Hutton, Pamela Hutton and Company
- Dr. Timothy M. Stearns (Chair), California State University, Fresno

Customer Service

Five-Year Plan Highlights:

- ***The Fresno Region develops a national reputation for dedication to customer service, aimed at retaining and attracting employers.***
- ***A Business Customer Service Center and a Central Call Center will be established to help customers navigate local government processes.***
- ***Processes and staff relationships will be redesigned to specifically improve customer service and job creation.***
- ***Cross-jurisdictional cooperation will be a priority and facilitated by efforts such as quarterly meetings, streamlined processes and common flow charts.***
-

I. Introduction

Customer service by local government is a potent tool in the fiercely competitive arena of economic development. As some have put it, *companies go where they are wanted and stay where they are appreciated*. In recognition of this, cities have gone to great lengths to make themselves *friendly* to employers. “Service with a smile” is part of what they strive for, but there is much more. Employers expect regulatory and process clarity, responsive and high- quality services, quick answers, streamlined processes, quick resolution of problems and more. Employers also expect public services that are responsive to the residents they employ in the community. A region that provides high-quality public services to its residents will provide employers with a much richer pool of employment candidates than one that does not.

Cities, metro areas and regions have gone to great lengths to distinguish themselves for their attention to customer service. Throughout the country, cities are creating *Business Customer Service Centers* and *One Stop Call Centers*. It seems that every progressive city wants to be known as the “Nordstrom’s” of the economic development arena. To compete, our region must do the same. We have not distinguished ourselves in the past. Anecdotal information suggests that the Cities of Clovis and Madera have done a better job than the City of Fresno in this regard, but employers and labor markets do not recognize political boundaries. A plant location may be on one side of the political boundary, but many of the plant employees may live on the other side of the boundary. If annexation is required in order to establish a new plant, the prospective employer does not want long delays before the city and county resolve the relevant issues. They don’t have to wait -- they have other options.

Because the regional customer service issues, particularly as related to job creation, are considered most pronounced in the City of Fresno, this report has been written primarily from the perspective of the City of Fresno, but many of the issues and proposed solutions apply equally to the neighboring cities and Fresno County. The findings and recommendations are based on observations made by members of the Customer Service Task Force that were then compared with data obtained through a Fresno Chamber of Commerce survey. The issues identified and the recommendations received through this parallel process were almost identical. The Task Force members are to be commended for the candor of their self-analyses and for the clarity of their recommendations.

While a few of the identified issues may tend to be more a matter of perception than fact, perceptions are reality and must be fixed if they obstruct the achievement of our region's job creation objectives.

It is important to note that customer service is not just a public sector responsibility. The private sector, particularly the Chamber of Commerce and the private sector component of the Economic Development Corporation, have a big role to play in customer service. A distinguishing characteristic of communities that are recognized for superior customer service is that all organizations in the public and private sectors that have reason to interact with existing and potential employers work together to achieve the community's goals.

II. Assessment of Issues and Opportunities

A. Lack of Economic Identity

- The Region has not identified its comparative advantages and has no economic identity that would cause potential employers to look at it as a possible site (by default, the Region's identity is "agriculture" even though only 20% of the workforce is in agriculture).
- Absence of an economic identity has made it difficult for those responsible for job creation to do their jobs ("the emperor has no clothes").
- Instead of focusing on our comparative advantages, we court whoever happens to come along (often an expensive "dating game" of "what will you give me to create jobs for you?").

B. "Risk Avoidance" Culture (Primarily City of Fresno)

- Employees are encouraged to operate "by the book". There is no empowerment to use judgment, no latitude to make exceptions. Employees risk criticism from their bosses, from the City Council and from the press if they deviate from strict policy, and they are not rewarded for exercising judgment.

- Although significant progress has been made in the last couple of years, there are still instances when the City Attorney's office may be more focused on what can't be done than on how to try to get things done while appropriately mitigating risks. Part of this is attributed to staff not knowing how to use legal services (i.e. what to ask and when to ask for it).
- Negotiations with those who are interested in expanding or creating new businesses are too long. The review process sometimes takes longer than project implementation. The common perception is that hold-ups are in the City Attorney's office, but delays often result from inadequate staff work.
- Indemnification clauses are too onerous and insufficiently tailored to the risks of each given situation.
- Risk aversion attributed to the City Attorney's Office is often the responsibility of business managers who do not wish to assume responsibility for risk-taking (sometimes communicated to the external world as "we couldn't get it past the City Attorney's office").

C. Lack of Customer Service as the Top Priority

- Attitudes are more like those that may be found at an uninterested discounter than a "gold standard" service organization (some "civil servant" issues, but mostly lack of management dedication to creating the right attitude).
- There are no incentive/motivation programs to reward employee "customer service orientation".
- Managers are not good role models – serving their "bosses" takes precedence over serving customers.
- Managers and supervisors need better listening skills.
- Customer service is not a part of new employee orientation, which is focused principally on employee benefits and rights.
- Recurrent customer service training is minimal or non-existent.
- E-government is behind the power curve.
- Efforts to make the job creation process easy for employers, including "one-stop" education on how the process works, are minimal.
- The "distinguishing characteristic" of all players in the public and private sector working well together to achieve the community's job creation objectives is missing. The city and county staffs, the RDA, the EDC and the Chamber of Commerce do not come across as a team that works together effectively.
- There is no single point of contact for customers to address regarding their service concerns.
- Contract management skills need significant improvement. Process for tracking project progress, including customer responsibilities, is inadequate.

- Elected officials are more concerned with service needs of their constituents (“squeaky wheel”) than the overall approach to improved customer service.

D. Absence of Agreed Policy and Philosophy for Managing Job Creation in California’s Litigious Environment

- What risk level are we willing to tolerate to achieve our job creation objectives? How many lawsuits are we willing to endure?
- In an open government legal environment, how do we reconcile the need of the City Attorney’s office to disclose risk with the concern by business managers about “laying out the case for those who may wish to sue us”?
- Is prudence in the best interests of the prospective job creator (*e.g. if we cut permitting process from 6 months to 2 months, but risk a lawsuit that delays the project by two years, have we acted in the best interests of the job creator and the city?*)
- To what extent should we allow the job creator to assume risks the City is not willing to take?
- What is “sacred” (*e.g. public safety*)?

E. Fragmented Management Structure (City of Fresno)

- The people in the City staff organization responsible for job creation work for different bosses (planning & development, public works, public utilities, economic development). The Redevelopment Agency (RDA) works for the City Council. The City Attorney works for the City Council. (*Note: The City Attorney, in fact, works for the City of Fresno, but a perception exists among some that the City Attorney is asked to make policy decisions and business judgments instead of just providing legal advice, identifying risks and attempting to mitigate them. This perception needs to be changed: the ultimate risk decision rests, in fact, with the City’s chief administrative officer, the City Manager, subject only to the consent of the Mayor and City Council*). The economic development function reports separately. These departments are all in separate physical locations.
- There is no ombudsman for customer service.
- With this degree of fragmentation, where does accountability lie for job creation? Where does project advocacy reside within this structure?
- Absent some clarity on City Staff accountability, the City Attorney’s office is often made out to be the “bad guy”.

F. Leadership Turnover and Lack of Customer Service Institutionalization

Lack of an institutionalized customer service orientation, coupled with frequent changes of elected officials (and, with that, frequent changes of senior staff positions) is a formula for customer service failure.

G. Dysfunctional Relationships

There is a general lack of trust between agency and department managers often resulting in “finger-pointing”. In an environment in which “the emperor has no clothes”, those responsible for job creation have resorted to making excuses.

H. Cross-Boundary Issues

- **General**

- Excessive turnover in the City of Fresno and Fresno County have caused loss of institutional memory and a loss of relationships. Furthermore, processes are not well documented. Turnover, plus lack of process institutionalization does not make for efficient transactions.
- The City of Fresno has too many “# 1 priorities”. People are overworked, causing too many projects to be delayed, then acted on in crisis mode.
- Too much time is devoted to “leads” that have not been appropriately pre-screened and qualified. Desperate attempts to encourage economic development result in questionable projects being pursued, diluting attention from more legitimate opportunities.
- City managers are stretched too thin. Many do not have qualified “No. 2’s” to whom they can delegate significant responsibilities.
- Decision-making responsibility needs to be pushed down. Presence of senior managers in decision-making meetings adversely affects this objective (subordinates defer to senior managers).

- **Annexation**

- The process is unnecessarily complex for the “customer” and for the staff, partly because processes are not well documented or institutionalized. This results in project delays and senior managers having to intercede too often to resolve problems.
- Problems are compounded when land has to be re-zoned (4 to 5 month delays).
- Fees are too stiff, especially considering the low levels of service and customer responsiveness.

- **CALTRANS**

On the one hand, it is extremely difficult to get reliable cost and schedule information. On the other hand, risk aversion causes positions to be so hedged as to make them useless.

- **Department of Conservation**

The Williamson Act was put in place to try to preserve agricultural land around urban areas. Cities annex land consistent with the Cities' and County's General Plan to accommodate the need for land to create jobs and supply housing to a growing population. When agencies (cities and the County) give notice to the State Department of Conservation that they have received a request to take land out of the Williamson Act, a review process ensues that is often lengthy and discouraging to prospective investors. Rather than approach this on a case-by-case basis, with unpredictable outcomes and lengthy delays, the issue might best be approached by educating the Department of Conservation on the growth plans of the cities and the County, and the pressing need of our region to have an expedited process to facilitate job creation.

III. Recommended Action Plan

Initiative #27: Develop a national reputation for dedication to customer service aimed at retaining and attracting employers.

The recommendations that follow are designed to institutionalize a commitment to customer service and job creation for the Region that is impervious to the turnover in leadership (and staff) that is inherent in our political process. Some of the recommendations that follow are regional in nature, while others more specifically address the City of Fresno.

A. Make Customer Service a central part of the vision and mission of the governance organizations in the region.

This has to begin with the top elected officials and the top administrative officers. They must all coalesce behind a single vision and mission, and they must role model the desired behavior. (Apply the "slot machine theory of values" -- you only win when what you say aligns with what you do). Specific recommended actions include:

- Promote the Vision and Mission through every available means:
 - City & County publications
 - City & County websites
 - Economic development publications
 - Empowerment Zone publications
 - RDA publications
 - EDC Publications
 - Chamber of Commerce publications
 - Selection criteria for new employees
 - Orientation meetings for new employees
 - Candidate meetings
 - New elected official orientation meetings

- Change the nomenclature to make the point, e.g., from “employees” to “team members”.
- Design “team member” recognition and reward systems for customer service. Some of these should be focused on individuals, while others should be focused on teams.
- Every City & County department should have “customer service” among its Balanced Scorecard measures.
- While the responsibility for customer service belongs to all, a senior manager reporting to the top administrative officer in each jurisdiction needs to be assigned the responsibility and accountability for designing the customer service process throughout city governance, monitoring performance, reporting progress and fixing whatever needs fixing. And these senior managers in the different jurisdictions should interact with each other on a regular basis to ensure full cooperation is support of our regional customer service objectives.

B. Trumpet job creation as the Region’s top priority.

- While public safety, education and public health (including air quality and water quality) are also top priorities, they are all highly dependent on job creation and economic vitality. The correlation between violent crime and unemployment has been amply demonstrated. Workforce development needs should be a major driver of priorities for our education community. And resources to address our public health issues are dependent on a healthy economy.
- The establishment of job creation as the region’s top priority has to begin with agreement between the elected officials in our region. It is imperative that there be alignment behind a regional strategic plan that clearly defines top priorities. This plan should be developed by December 31, 2003 and be updated annually prior to the beginning of the budget process so as to serve as guidance to the budgets for the County and the Cities.
- The strategic planning process should address philosophical and procedural questions regarding the degree of legal risk that City and County organizations will tolerate in order to achieve job creation objectives.
- The Region’s top priorities should be posted on the Web Sites of the County and the Cities and as many locations as possible, including Council Chambers.
- Use the Fresno RJI process to define and communicate a clear and exciting “employment identity” for the Greater Fresno region.

C. Organize the City of Fresno staff consistent with the mission of customer service and the priority of job creation – “Start Backwards”.

- If the mission is customer service, and the priority is job creation, what is the optimal organization structure?
- The City needs a “Customer Service Czar” and a “Job Creation Czar”. These two roles can be filled by one person, or by two people who are “joined at the hip.”
- Encourage decision-making at the lowest possible level in the organization (requires clarity of vision, mission and priorities).
- Develop strong “No. 2’s” in all departments, who can be confidently assigned trouble-shooting roles, thereby freeing their managers for planning and proactive initiatives.
- Ensure that everyone clearly understands his or her role. Particularly with regard to risk-taking ensure that:
 - Council members and the Mayor understand their role for policy setting with regard to risk tolerance and that they have developed broad consensus on the issue as it applies to job creation.
 - City Attorneys understand their role for legal guidance and risk mitigation in support of the City’s vision, mission and priorities.
 - City managers understand their responsibility for risk decisions in the context of the policy agreed to by the City Council and Mayor.
- On major projects, involve the City Attorney’s office early as a team member in the effort to achieve the City’s objectives.
- Structure the organization so that all major projects are managed by closely connected, interdepartmental and interagency team members.
- Maximize physical co-location of all the key departments involved in job creation and customer service.

D. Implement a citywide customer service training program in the City of Fresno with emphasis on all aspects of job creation.

- Provide the training to all those who have reason to interact with the City’s “customers” -- and to all those who need to support those who interact with “customers” (that should cover just about everyone!).
- Implement recurrent specialized training programs on “project management” and “contract management” to increase skill levels in managing these important processes to optimize customer satisfaction.
- Institutionalize problem reporting and logging. Log analysis will point to areas that need attention.
- Consider implementation of this training program also in the City of Clovis and Fresno County as appropriate.

E. Make it easy for the City’s “customers” to do business with the City of Fresno.

- Create a Business Customer Service Center (see City of Phoenix model at www.phoenix.gov) to serve as customer consultants to assist customers in navigating the city development process; provide fee estimates, plan review time frames, steps necessary for city approvals and permits; and assistance with problems.
- Create a central call center to make it easy for “customers” to find the right office/person to talk to about their interest or problem (e.g. elected officials’ offices should not be the City’s call center). Train call center personnel to remain in contact with the caller until the issue has been addressed. Note: The above items could be consolidated into one entity.
- Design and communicate easy to follow process flow charts (helpful to “customers” as well city staff).
- Develop list of Frequently Asked Questions (FAQ’s). Communicate them on the web site, and update them on a regular basis.
- Create legal documents (e.g. indemnification clauses) that can be quickly and easily tailored to suit varying project risk profiles and circumstances.
- On major/important projects, assign a “Project Champion” from among City staff to be the internal project advocate.
- Streamline and continually evaluate all important processes.
- Aggressively implement e-government.
- Install a “request for service” capability on the City’s web site (closely linked to the e-government initiative but not the same thing).

F. Re-design processes and staff relationships between the Cities and the County around customer service and job creation.

- Design and communicate easy to follow flow charts for processes that cut across political boundaries (e.g. annexation).
- Develop lists of Frequently Asked Questions (FAQ’s) for processes that cut across political boundaries.
- Schedule regular cross-boundary staff meetings (quarterly) to build and maintain relationships. Updating of process flow charts and FAQ’s would be excellent topics for these meetings.
- Put together regional teams to aggressively address issues that adversely affect customer service (see above examples for CALTRANS and Department of Conservation).

G. Put in place a process to ensure a team approach between all public and private organizations involved in job creation and job preservation.

In the public sector this should include, as a minimum, the economic development department, planning department and redevelopment agencies in the cities of Fresno and Clovis and Fresno County and Madera

Counties as well as the Workforce Investment Board. In the private sector, the Chamber of Commerce and the Fresno Business Council should participate. The Economic Development Corporation should, of course, be included as well.

H. Hire an experienced change process consultant in the City of Fresno to help implement the above recommendations.

What is being proposed in the above recommendations is a major cultural transformation. It will not take place unless the City commits the necessary time and resources to the process, led by someone with significant and successful experience in organizational change. The payback from this investment will be in three forms: (i) increased “customer” satisfaction; (ii) increased organizational effectiveness and efficiency; and (iii) increased job creation, with resultant beneficial impact on the local economy. An expected byproduct from improved customer satisfaction, effectiveness and job creation includes increased teamwork and collegiality at the leadership and political levels.

I. Give the RJI Implementation Task Force responsibility for monitoring progress and ensuring continued commitment to these recommendations through political transitions.

This role will be performed by the Customer Service component of the RJE Implementation Task Force.

IV. Job Creation Expectations from this Initiative

All clusters will benefit from this initiative. The issue of poor customer service was raised in all industry focus group discussions and confirmed via the survey conducted by the Greater Fresno Chamber of Commerce.

V. One-Year Implementation Plan

- Implement the proposed City of Fresno re-organization by November 1, 2003.
- Develop a regional strategic plan by December 31, 2003.
- Issue City of Fresno RFP’s for cultural transformation consulting and customer service training by January 31, 2004.
- Issue City of Fresno RFP’s for a Business Customer Service Center and/or a Central Call Center by March 31, 2004.
- Initiate quarterly cross-boundary meetings involving the County and the Cities in the first quarter of 2004.
- Establish a Customer Service Task Force within the RJI Implementation Task Force by December 31, 2003.

VI. Principal Resource Requirements

- City of Fresno customer service “culture change” consultant: two years at \$180,000/year = \$360,000.
- City of Fresno customer service organization-wide training: two years at \$300,000/ year = \$600,000 (\$150,000/year after second year for on-going training)
- City of Fresno One-Stop Customer Service Call Center installation: \$150,000 (\$100,000/year operating expense after installation completed).

VII. Initiative Champions

- Kathy Bray, Greater Fresno Area Chamber of Commerce
- Jerry Duncan, City of Fresno
- Dan Fitzpatrick, Fresno Redevelopment Agency
- Carolina Jimenez-Hogg, County of Fresno
- Tim Lynch, City of Fresno
- Kathy Millison, City of Clovis
- Andy Souza, City of Fresno
- David Spaur, Economic Development Corporation Serving Fresno County
- John Stewart, Pearson Realty
- Others to be determined

Communications

Five-Year Plan Highlights:

- ***The competitiveness of targeted industry clusters is improved in the Fresno Region by facilitating communication within and across industry boundaries.***
- ***The Fresno Region establishes a new economic identity by promoting the genuine and compelling economic advantages it offers to targeted industry clusters.***
- ***The image of the Fresno Region is improved by making progress on key social and economic indicators and celebrating that success.***
- ***Fresno Area residents are better connected to the arts, cultural, and tourist amenities in the region through web-based community portal.***

I. Introduction

Although we live in the intense technology age with access to infinite volumes of information from multiple sources, the Fresno Region still experiences communication barriers that affect its ability to fully realize its economic potential. The Fresno Regional Jobs Initiative Communications Task Force was convened to examine those communication barriers and develop the necessary plans to overcome them. Our work was divided between both internal (i.e. within the Fresno Region) and external communication issues.

II. Assessment of Issues and Opportunities

A. Internal Communication Issues and Opportunities

- ***Improving Communication within the Region is the Priority*** - Contrary to conventional wisdom, the Fresno Region's greatest and most immediate communication challenges are internal. Despite the frequent expression by area leaders that the Fresno/Clovis Metropolitan is a "big city with a small town feel", the Communications Task Force encountered numerous examples of communication gaps and fragmentation in the private, public and civic sectors.
- ***Unawareness of the Impact of Unemployment on Overall Quality of Life of the Region*** - When it comes to the Region's chronically poor economic and social conditions, there seems to be a sense of complacency among the general public to address those issues, which is most likely caused by unawareness of how unemployment and poverty impact the overall

economy and quality of life for all residents in the region, not just the un- and underemployed. The complacency is likely further explained as a sense of hopelessness and inability to truly improve the social and economic conditions that have persisted in the Region for close to thirty years.

- ***Communication Gap Between Area Employers and Workforce*** - A substantial communications gap exists between area employers and the labor force, particularly high school and college students. Employers frequently expressed frustration in RJI industry focus groups over students' lack of awareness of career and wage opportunities offered by their respective industries. Conversely, students complain about the lack of career advancement opportunities in the Fresno Region and assume they will eventually have to leave the marketplace to find good paying and meaningful jobs.
- ***Communication Gap within Industry Segments*** - Within each industry cluster evaluated through the RJI process, we encountered significant communication gaps. For example, area businesses are unaware of the capacity of local suppliers and frequently spend more money to purchase products and services from outside the Region reducing their overall competitiveness. Businesses are also unaware of many of the public resources and incentives available to improve their competitiveness.
- ***Communication Gap between Industry Segments*** - Not only is there a lack of communication and information sharing *within* each cluster, but also *across* all the clusters in the Region evaluated by the RJI process. For example, the advanced logistics and distribution cluster indicated that area manufacturers are frequently unaware of their ability to move supplies and products in and out of the Region. Many area manufacturers are not taking full advantage of the logistics and distribution resources in the Region and are forfeiting potential cost savings and improved speeds to market.
- ***Poor Communication between the Public and Private Sectors*** - The public and private sectors have a history of ineffective communication in the Region (see issues raised in the Customer Service Task Force section of this report). The multi-jurisdictional e-government initiative being led by the County of Fresno represents a tremendous opportunity to improve communication between the public and private sectors.
- ***Local "Amenities" Communication Gap*** - Fresno Area residents are frequently unaware of the "amenities" offered in the region, particularly the arts, cultural and local "tourist" attractions.

B. External Communication Issues and Opportunities

- ***Lack of an "Economic Identity"*** – As identified in the Customer Service Task Force section of this report, there is a lack of an economic identity in Central California and the Fresno Region. Although the area is known for dominance in production agriculture, other industries in which we

specialize and offer comparative advantage are virtually unknown to external audiences.

- **Poor Customer Service** – There is a clear connection between the customer service issues identified in this report and Fresno’s often negative, external image.
- **The “Central California Advantage”** – Clear and compelling economic advantages to operating in Central California (beyond “cheap land” and government incentives) were identified by industry leaders in all the industry clusters evaluated through the RJI process. An opportunity exists to promote those advantages to other industry leaders throughout the United States.
- **Improving the Overall Regional Image Among External Audiences** – There was general consensus among participants in the RJI planning process that the Fresno Region seems to be making genuine progress in addressing some of its long-term issues. As such progress is made and specific social and economic indicators are improved, a tremendous opportunity exists to celebrate and promote the progress to internal and external audiences. Those “progress reports” would form the basis for a compelling, external image campaign.

III. Recommended Action Plan

A. Internal Communications

Initiative # 28. Develop and execute a comprehensive communications plan specifically for the Fresno Regional Jobs Initiative.

The Fresno Regional Jobs Initiative represents the most comprehensive economic development strategy initiated in the region in several decades. To fully leverage the activities of the Regional Jobs Initiative, regular reporting mechanisms need to be established to solicit the public’s involvement, to promote progress, and to provide accountability for setbacks. Such reporting mechanisms would likely involve communication through area media, progress reports through newsletters and web sites, regular meetings of an RJI community advisory council, and annual, public events similar to the September 2003 Jobs Summit.

Initiative #29. Create a clearinghouse for industry specific information tools to facilitate intra- and inter-industry communication.

Virtually all of the industry clusters being developed by the RJI process have identified a need to better catalog their local capacity and the local resources available to help improve their competitiveness (i.e. workforce training programs, job banks, infrastructure databases, etc.). A web-based clearinghouse should be developed that pulls all the industry resources

together in one location to facilitate industry communication and to help establish Fresno's diverse economic identity.

Initiative # 30. Develop and promote a web-based community portal that better connects area non-profit, civic, arts and cultural organizations to Fresno Region residents.

Work with local tourism promotion entities, arts and cultural organizations, and other major stakeholders to create and maintain a complete online guide to the greater Fresno/Clovis area for both residents and travelers. Currently the region does not have a comprehensive guide to entertainment venues, museums, restaurants, and other cultural activities. Advancements in technology have begun to connect individuals in new ways through the Web via computers, personal digital assistants (PDAs), and Web-enabled phones. Leverage the technology available while addressing the market need to create an online community portal for users to find information about the local events and revues. Depending on research and user feedback this site may also incorporate a bulletin board, phone book and maps.

B. External Communications

Initiative # 31. Support the Economic Development Corporation Serving Fresno County in developing collateral material and industry recruitment campaign that promotes the unique "buying propositions" offered by Central California for each industry cluster. Target the campaign towards industry-specific site selectors and industry trade associations and publications.

Initiative # 32. As RJI and other social and economic indicators are improved in the Fresno Region, conduct a focused public relations campaign targeting external audiences.

IV. Job Creation Expectations

The above initiatives will support the overall job creation expectations of the Regional Jobs Initiative.

V. One-Year Implementation Plan

- Circulate the draft action plan to additional communications experts for further input by October, 31, 2003 – RJI Leadership Group.
- Establish an ongoing communications task force to guide and oversee the various RJI communication-related projects by November 30, 2003 – RJI Leadership Group.
- Finalize the RJI 5-year communications plan by November 30, 2003 – RJI Leadership Group.

- Secure funding for the comprehensive communications clearinghouse for RJI industry clusters by July 1st, 2004. Develop the communications clearinghouse December 31, 2004 – RJI Communications Leadership Group.
- Secure funding for the industry recruitment campaign by July 1st, 2004 – RJI Leadership Group.
- Launch the industry recruitment campaign by October 1st, 2004 – Economic Development Corporation Serving Fresno County with support from RJI Leadership Group and Industry Clusters.
- Recruit a community collaborative to develop the community portal by January 31, 2004. Develop specifications for the portal by March 31, 2004. Secure funds to develop the portal by July 1, 2004. Launch the portal by September 1, 2004 – RJI Communications Leadership Group.

VI. Principal Resource Requirements

Operating capital is the primary resource requirement for the above activities:

- Comprehensive communication clearinghouse for Fresno Region industries (web-based) –\$25,000 (in addition to costs related to communication initiatives described in industry action plans);
- Industry recruitment campaign – approximately \$75,000
- Community portal – approximately \$50,000 plus in-kind donations (does not include ongoing operations)

VII. Initiative Champions

- Mark Astone, CEO, Panagraph
- Suzanne Bertz-Rosa, Bertz-Rosa Design
- Jocelyn Fuller, Economic Development Corporation Serving Fresno County
- Jerry Giesler, KSEE TV
- Lee Lockhart, The Business Journal
- Ashley Swearengin, Office of Community and Economic Development, Fresno State
- Others to be determined

I. Introduction

It is not hard to understand why our Region has found it difficult to overcome its 25-year history of double-digit unemployment. The task gets harder every year as the ranks of the unemployed get larger. Adding 30,000 net new jobs is the equivalent of adding three new jobs for every man, woman and child in the City of Kerman or the City of Kingsburg. It is a daunting challenge. There is no silver bullet. As this report points out, fixing the problem requires a massive commitment, dozens of coordinated actions; and it cannot be done without significant resources.

In time, the new jobs that are generated will create a positive upward spiral, increasing the size of our economy, freeing up resources now committed to public safety and social services that can be invested to create yet more and better jobs. But the process has to be jump-started, and that requires investment resources.

Fortunately, many of those resources are already available to us. For example, we already spend a great deal of money on workforce readiness and skill training. What we need to do is bring laser-like focus to those resources to make them work more effectively for us. But new resources will also be required. To say that economic development in Fresno has been inadequately funded is an understatement. The problem lies not only with the public sector, but also with the private sector, which has not had a history of significant and sustained capital investment in our community.

If we are to be successful, the private sector and all of the political entities in the Fresno Region must participate in a multi-path approach to secure those resources.

- The private sector must significantly step up its capacity for generation of investment capital to support new or expanding business ventures and securing and holding property for timely business and industrial utilization.
- The public sector must find creative approaches to obtain greater government efficiencies, thereby freeing up resources for badly needed investments, and to unlock asset values that can be invested to produce better returns for our citizens.
- We must make a united and concerted effort to make the case to our elected officials in Sacramento and in Washington that our chronic unemployment trend must be broken; that just as Appalachia was viewed as an intolerable condition worthy of the attention and resources of State and Federal government, so must our Region be embraced for special assistance; that we

will do our part, but that we cannot get it done without a helping hand from our state and national governments.

- We must join with others to persuade our state government that municipal governments deserve a larger share of the taxes that are collected. For example, California municipalities receive only one cent of the 7.85 cents in sales taxes paid by our residents – the state government keeps the rest. An additional ½ cent coming to local governments would make a huge difference in our ability to invest in our future.
- We must aggressively seek out risk capital and structure creative public-private partnerships that will attract private investment to the Region.
- And we must persuade our local elected officials, and ultimately our voters, that if the preceding sources are insufficient, we should raise new revenues to invest in our future. The qualifier in the last sentence is worth repeating: “if the preceding sources are insufficient”. Every effort should be made to avoid adding tax, fee or debt burdens to our citizens, but “if the preceding sources are insufficient”, the citizens of our community must be offered a choice: should we continue to accept the status quo, leaving our chronic unemployment for our children and grandchildren to try to solve, or are we willing to step up to the plate and take responsibility now? The taxpayers in the City of Fresno, for example, may need to decide if they want to continue to pay aggregate per capita municipal fees and taxes at a level 25% below that of our peer cities in California, as is the case today, or invest a portion of that benefit to solve our unemployment problem.

This multi-front approach must be pursued in parallel. It should not be pursued sequentially. For example, given the fiscal condition of our state, it would be imprudent for our region to wait until our state government decides to change its revenue-sharing practices with municipalities. That is not to say that we should not pursue such a change aggressively – only that we should pursue all our other options concurrently. Patience, in this instance, is not a virtue.

II. Resource Requirements

The discussion that follows is intended to give the reader a rough idea of the magnitude of investment required to implement the Regional Jobs Initiative. The numbers shown in the following paragraphs and in the summary chart in section IV require considerable additional analysis that can only be performed as each project is analyzed in detail. Our purpose here is to inform the reader that a preliminary analysis has been performed, both as to the resource requirements and the possible source of those resources.

A. Physical Infrastructure

Most of the jobs generated by this initiative will not require major new investments in infrastructure. Tourism, construction, information processing and even health care jobs will, for the most part, use already developed areas. The significant physical infrastructure requirements will be primarily in connection with the 4400 direct jobs expected to be generated in manufacturing and logistics and distribution. Accommodation of this number of jobs could likely be accomplished in 300 to 500 acres. However, since it is impossible to predict with certainty which industrial parks will best suit employers, this plan assumes that a total of 1,000 acres will be made ready for end users. On this basis, it is roughly estimated that the five-year physical infrastructure costs required to allow the economic expansion projected by this initiative will be in the range of \$97 to \$117 million. Most of this capital can be obtained through various available financing mechanisms, and much of it is recoverable through capital improvement and user fees.

What is important is for the public sector to provide the seed capital necessary to make our region attractive to private investors. As pointed out in the Physical Infrastructure section of this report, the City of Fresno, in particular, lacks the choice of industrial and business parks available in many other communities that compete with us for private sector investment. It is particularly important that we have sites near the major highway and airport in Fresno where the City's General Plan projects major business, commercial and industrial development. To successfully market and develop these sites will require investment to control developable land and to make basic infrastructure improvements.

These two investments must be made in tandem. Investing in infrastructure without land control simply adds to the subsequent cost of land acquisition. Investment in control of land for which we have no infrastructure resources is also counterproductive. The seed capital required for these investments is estimated at 20% of the total capital requirement, approximately \$19 to \$23 million.

B. Technology Infrastructure

One area where Fresno has surprising strength is the existence of a solid technology infrastructure capable of meeting or quickly being improved to allow state of the art technology infrastructure. Several of the job clusters depend on this availability, and certainly improvements will be required. But with the current medical, governmental, educational, commercial and manufacturing Fresno area operations, and some modest competition from the broadband providers, Fresno is well positioned to be a first class city for new technology applications.

One of the areas where the Regional Jobs Initiative can benefit from the current state of technology, and the tremendous need for new job training efforts, is in providing a virtual job training campus environment at much lower overall costs. Some new public investments will be needed, probably on the order of \$2 to \$3 million to take advantage of existing facilities and programs in the most efficient manner. In addition, the Technology Infrastructure Task Force recommends the investigation of the feasibility of a Metropolitan Area Network. Although much of the analysis could be done by in-house experts and volunteer information technology executives serving on the RJI Tech Infrastructure Task Force, there may be a need for outside consulting and engineering services, which is estimated to cost \$200,000.

C. Workforce Readiness & Development

Most of the resources required to train our workforce are already available in our community through the K-12 and higher education community, the publicly funded workforce development system, and a number of private sector vocational education institutions. What is required is a public-private partnership to focus training and education resources on the high-growth job clusters identified by the RJI. Housing the Central California Workforce Development Center described elsewhere in this report, including a model training facility that can be emulated by other training organizations in the Region, will require a 24,000 to 36,000 sq. ft. facility estimated to cost \$4 to \$6 million including equipment and furnishings.

D. Customer Service

Improving customer service, particularly in the City of Fresno, is critical to the success of this Initiative. All the other investments proposed in this report will be undermined if our community does not materially improve its approach to attracting new employers and keeping those that are here now. This will require an intensive two-year investment to drive culture change and impart new customer service skills across the breadth and depth of the City of Fresno organization. Such change cannot be implemented without the help of specialized professionals. It is estimated that this training and re-organization effort will cost approximately \$480,000 per year for each of the first two years and \$150,000 per year for ongoing training thereafter. Additionally, the recommended One-call center will cost \$150,000 to install and \$100,000 per year to operate.

Another element of critical importance to improving local governments' customer service is the Central California Regional E-Government Portal, a collaborative development led by the County of Fresno and including the Cities of Fresno and Clovis and other municipalities. The Central California Regional e-Government Initiative will use the power of the Internet to make a wide range of local government services and information easily and instantly

available to all residents of the Region initially defined as that area in and around Fresno County. Through the deployment of a common Geo-based web portal to County, City, and Special District services and information, the constituents and user base will not be required to determine agency of jurisdiction or political sub-divisions or boundaries to request services over the Internet. The “Smart” portal will point the requestor to the correct jurisdiction, based on the requestors address and service required. Examples of services to be made available include Health and Human Service requests, Employment and Employment Training, Licenses and Permits. Electronic payments of taxes, utility bills, and child support will be an initial function of the Portal software. With scores of applications in the queue, a uniform Building Permit Processing System is planned as the initial application with the goal to adopt one permitting system for the County and Cities within the Region. Costs for the initial infrastructure “Portal” software including e-Payments is estimated to be \$1,400,000 over five years. The permitting system is expected to cost an additional \$600,000 over five years for a total of \$2,000,000. \$380,000 in grant funds from the San Joaquin Valley Air Pollution Control District have already been raised toward the \$2,000,000 project.

E. Livability

All target clusters reported that the lack of affordable air-travel was an impediment to growth. It is clearly an obstacle for the logistics and distribution cluster, but it is also a disadvantage in terms of attracting talented managers, doctors, engineers and other skilled personnel to the area. Additionally, it is a constraining element in terms of attracting tourism to the Region. Attraction of a low-fare airline will likely require the posting of a guarantee for the first year of operation. It is estimated that the cost of such a guarantee will be \$1 million. The Fresno Yosemite International Airport is looking to the Secretary of Transportation’s “Small Community Air Service Grant” program to aid in this effort. The Livability Task Force also recommends the development and publication of an annual community “report card” that would systematically report out on progress and setbacks experienced in the execution of the RJJ five year plan and the overall improvement of the quality of life in the Region. Developing the indicator report would require approximately \$150,000 in development costs and an estimated \$75,000 annually in ongoing expenses. Finally, the Livability Task Force Action Plan calls for the establishment of a Regional Transportation Authority and estimates a one-time cost of \$150,000 for consulting and planning fees associated with the establishment of the Authority.

F. Communications

Improving the effectiveness of communication within the Fresno Region among and across target industry clusters, between employers and

education/workforce development systems, between local governments and end user constituents, and across arts and cultural communities will yield significant boosts in industry competitiveness, economic vitality and overall quality of life. In addition, executing an industry recruitment campaign based on Central California's advantage for each target industry cluster will prove effective in attracting additional jobs to the Region. Finally, as progress is made to improve the Fresno Region's social and economic indicators, a national, focused public relations campaign will result in improved image and additional economic vitality. The one-time cost associated with the above activities is estimated at \$300,000. Ongoing execution of these initiatives is estimated at \$150,000 per year.

G. Innovation Task Force

The RJI Innovation Task Force, working in close partnership with the Lyles Center for Innovation and Entrepreneurship, have developed a number of initiatives geared towards improving support for and raising the visibility of innovation in the Fresno Region. The Task Force reports a need for approximately \$337,000 in seed funds to launch the various initiatives. The most likely source of funds to cover those expenses is through grants and corporate sponsorships. The Task Force also underscores the importance of establishing a venture capital fund in the Region, which would require \$10 to \$20 million in private and/or public funds (such as the CalPers investment funds).

H. Cluster Staffing

While the clusters will be staffed and directed primarily by volunteers from industry, continuity of the cluster efforts will require some minimum staff. The recommendation is that three cluster directors and two assistants be hired to staff the seven targeted clusters. The annual budget is estimated at \$480,000.

I. Health Services Cluster

The Health Services Cluster has identified two significant areas of opportunity: (1) the establishment of the Valley Education and Training Consortium for Healthcare, and (2) the development of a graduate medical school and corresponding biomedical research institute. These initiatives represent significant potential to reshape the economic landscape of the Greater Fresno Area and the region as a whole. To further investigate these opportunities, estimated one time costs are \$150,000, which includes \$100,000 for the launch of VTECH pilot training courses and \$50,000 for staffing and development of plans for the medical school/biomedical research institute. If the VTECH initiative proves possible within the first year, estimated annual operating costs for the subsequent four years are

approximately \$350,000 per year. If the medical school/biomedical research institute initiative proves feasible in the first year, additional operating costs of approximately \$400,000 per year for core expenses are anticipated in years 2 through 5. Finally, should local industry and training providers pursue a VTECH facility, estimated brick and mortar costs are \$40 million

J. Tourism Cluster

Achievement of the significant potential of the Central California tourism industry will require a focused approach unlike any we have had historically. The recommended Tourism Authority will require staff and promotional funding estimated at \$1,250,000 per year. Successful models for managing and financing these promotional efforts should be considered in order to develop a sustainable effort that works for this region.

III. Principal Sources of Funds

A. Private Sector

Most of the resources required to achieve the goals of this initiative will come from the private sector: entrepreneurs, corporations, developers and investors. It is the responsibility of the public sector to create an attractive environment for risk capital to want to come to our region, or stay and grow in our region, but the vast majority of the capital must come from the private sector. As previously stated, our region has not historically had a well-invested private sector. We have not had a pool of intermediate to long-term risk capital for start-up and/or expanding businesses, for support of new goods and services, or for investment in land/buildings for future growth and development. This initiative, representing as it does the shared commitment of our community to re-invent itself in a more progressive image, should help attract new private sector investment. One of the initiatives of the RJI will be to promote the concept of a *Industrial Development Investment Group*. Another initiative will promote the concept of a *Fresno Venture Capital Investment Fund*.

In the final analysis, the decisions on where risk capital goes are an Adam Smith issue. Our region must offer inducements to private sector investors that are competitive with those offered by other locations. What is important is that we leverage the cost of those inducements to the greatest extent possible, giving our taxpayers the highest possible return on the investment of their tax dollars.

B. Local Government

- **Government Efficiencies**

Every effort must be made by local government to seek efficiencies that will free up general funds for investment in economic development. A good example in the City of Fresno is the recent outsourcing of the Convention Center operations. The annual savings of approximately \$1 million will be partially used to refurbish the 37-year old Selland arena; the balance should be invested in job creation. All local governments in the Region should aggressively pursue other similar opportunities.

- **Unlocking Asset Values**

One potential source of funds comes from taking advantage of current interest rates to re-finance community assets. The City of Fresno is exploring one such opportunity, involving a sale-leaseback arrangement, which has the potential to free up \$10 to \$20 million dollars for investment in job creation. Similar opportunities should be explored for other public assets in the region.

- **Reserve Fund**

The need for economic development funding is most pronounced in the City of Fresno, which needs significant investment to implement policies of it's recently adopted General Plan, create an inventory of market-ready industrial and business parks, and achieve its job-creation objectives in the downtown area.

The RJI proposes establishment of a reserve fund to be funded from one-time sources of revenue. Expenditures would be strictly limited to investment in job creation infrastructure with a high job-to-investment ratio. Specifically, funds must be directed to infrastructure development and appropriate land acquisition activities in:

1. Industrial areas as designated by the City's General Plan: and
2. Job-generating investments in support of continued growth in downtown Fresno, including downtown market-rate infill housing.

C. Federal Government

We seek support from the Congress and the President for the proposition that areas of chronic double-digit unemployment should receive priority consideration for Federal funds and programs designed to promote economic development, employee development and job growth. This should include the ability to request and receive waivers of rules and regulations that may dampen job creation and economic growth until unemployment is reduced to the mean of the State.

One proposed strategy is to organize critical components of the Regional Jobs Initiative into a Special Demonstration Project and seek special appropriations and grants to fund the project. That document could also be used to seek special legislation and funding under existing programs to finance this extraordinary community wide effort. One approach would be to seek support for the Health Care Cluster through a Health and Human Services HHS legislative vehicle; Tourism through a Department of Commerce legislative vehicle; retraining unemployed and displaced agricultural workers for any of our job clusters through United States Department of Agriculture legislation; etc. Similar effort could be made in Sacramento with state agencies. An illustrative executive summary of such a demonstration project is attached in the Appendices.

We further propose that the President designate a full-time Federal Project Coordinator for the Central California Unemployment Reduction Emergency Demonstration Project to bring all Federal support agencies, from Agriculture to Defense to Homeland Security to Commerce to Health and Human Services to Transportation to Labor together in a concerted effort to make this initiative a success. This designation would be consistent with Executive Order #13173 implemented by President Bush Feb. 5, 2002 creating the “Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley”, and could be the same person if that approach was determined to be the most efficient way to achieve results. Consistent with our belief that it is as important to better use existing resources as it is to find new resources, we believe a designated Coordinator will demonstrate the strong national commitment to bringing to bear those programs that will benefit Central California in its determined effort to finally break the back of double-digit unemployment.

D. State Government

We seek support from the Legislature and the Governor for the proposition that areas of chronic double-digit unemployment should receive priority consideration for State funds and programs designed to promote economic development, employee development and job growth. This should include the ability to request and receive waivers of rules and regulations that may dampen job creation and economic growth until unemployment is reduced to the mean of the State.

Despite the dire financial condition of our state government, funding is included in the state budget for job creation and workforce development. The question we must raise is whether those communities in greatest need are getting their fair share of this funding. No metropolitan area in California is more deserving of assistance than the Fresno- Madera metro area. We have by far the highest rate of unemployment among metro areas larger than 100,000. We have a massive burden of re-training agricultural farm workers, more than

20,000 of whom have been displaced from their jobs in Fresno County in just the last five years.

Consistent with the call for a Federal Demonstration Project Coordinator of all programs that may be of benefit to the Regional Jobs Initiative, we call for the designation of a State of California Demonstration Project Coordinator to do the same thing at the State level. It makes no sense to continue a situation where the Federal Government is more responsive to the concerns and needs of Central California than our own State Government. Since many Federal programs are State administered, it will be essential that discussions of waivers and combining programs be made with representatives of both the Federal and State government empowered to make such a decision, or given the authority to go outside of channels to those who are empowered to make such a decision. These efforts must be coordinated at the local, State and Federal level if the Demonstration Project is to succeed in a timely fashion.

In addition to Federal waivers discussed above, we will also need California's assistance for regulatory and administrative rule relief as well as to waive funding constraints that adversely affect the achievement of our job creation objectives. For example, the Fresno County Workforce Investment Board is currently constrained from spending any portion of their funding allocation on brick and mortar. If a case can be made that investment in a "model" training facility will help the workforce training objectives of our region, a waiver should be requested from our State authorities.

The Workforce Investment Board has also suggested the goals of the Regional Jobs Initiative could be met much faster with a State of California waiver on employer size in order to tap Rapid Response funding since this region traditionally has much smaller employers. We also believe the National Emergency Grant funds at the discretion of the Secretary of Labor should be combined with the Rapid Response waiver to deal with the unique situation in Central California. In addition, special efforts to kick-start the Regional Jobs Initiative Clusters with material resources from various Federal agencies, coordinated by the Department of Labor, would help insure success in this effort.

E. Municipal Revenues

As stated earlier, if the preceding funding sources are insufficient to meet the job creation objectives of this initiative, consideration should be given by local elected officials to raising additional revenues locally. The various alternative vehicles for raising such revenues are described in the Appendices. They include general obligation bonds; citywide assessment districts; new or increased fees; utility taxes; capping general fund expenditures for public safety and instead supplementing those expenditures with a public safety sales tax; and Measure C taxes.

IV. Major Initiatives:

Initiative #33: Develop a Regional Strategy For Funding Economic Development. This is particularly applicable to the City of Fresno, where most of the major infrastructure development needs to take place in order to make the city attractive to prospective employers. It is estimated that a minimum of \$10 million per year will be needed from the City of Fresno/RDA to help finance the city's physical and technology infrastructure requirements. This investment by the City can then be leveraged through private sector investments as well as state and federal government grants.

Initiative #34: Help Promote the Establishment of an Industrial Development Capital Fund. This fund, to be established by private sector investors, would have as its objective the creation of a pool of capital dedicated to investment in land and buildings to support future growth and development. In its first phase, it will have a target of raising \$15 million by the end of 2004.

Initiative #35: Federal Unemployment Demonstration Project. Seek Recognition by the President and the Congress of the Federal Unemployment Demonstration Project (see Appendices). As well as the designation by the President of a Project Manager for the Federal Unemployment Demonstration Project. The Project Manager could be the head of the Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley created by Executive Order Feb. 5, 2002.

Initiative #36: Priority Consideration by The Federal Government for Areas with Chronic Double-Digit Unemployment. Seek Executive and Legislative Support in Washington D.C. to give areas with chronic double digit unemployment priority consideration for funding under existing and new Federal programs. Such designation should remain until the area has reached the mean unemployment of the State. During such designation, special waivers of Federal rules and laws would be allowed if shown to further the goal of creating jobs and reducing unemployment during duration of the Demonstration Project.

Initiative #37: Sacramento Recognition of Federal Unemployment Demonstration Project. Seek Recognition by the Governor and the Legislature of the Federal Unemployment Demonstration Project (see Appendices). As well as designation by the Governor of a Project Manager for the Federal Unemployment Demonstration Project. The Project Manager should be the head of a State Interagency Task Force modeled on the Federal Interagency Task Force for the Economic Development of the Central San Joaquin Valley created by Executive Order Feb. 5, 2002.

Initiative #38: Priority Consideration by the State Government for Areas with Chronic Double-Digit Unemployment. Seek Executive and Legislative

Support in Sacramento to give areas with chronic double digit unemployment priority consideration for funding under existing and new State and Federal programs. Such designation should remain until the area has reached the mean unemployment of the State. During such designation, special waivers of State and Federal rules and laws would be allowed if shown to further the goal of creating jobs and reducing unemployment during duration of the Demonstration Project.

V. Matching Resource Requirements and Sources

The following chart matches resource requirements to potential sources of funds. The designation “Primary Responsibility” assigns the lead responsibility for securing these funds to the political entity that is most directly connected to the project, but does not necessarily imply that this entity will act alone to generate these funds. It is important to note that all dollar amounts are rough estimates, and that other sources of funds may be identified as a result of further study. Various public/private partnerships and joint ventures will also be considered as the programs evolve and develop. One of the top priorities of the RJI Council (see “Section VII: Organizing for Sustainability”) during its first six months of operation will be to develop a more precise statement of resource requirements and a more definitive identification of funds for each project.

Matching Resource Requirements and Sources

	<u>Project</u>	<u>One-Time Cost (\$000's)</u>	<u>Annual Expense (\$000's)</u>	<u>Primary Responsibility</u>	<u>Potential Funding Source*</u>
1.	Land Acquisition	20,000-40,000		City of Fresno	a. 501c3 Sale-Leaseback b. Debt (Bonds) c. EDA Grants
2.	Physical Infrastructure: a. Public Works b. Public Utilities	25,000 27,000		City of Fresno	a. 501c3 Sale-Leaseback b. RDA Tax Increment d. Mello Roos e. Low interest loans f. User fees g. Measure C
3.	Flood Control	<u>25,000</u>		City of Fresno	a. Same as item 2
	Sub-Total Land and Physical Infrastructure	97,000-117,000			
	Line 3 x 20% "New Money"	19,400-23,400			
4.	Technology Infrastructure	2,200-3,000		City of Fresno	a. Demonstration Project
5.	Workforce Development Center	4,000-7,000		Fresno County	a. Dept. of Commerce b. Demonstration Project c. WIB Waiver
6.	Customer Service Training	660	150	City of Fresno	a. Demonstration Project
7.	One-Call Service Center	150	100	City of Fresno	a. Demonstration Project
8.	e-Government	1,620		Fresno County	a. Demonstration Project
9.	Low-fare Airline Service	1,000		City of Fresno	a. Dept of Transportation
10.	Community Report Card	150	75	Shared	
11.	Regional Trans Authority	150		Fresno County	
12.	Innovation Seed Capital**	337		CSUF	a. Private Sector b. Foundations c. Public investment funds
13.	Public Relations Budget	300	150	Shared	a. General Funds
14.	Cluster Staffing		480	Shared	a. Demonstration Project
15.	Health Care Cluster***	150	750	Shared	a. Industry b. Demonstration Project
16.	Tourism Authority		1,250	Fresno County	a. Various local sources b. Demonstration Project
	Total	30,117-37,917	2,880		

**Alternative sources of funds for all projects include new municipal revenues from debt, assessments, fees or taxes.*

*** Does not include \$10-20 million venture capital fund.*

**** Does not include funding for proposed VTECH facility or Medical School.*

VI. Adding it All Up

The impact of the Regional Jobs Initiative on employment is summarized in the following chart. The assumptions for these projections are listed in the notes. All baseline data is from the California Employment Development Department, except for tourism, which is based on a Dean Runyan Associates Study conducted for Fresno County. The Metropolitan Statistical Area (MSA) includes Fresno and Madera Counties.

Overall, the total RJI generated jobs in the economic opportunity areas is estimated to be 30,000 above the normal growth projections over the next five years.

The critical assumption is that the RJI will increase job growth above the normal growth projections in the amounts listed for each economic opportunity area. This is based on both historical and anticipated trends for growth in those industries and focus group discussions with industry leaders about prospects for growth in the region.

An additional assumption is that incremental RJI direct jobs will create incremental RJI indirect jobs based on a 1.33 multiplier based on EDC commissioned research. This means for every job created in an economic opportunity area, an additional 1.33 jobs will be created in the rest of the economy as suppliers to that industry. In addition, there is an assumption that RJI jobs will create a modest 15% benefit over normal growth for the non-target industries.

Readers may note that if one adds the job projections of the various clusters, plus a related multiplier effect, the sum exceeds the targeted 30,000 incremental jobs. However, because it is reasonable to expect that actual industry and economic conditions will likely vary considerably from current expectations over the five-year projection period, a "delivery contingency" has been provided to reduce the sum of the individual projections to the net target level.

Regional Jobs Initiative Job Creation Projections

MSA Non-Farm Employment Projections
(MSA Includes Fresno and Madera Counties - All Job numbers rounded to nearest 100)

	Notes	5	6	7	8	9	10	11	12	
		<u>Durable</u>								
		<u>Goods</u>	<u>Health</u>	<u>Logistics &</u>	<u>Information</u>				<u>All</u>	
		<u>Manufacture</u>	<u>Services</u>	<u>Distribution</u>	<u>Processing</u>	<u>Construction</u>	<u>Tourism</u>	<u>Sub-Total</u>	<u>Other</u>	<u>Total</u>
Baseline Numbers										
Total Non-Farm Jobs Y-E 2002		12,500	31,400	8,600	18,200	18,500	14,000	103,200	207,900	311,100
Compound Growth Rate '92-'02		1.00%	2.90%	1.10%	3.10%	3.20%	1.00%	2.50%	2.00%	2.20%
Projected Total Jobs Y-E 2003	1	12,600	32,300	8,700	18,800	19,100	14,200	105,700	212,200	317,900
"Normal" Growth Projections										
New Jobs Y-E 2008	2	700	5,000	1,000	3,100	3,300	700	13,800	22,100	35,900
Total Jobs Y-E 2008		13,300	37,300	9,700	21,900	22,400	14,900	119,500	234,300	353,800
Incremental RJI Direct Jobs										
RJI Direct New Jobs Y-E 2008	3	1,500	6,000	1,200	3,000	2,600	1,200	15,500	3,500	19,000
Incremental RJI Indirect Jobs										
	4							20,600	4,700	25,300
Total RJI Generated Jobs										
								36,100	8,200	44,300
Less Contingencies										
										14,300
Net RJI Generated Jobs										
										30,000
Total Jobs Y-E 2008		14,800	43,300	10,900	24,900	25,000	15,600	154,500	242,500	383,800
Adjusted CGR '03-08		3.20%	6.00%	3.00%	5.80%	5.50%	2.40%	5.10%	2.70%	3.90%

Notes:

- | | |
|--|--|
| <p>1. Extrapolation based on 10-year compound growth rate</p> <p>2. Extrapolation based on 10-year compound growth rate</p> <p>3. Based on focus group discussions with industry leaders</p> <p>4. 1.33 multiplier on direct jobs, based on EDC-commissioned research.</p> <p>5. Includes Water Cluster jobs.</p> <p>6. Includes Ambulatory HealthCare Services, Hospitals and Residential Care Facilities</p> | <p>7. Transportation and Warehousing</p> <p>8. Includes Administrative Support Services and Information</p> <p>9. Anticipates industry cyclicalities will be attenuated through job "exports"</p> <p>10. Low end of a wide range of industry forecasts of potential incremental Jobs</p> <p>11. CGR calculation excludes indirect jobs.</p> <p>12. Assumes modest RJI spin-off benefit (15% over "normal" growth) for non-targeted clusters.</p> |
|--|--|

Source: All baseline data from State Employment Development Department, except Tourism (from Dean Runyan Associates Study)

VII. Organizing for Sustainability

One question that has been asked from the outset of this planning process is: “How do you ensure a commitment to implementation, given the inherent turnover of leadership in our political system?” The answer lies in part in knowing that this is a community plan, not the plan of any one political leader, but it is also imperative that responsibility and accountability for plan implementation be clearly defined. To ensure a continuing commitment to the implementation of this plan, it is proposed that two bodies will be formed to guide and monitor the implementation of this plan.

I. The RJI Council (RJIC)

A. Role

The role of the RJI Council will be to set implementation policy and to ensure that this plan is a living document, modified as required to meet the circumstances we encounter during implementation and the changing demands of the labor market. It will meet quarterly. It is proposed that the RJI Council be co-chaired by two of its members, elected by its members for a two-year term.

B. Members

It is recommended that the RJI Council be comprised of persons in named positions, as proposed below. This is a “starter” list, subject to the concurrence of the current incumbents in the named positions, and subject to the wishes of the initial members of the Council.

1. Chair, Fresno County Board of Supervisors
2. Chair, Madera County Board of Supervisors
3. Mayor of Clovis
4. Mayor of Fresno
5. President, Fresno City Council
6. Chair, Economic Development Corporation
7. Chair, Chamber of Commerce
8. President, Fresno Business Council
9. Chair, Workforce Investment Board
10. President, Fresno, Madera, Tulare, Kings County Central Labor Council
11. Chair, Non-Profit Council
12. Chair, Fresno Arts Council
13. Fresno County Superintendent of Schools
14. President, California State University, Fresno
15. Chancellor, State Center Community College District
16. President, Great Valley Center
- 17-18. Council of Fresno County Governments (2 representatives)
19. Project Manager, Federal Interagency Task Force
20. Project Manager, Proposed State Interagency Task Force
- 21-22. Co-Chairs, RJI Steering Implementation Task Force

Initiative # 39: Establish RJI Council by December, 2003.

II. The RJI Implementation Task Force (RITF)

A. Role

The role of the RJI Implementation Task Force will be to monitor the implementation of the RJI plan and provide quarterly progress reports. It will meet monthly, or more often if deemed necessary by the Task Force Co-Chairs. The Co-Chairs will be appointed by the RJIC. In addition to its implementation responsibilities, this task force will also be responsible for “horizon thinking” relative to the overall economic future of the region. It will also receive and develop plans for acting on suggestions proposed by the RJIC.

B. Members

The RITF will be comprised of the Task Force co-chairs, three at-large members appointed by the Task Force Co-Chairs, the chairs of each of the targeted Clusters and the Focus Area Chairs (e.g. Physical Infrastructure, Customer Service, etc.).

- 1 – 2. Task Force Co-Chairs
- 3 - 9. Cluster Chairs
- 10 -21. Focus Area Chairs
- 21 –24. At-large

Initiative # 40: Establish RJI Implementation Taskforce by October 31, 2003.

III. Other Organizational Recommendations

As noted in the Customer Service section, it is recommended that all the political entities in the Fresno MSA “organize backwards”, i.e., organize to ensure that they have a well-coordinated and fully integrated approach to how they approach the job creation objectives of this initiative and the critically related aspects of customer service.

The RJI has positively noted the recommendation made by the Fresno City Council Committee on Economic Development, adopted unanimously by the City Council of September 16, 2003, to rename the Mayor’s Economic Development Committee the Mayor/Council Economic Development Task Force and to give this Task Force broad new responsibilities for monitoring performance and providing guidance to all of the City of Fresno’s economic development activities. This commitment to collaboration in pursuit of job creation is a very positive development.

Also noted positively is the plan of the Fresno City Manager to place all critical economic development activities under the supervision of one City Deputy

Manager, who will be responsible and accountable for job creation and customer service.