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Title: Approve an agreement in the amount of \$75,000 between the City of Fresno and the Fresno Business Council, Inc., acting as fiscal agent for the Advanced Manufacturing Cluster Initiative, to develop and grow local manufacturing businesses utilizing cross-sector collaboration, enhance competitive economic development among local businesses, and attract new companies.

Sponsors: Mayor's Office, Office of Mayor & City Manager

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Attachments: 1. Received During Meeting 16-132.pdf

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2/4/2016	1	City Council	approved	Pass

REPORT TO THE CITY COUNCIL

February 4, 2016

FROM: BRUCE RUDD, City Manager
Office of the Mayor and City Manager

BY: LARRY WESTERLUND, Director of Economic Development
Economic Development Division

SUBJECT

Approve an agreement in the amount of \$75,000 between the City of Fresno and the Fresno Business Council, Inc., acting as fiscal agent for the Advanced Manufacturing Cluster Initiative, to develop and grow local manufacturing businesses utilizing cross-sector collaboration, enhance competitive economic development among local businesses, and attract new companies.

RECOMMENDATION

The Administration recommends Council approve an agreement with the Fresno Business Council (FBC), acting as the fiscal agent for the Advanced Manufacturing Cluster Initiative (Cluster), for \$75,000 to assist with their efforts to develop and grow local manufacturing businesses utilizing cross sector collaboration, enhance competitive economic development among local businesses, and attract new companies.

EXECUTIVE SUMMARY

The importance of diversification and strengthening the economy has been a high priority for the City of Fresno, economic and workforce organizations and citizens for many years. Changes in the global and national economy have made restoring and enhancing manufacturing an important focus of economic strategies nationwide. Fresno has tremendous potential to capitalize on this movement and is rapidly assembling the elements to achieve growth in our manufacturing sector.

Initiated by a handful of Fresno manufacturing companies, and rapidly adding more local manufacturing partners, the Cluster, which is a collective of Fresno-area manufacturers working together to advance the growth and diversification of this industry, has taken shape and is growing. Last year, the Cluster held two major events—a Town Hall Meeting on workforce and its first Advanced Manufacturing Summit, with over 400 attendees and many positive reviews. Plans are underway for a second and more robust Advanced Manufacturing Summit in 2016 as the growth of the Cluster continues.

The primary purpose of the City's investment is to provide support for the Advanced Manufacturing Cluster by hiring a Business Development Manager (BDM). The BDM will assist the partners in developing a comprehensive database of local manufacturers, government and educational leaders. The BDM will:

- Connect various efforts and organizations;
- Maintain ongoing outreach to employers and training providers;
- Create a central hub to access information, support services and peer support; and
- Build community awareness of the significant contribution manufacturing makes to a local economy.

A central function of the BDM and the Cluster is fostering a close relationship with technical education to ensure curriculum matches industry needs and opportunities for internships, apprenticeships, and jobs are plentiful.

BACKGROUND

By growing and developing a strong Advanced Manufacturing Cluster, the City will foster business expansion and diversification, and grow the sophistication of manufacturing, resulting in job growth in this under-appreciated sector of the Fresno economy. More than 800 businesses classify themselves as “manufacturers” in Fresno. They range from technologically-advanced companies like Sunrise Medical, which makes computerized wheelchairs, to mom and pop metal shops. By growing new well-paying manufacturing jobs, the City works to address social issues as more students and adults see viable paths to quality jobs and more employers see Fresno as an ideal place to locate, start and grow their businesses.

Until the Advanced Management Cluster was created, there was no sector-led entity providing a platform for collaboration, mentorship and advocacy in this region. In addition to private sector companies the Cluster has partnered with, and is supported by, the Office of Community and Economic Development at Fresno State, the Vice-Chancellor of the California Community Colleges, the Fresno Regional Workforce Investment Board, the Fresno Chamber of Commerce and the

Economic Development Corporation Serving Fresno County.

To complement private funding, the leadership of the Cluster has requested the City's assistance in the expansion costs for the Cluster.

The proposed Agreement has a one-year term for the 2016 calendar year, and would provide \$75,000 to FBC to hire a Business Development Manager to work with the Advanced Manufacturing Cluster.

The Administration recommends Council award an Agreement to the Fresno Business Council, Inc., subject to final approval by the City Attorney's Office.

ENVIRONMENTAL FINDINGS

This is not a project pursuant to CEQA Guidelines section 15378.

LOCAL PREFERENCE

FBC is a local business.

FISCAL IMPACT

The funding for this project will come from money remaining in the City of Fresno's Enterprise Zone Fund. There will be no fiscal impact to the General Fund.