

**SAN BENITO COUNTY**  
**Economic Development Committee**

*Committee:*

*Vice Chair of the Board of Supervisor Bob Tiffany, District 4 and  
Board of Supervisor Peter Hernandez, District 3*

**AGENDA**

**Thursday, February 10, 2022**

**12:00 P.M.**

San Benito County Administration Building  
Board of Supervisors Chambers  
481 Fourth Street, Hollister, California

Webinar ID: 844 6817 1191

Webinar Password: **163085**

**MEETING CLOSED TO THE PUBLIC UNTIL FURTHER ACTION  
OF THE COMMITTEE**

**Pursuant to AB 361, and the resolution adopted thereunder, relating to the convening of public meetings in response to the COVID-19 pandemic, and pursuant to the recommendation from Dr. Gellert dated January 5, 2022, members of the Committee are allowed to attend the meeting via teleconference and to participate in the meeting to the same extent as if they were present.**

**The meeting is closed to the public. The meeting will be available through Zoom those who wish to join or require accommodations with the instructions below:**

**This meeting can be accessed in the following methods:**

**Through Zoom (<https://zoom.us/join>) per the instruction stated below**

**Participating by Zoom:**

Three ways to attend Zoom meetings: on a web browser, through the Zoom App, or over the phone. Each webinar will have a webinar ID and password, which is a unique number associated with an instant or scheduled meeting (found at the top of this text). The chat feature is disabled for all participants. Additionally, the video function is not available to the public. Zoom regularly provides new versions of the Zoom desktop client and Zoom mobile app to release new security features and fix bugs. To ensure you can join the meeting and participate through public comment, please launch the web address to download the Zoom application: <https://zoom.us/support/download>. Furthermore, we recommend upgrading to the latest version of Zoom once it is available. Please visit <https://support.zoom.us/hc/en-us/articles/201362233-Upgrade-update-to-the-latest-version> to ensure you have the newest Zoom update.

### **A. Zoom on Web-browser:**

a. If joining through web-browser, launch the address <https://zoom.us/join> or open the direct link listed below: <https://zoom.us>

### **B. Or launch the Zoom app on your Tablet or Smartphone:**

b. Select "**JOIN A MEETING**"

c. The participant will be prompted to enter **Webinar ID and Password listed above** and name to join the meeting. The meeting agenda can be found at <https://www.cosb.us/>

d. The participant can launch audio through their computer or set it up through the phone.

e. **Public Comment:** Select the "**Participants Tab**" and click "**Raise hand**" icon, and the Zoom facilitator will unmute you when your turn arrives.

### **C. Zoom Audio Only (phone):**

a. If you are **calling in as audio-only**, please dial **US: +1 669 900 6833 or +1 408 638 0968**

b. It will ask you to enter the **Webinar ID listed above**, followed by the **"#" key** (pound key), then enter **Webinar Password listed above** at the top page of the agenda. The meeting agenda can be found at <https://www.cosb.us/>

c. It will then ask for a **Participant ID**, press the **"#" key** (pound key) to continue.

d. Once you enter the Zoom meeting, you will automatically be placed on mute.

e. **Public Comment:** If you are using a phone, please press **"\*9"** (star-nine) to raise your hand, and the Zoom facilitator will unmute you when your turn arrives.

### **Written Comments & Email Public Comment**

Members of the public may submit comments via email by 5:00 PM on the Monday prior to the meeting to the Senior Administrative Analyst at [dalonso@cosb.us](mailto:dalonso@cosb.us)

### **Public Comment Guidelines**

**A.** The Committee welcomes your comments.

**B.** If participating on Zoom, once you are selected you will hear that you have been unmuted: At this time, please state your first name, last name, and county you reside in for the record.

**C.** Each individual speaker will be limited to a presentation total of three (3) minutes, or such other time as may be designed by the Chair.

**D.** Please keep your comments, brief, to the point, and do not repeat prior testimony, so that as many people as possible can be heard. Your cooperation is appreciated.

If you have any questions, please contact Dulce Alonso, at (831) 636-4000, or email [dalonso@cosb.us](mailto:dalonso@cosb.us)

***The San Benito County Economic Development Committee welcomes you to this meeting and encourages your participation.***

- *If you wish to speak on a matter that does not appear on the agenda, you may do so during the Public Comment period at the beginning of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing on the agenda. When addressing the Committee, please state your name for the record. Please address the Committee as a whole through the Chair.*
- *If you wish to speak on an item contained in the agenda please seek recognition from the Chairman prior to consideration of the item.*

## 12:00 P.M. CALL TO ORDER

1. PLEDGE OF ALLEGIANCE.
2. ROLL CALL.
3. ACKNOWLEDGE CERTIFICATE OF POSTING
4. PUBLIC COMMENT: *Opportunity to address the Committee on items of interest not appearing on the agenda. No action may be taken unless provided by Govt. Code Section 54954.2.*

## REGULAR AGENDA

5. PROPOSED RESOLUTION PURSUANT TO AB 361- Adopt proposed resolution authorizing teleconferencing options for meetings of the Committee for the period of February 10, 2022, through March 10, 2022, pursuant to AB 361.
6. APPOINT COMMITTEE CHAIR.
7. SET REGULAR STANDING MEETINGS date and time.
8. DISCUSS amendments to EDC MOU agreement and provide direction.
9. DISCUSS proposed Sales Tax Reimbursement program and provide direction.
10. DISCUSS and provide direction on the California Microbusiness COVID-19 Relief Grant Program.
11. FUTURE AGENDA ITEMS., No discussion of these items shall occur, but the Committee may direct any of the reports to be agendized for a future meeting.

### **ADJOURNMENT:**

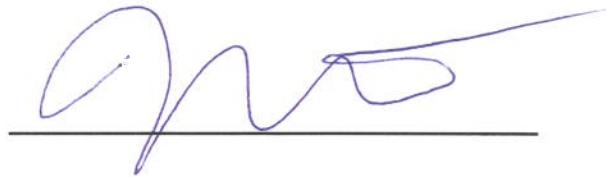
*As required by Gov. Code Section 54957.5 any public record distributed to the San Benito Economic Development Committee less than 72 hours prior to this meeting in connection with any agenda item shall be made available for public inspection at the office of the Clerk of the Board, San Benito County Administration Building, 481 Fourth Street, Hollister, CA 95023. Public records distributed during the meeting will be available for public inspection at the meeting if prepared by the County. If the public record is prepared by some other person and distributed at the meeting it will be made available for public inspection following the meeting at the office of the Clerk of the Board.*

***In compliance with the Americans with Disabilities Act (ADA) the Board of Supervisors meeting facility is accessible to persons with disabilities. If you need special assistance to participate in this meeting, please contact the Clerk of the Board's office at (831) 636-4000 at least 48-hours before the meeting to enable the County to make reasonable arrangements to ensure accessibility.***

# **CERTIFICATE OF AGENDA POSTING**

## **ECONOMIC DEVELOPMENT COMMITTEE**

Special Meeting scheduled for February 10, 2022, at 12 P.M. was posted at the San Benito County Administration Office, 481 Fourth Street, Hollister, CA and on our county website [www.cosb.us](http://www.cosb.us) on this 7th day of February 2022 AT 11 A.M. per Government Code Section 54956.



Jennifer Frechette

Clerk of the Board

## AMENDMENT # 1 To the Memorandum of Understanding

### County of San Benito/ Economic Development Corporation of San Benito County

This amendment #1 to the Memorandum of Understanding ("Amendment") is entered into by and among the Economic Development Corporation of San Benito County, a nonprofit ("EDC"), and the County of San Benito, a political subdivision of the State of California ("County"). EDC and County may collectively be referred to as "Parties." This Amendment shall be effective on, and no sooner than, the date of its approval by the final Party hereto ("Effective Date").

#### RECITALS

WHEREAS, the Parties entered into the Memorandum of Understanding ("Agreement") effective as of November 21, 2019; and

WHEREAS, clarification and efficiency considerations have necessitated the Parties now amend the Agreement as described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

#### Agreement

Amendments to Agreement. The Parties agree to amend the Agreement as follows:

1. Under "**GOAL**", the last sentence is modified after "San Benito County" and is stricken from the Agreement in its entirety.
  - a. To develop a public/private partnership promoting economic development within San Benito County, to establish a framework to be utilized in coordinating local, state, and federal efforts, with primary emphasis on providing the necessary foundation essential for healthy economic growth in San Benito County., ~~and to assist in the re-establishment of the Economic Development Corporation (EDC).~~
2. Under "**TERMS and CONDITIONS**" Section the following modifications:
  - a. Under the **Staff** Section a. strike out following among up to local as follows:
    - i. Optimize cooperation among ~~the four local jurisdictions to include San Benito County, Santa Clara County, Santa Cruz County, and Monterey County,~~ local and regional economic development organizations.
  - b. Under the **Staff** Section d. add "business" and strike out "for permit processing" as follows:
    - i. Serve as a liaison for new business, business expansion, and **business** retention ~~for permit processing.~~

- c. Under the **Staff** Section e. strike out the last sentence as follows:
  - i. Form 'red teams' tailored to business sectors (small, industrial, manufacturing, tourism, start-ups, and hospitality) to problem solve with applicants and businesses that may be considering leaving. ~~Encourage visitors at national and state parks to patronize local businesses.~~
  
- d. Under the **Staff** Section f. strike out "Veterans Support organizations, and support organizations for persons with disabilities," and "and spark the development and focus support local accessibility expansion of" of the sentence as follows:
  - i. Work cooperatively with the Small Business Development Center, San Benito County Workforce Development Board, ~~Veterans Support organizations, and support organizations for persons with disabilities,~~ California State Monterey Bay Institute of Innovation and Economic Development, Gavilan Community College and other educational institutions to foster an entrepreneurial culture to support ~~and spark the development and focus support local accessibility expansion of~~ small and large scale businesses.
  
- e. Under the **Staff** Section g. after "disasters" add the following "through the update of the County's Comprehensive Economic Development Strategy (CEDS). The CEDS identifies goals and objectives for economic resiliency. The EDC is in the process of obtaining funding for the update of the current 2017-2022 CEDS. The update is expected to be completed by December 2022 and will allow local jurisdictions to continue to apply for EDA funding and receive funding to address the issues of economic resiliency from economic downturns", as follows:
  - i. Cooperate with local and regional partners to create economic resiliency from economic downturns and natural disasters through the update of the County's Comprehensive Economic Development Strategy (CEDS). The CEDS identifies goals and objectives for economic resiliency. The EDC is in the process of obtaining funding for the update of the current 2017-2022 CEDS. The update is expected to be completed by December 2022 and will allow local jurisdictions to continue to apply for EDA funding and receive funding to address the issues of economic resiliency from economic downturns.
  
- f. Under the **Staff** Section k. strike out "with a near-term priority for expansion of broadband services and a telecommuting center" and add "to support development and expansion efforts in San Benito County." as follows:

- i. Pursue funding from the Economic Development Administration and other sources in cooperation with the County and partner organizations to support development and expansion efforts in San Benito County. ~~with a near term priority for expansion of broadband services and a telecommuting center.~~
- g. Add a new section "5. Work with County Staff" to include the following and adjust the numbering of the following sections accordingly.
  - i. **5. Work with County Staff:** The EDC will work with County staff to respond to business or developer inquiry referrals, research grants and legislation that may impact local economy, draft recommended policy development for Board of Supervisors consideration, pursue funding opportunities for countywide projects and businesses, and provide other support related to the objectives of this Agreement as needed by the County.
    - Objectives:
      - i. Work with RMA staff on the Commercial Nodes evaluation and promotion, and, as needed, assist with planning and development projects and applications specifically for new business and/or business expansion.
      - ii. Assist County staff to support ongoing economic development efforts, including those related to Broadband and Tourism, and continue to send staff notices of funding opportunities.
      - iii. Coordinate and work with RMA staff on business and project inquiries, and review/comment on draft local and regional policies, as requested.
      - iv. Review and update the RMA Planning Process Flowchart with RMA staff.
      - v. Understand what is needed for approval of an industrial park, and how EDC staff can assist the County with this effort, including possible funding from the EDA and other sources.
      - vi. Work with the Economic Development Ad Hoc Subcommittee and County staff on a Business Incentive Program.
- h. Modify section 5 to "6". **Partnerships/Education** to include the following "and grant/funding sources to" strike out "in and of" and add "agencies/businesses, and, as needed, provide technical assistance/support to County staff and businesses in regard to such opportunities" as follows:
  - i. **Partnerships/Education:** The EDC agrees to become a member of CalEd and local and regional economic development organizations and to actively participate in monthly and quarterly meetings. The EDC agrees to help serve as a clearinghouse to share information about educational opportunities ~~and grant/funding sources to in support of~~ local ~~agencies/businesses,~~ and, as needed, provide technical assistance/support to County staff and businesses in regard to such opportunities.

- i. Modify section 7 to “8” **Payment**, adding the following sentence “Beginning in Fiscal Year 2021/22, payments will be processed quarterly (\$25,000/quarter) based on receipt of quarterly activity/status reports submitted to the County in October, January, April, and July” as follows:

- i. **Payment:** The County agrees to pay the EDC \$100,000.00 annually, beginning in Fiscal Year 2019/20, for a period of five years ending in Fiscal Year 2023/24. ~~Beginning in Fiscal Year 2021/22, payments will be processed quarterly (\$25,000/quarter) based on receipt of written quarterly activity/status reports submitted to the County in October, January, April, and July.~~

- j. Modify section 8 to “9”. **Report/Monitoring** to replace the following in its entirety with “The EDC agrees to provide monthly updates to County staff and the Economic Development Ad Hoc Subcommittee or Committee and is open to any changes or requests from the County to better inform the County of EDC activities. The monthly updates will be utilized to prepare the quarterly activity/status reports that are the basis of quarterly payments to the EDC” as follows:

- i. **Report/Monitoring:** ~~The EDC agrees to provide monthly updates to County staff and the Economic Development Ad Hoc Subcommittee and is open to any changes or requests from the County to better inform the County of EDC activities. The monthly updates will be utilized to prepare the quarterly activity/status reports that are the basis of quarterly payments to the EDC. The EDC agrees that the hired economic development coordinator will meet monthly with County Staff, will provide a quarterly report, to be presented to the Board of Supervisors, and an annual report, to be presented to the Planning Commission, addressing the information addressed in the San Benito County Index, attached hereto and incorporated herein by reference as Attachment A. The parties recognize that the San Benito County Index is simply a reporting out of economic conditions and activity and is not a direct reflection on the success or shortcomings of the EDC’s efforts. A local economy is complex and influenced by numerous factors that are outside of the control of the EDC, and even outside the control of local governments (ex. tariffs, monetary policy, business decision makers, etc.) The EDC agrees to collect information and monitor business attraction, retention, and expansion. EDC will submit an annual update of the CEDS to the U.S. Economic Development Administration (EDA), and submit an overall update every five years, unless circumstances arise that lead to a change in development.~~

- 3. The **ATTACHMENT A:** MOU DELIVERABLES AND METRICS is replaced in its entirety with the following:



**DELIVERABLES:**

1. Review local policies and practices in support of economic development and **recommend** short-term and long-term improvements as appropriate.
    - a. Short-term
  2. Create a flow chart demonstrating “How to open your Business in San Benito County?” to include, but not limited to the following business sectors: To include, <https://www.calgold.ca.gov/> as a resource.
    - i. Hospitality
      1. Food/Beverage Industry
      2. Lodging
      3. Events and Meeting Industry (wedding venues, conferences, sporting)
    - ii. Retail
    - iii. Manufacturing
    - iv. Construction
    - v. Agriculture
  - b. Will work with GIS: Interactive Map that demonstrates what is needed to establish a business on County parcels:
3. Monthly meetings (as scheduled by the County) with written quarterly activity updates submitted to Staff and meet with Economic Development Ad Hoc Subcommittee or Committee on October, January, April, and July.
4. The written quarterly updates will be utilized to request quarterly MOU payments from the County.

**METRICS:** The quarterly updates shall include the following, if available:

- a. Commercial vacancy rate
- b. Unemployment rate
- c. Businesses assisted
- d. Businesses visited
- e. Website metrics
- f. Commercial / Industrial projects assisted
- g. Revenue enhancements
- h. Updates on working with County staff
- i. Jobs created or retained

4. All other terms and conditions of the original Agreement that are not changed by this Amendment shall remain the same.

SAN BENITO COUNTY EDC

SAN BENITO COUNTY

\_\_\_\_\_  
By: Aaron Johnston, President  
Date:\_\_\_\_\_

\_\_\_\_\_  
By: Ray Espinosa, CAO  
Date:\_\_\_\_\_

APPROVED AS TO LEGAL FORM:  
San Benito County Counsel's Office

\_\_\_\_\_  
By: Breann M. Moebius  
Deputy County Counsel

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
COUNTY OF SAN BENITO  
AND  
THE ECONOMIC DEVELOPMENT CORPORATION OF SAN BENITO COUNTY**

This Memorandum of Understanding (MOU) between the Economic Development Corporation of San Benito County (the "EDC") and the County of San Benito ("County") establishes the rights and responsibilities of the Parties for the allocation of annual General Fund monies for economic development within San Benito County.

**WHEREAS**

1. The County is a public entity;
2. The County is a political subdivision of the State of California;
3. Resolution 19- 83 memorializes the County's desire to develop a Memorandum of Understanding with the Economic Development Corporation of San Benito County (the "EDC") to provide assistance with economic development within San Benito County related to industrial recruitment, business retention and expansion, business start-up and marketing efforts.
4. The EDC is a 501(c)(3) non-profit corporation that has been instrumental in the adoption of the 2017 San Benito County Comprehensive Economic Development Strategy (CEDS); and
5. In previous fiscal years the EDC staffed an Executive Director position. This position was funded partially from County General Fund contributions.
6. County General Fund contributions have not been appropriated since fiscal year 2012/2013,
7. The EDC in prior years assisted with the recruitment of Corbin, Milgard, West Marine, and with retention and expansion of business within San Benito County, but momentum was stalled with the elimination of the County General Fund contributions and the great recession;
8. Implementation of the CEDS, pursuit of grants and other business recruitment, and expansion and retention programs require ongoing investment to support a paid qualified economic development coordinator,
9. The City of Hollister recently committed \$100,000 annually beginning in Fiscal Year 2019/20 for a period of five years for economic development with the EDC;
10. The County and the EDC realize the potential for economic development that can be attained from developing and sustaining an economic coordinator in San Benito County;

## **GOAL**

To develop a public/private partnership promoting economic development within San Benito County, to establish a framework to be utilized in coordinating local, state, and federal efforts, with primary emphasis on providing the necessary foundation essential for healthy economic growth in San Benito County, and to assist in the re-establishment of the Economic Development Corporation (EDC).

## **TERMS AND CONDITIONS**

1. **Staff:** The EDC agrees to retain a qualified economic development professional to assist with the following priorities and objectives over the next five years:
  - a. Optimize cooperation among the four local jurisdictions to include San Benito County, Santa Clara County, Santa Cruz County, and Monterey County, local and regional economic development organizations..
    - Deliverables:
      - i. Cooperation Strategy –roles, responsibilities, and resources.
  - b. Diversify revenue streams to the EDC.
  - c. Develop a scalable business attraction program in cooperation with local agencies, business organizations, and service providers to showcase industrial properties, , agricultural business and local opportunities for small businesses.
    - Deliverables:
      - i. Internal Business Plan; and
      - ii. Community/Business Engagement Plan.
  - d. Serve as a liaison for new business, business expansion, and retention for permit processing.
    - Deliverables:
      - i. More effective deployment of financial resources to maximize tangible outcomes.
      - ii. Regional Business Assistance Program: Develop and implement an effective regional business assistance and retention strategy by 2021 to help existing businesses grow or remain in the region.
      - iii. Entrepreneurs and Start-Ups: Foster innovation and new business development identify and assist prospective companies and entrepreneurs to start or grow new ventures in the region.
      - iv. Small Business Development: increase collaboration and connections with small business to provide training and support.
        1. Meet with at min one small business weekly.
      - v. Improve the Regulatory Environment: Continue to advocate for improved policies and procedures to promote the economic growth of the region over the next five years. Focus on regional permitting processes, cost of doing business, and tax structure.

- e. Form 'red teams' tailored to business sectors (small, industrial, manufacturing, tourism, start-ups, and hospitality) to problem solve with applicants and businesses that may be considering leaving. Encourage visitors at national and state parks to patronize local businesses.
  - f. Work cooperatively with the Small Business Development Center, San Benito County Workforce Development Board, Veterans Support organizations, and support organizations for persons with disabilities, California State Monterey Bay Institute of Innovation and Economic Development, Gavilan Community College and other educational institutions to foster an entrepreneurial culture to support and spark the development and focus support local accessibility expansion of small and large scale businesses.
  - g. Cooperate with local and regional partners to create economic resiliency from economic downturns and natural disasters.
  - h. Maintain programs with on-going training, listening sessions, and networking with existing businesses to proactively support business retention and expansion.
  - i. Prioritize working cooperatively with educational institutions, the EDC board, Business Council, local government and other job support organizations to fill information gaps, create updated tool boxes for new and expanding businesses and business retention.
  - j. Assist business with workforce development.
  - k. Pursue funding from the Economic Development Administration and other sources in cooperation with the County and partner organizations with a near-term priority for expansion of broadband services and a telecommuting center.
2. **Web Page/Social Media:** The EDC will maintain an updated web site and use social media to promote employment, business opportunities, along with educational opportunities, and financing programs.
3. **Marketing:** The EDC agrees to work cooperatively with the San Benito County Business Council, the San Benito County Chamber of Commerce, Visitor's Bureau, the San Juan Committee, the Hollister Downtown Association, and the three jurisdictions in San Benito County to update and maintain collaborative marketing campaigns with consistent branding and messaging.
4. **Leverage Funding:** The EDC agrees to pursue a variety of approaches to leverage funding with grants, membership dues, continuing partnerships with the business community, private interests and other organizations, co-sharing office space and support staff. The County agrees to provide letters of support for grant applications.
- a. Diversify funding streams and seek additional revenue streams.

- Deliverables:
  - i. Establish a multi-year funding commitment to support implementation of the Goals and Objective.
- 5. **Partnerships/Education:** The EDC agrees to become a member of CalEd and local and regional economic development organizations and to actively participate in monthly and quarterly meetings. The EDC agrees to help serve as a clearinghouse to share information about educational opportunities in support of local businesses.
- 6. **Internships/Volunteer:** The EDC agrees to coordinate with Gavilan Community College, California State University, Monterey Bay, regional educational institutions, and local businesses to develop internship programs in support of employment for local business.
  - a. Support Community Colleges and High School Technical Programs.
    - Deliverables:
      - i. Retain and Attract Young Professionals: Build upon and promote existing regional young professional organizations and work to develop additional programs, policies and mentorships to attract and retain young professionals to the excellent quality of life in the San Benito County region.
- 7. **Payment:** The County agrees to pay the EDC \$100,000.00 annually, beginning in Fiscal Year 2019/20, for a period of five years ending in Fiscal Year 2023/24
- 8. **Report/Monitoring:** The EDC agrees that the hired economic development coordinator will meet monthly with County Staff, will provide a quarterly report, to be presented to the Board of Supervisors, and an annual report, to be presented to the Planning Commission, addressing the information addressed in the San Benito County Index, attached hereto and incorporated herein by reference as Attachment A. The parties recognize that the San Benito County Index is simply a reporting out of economic conditions and activity and is not a direct reflection on the success or shortcomings of the EDC's efforts. A local economy is complex and influenced by numerous factors that are outside of the control of the EDC, and even outside the control of local governments (ex. tariffs, monetary policy, business decision makers, etc.) The EDC agrees to collect information and monitor business attraction, retention, and expansion. EDC will submit an annual update of the CEDS to the U.S. Economic Development Administration (EDA), and submit an overall update every five years, unless circumstances arise that lead to a change in development.
- 9. **Annual Retreat:** The EDC will include a County representative from the Board of Supervisors' ad-hoc committee at an annual retreat to review the five-year goals for the EDC. During the first year of the Agreement, the EDC agrees to hold a special meeting with the Board of the EDC and the County representative to review three year and five-year goals.

10. **Hiring an Economic Development Coordinator:** The EDC agrees to initiate hiring an Economic Development Coordinator within two months of execution of this MOU provided funding is guaranteed to be provided by the County within one month. The EDC agrees to establish a hiring committee and include a County representative on the committee.
11. **Independent Contractor:** The EDC and its officers and employees, in the performance of this MOU, are independent contractors in relation to the County and not officers or employees of the County. Nothing in this MOU shall create any of the rights, powers, privileges or immunities of any officer or employee of the County. The EDC shall be solely liable for all applicable taxes or benefits, including, but not limited to, federal and state income taxes, Social Security taxes, or ERISA retirement benefits, which taxes or benefits arise out of the performance of this MOU. The EDC further represents to the County that the EDC has no expectation of receiving any benefits incidental to employment.
12. **Hold Harmless:** The EDC agrees to indemnify, defend with counsel approved by County, and hold harmless the County, its officers, officials, employees, and agents from and against any and all liability, loss, damage, expense, and cost arising out of or in connection with its negligence, recklessness, or willful misconduct in carrying out these activities. In addition, the EDC agrees to indemnify the County from any financial or tax liability arising from its status as an independent contractor.
13. **General Insurance Requirements:** Without limiting the EDC's duty to indemnify the County, the EDC shall comply with the insurance coverage requirements set forth in this MOU and shall satisfy the following requirements:
  - a. Each policy shall be issued by a company authorized by law to transact business in the State of California.
  - b. Each policy shall provide that the County shall be given notice in writing at least thirty (30) days in advance of any cancellation thereof.
  - c. The comprehensive motor vehicle and comprehensive general liability policies shall each provide an endorsement naming the County of San Benito and its officers, agents and employees as additional insureds.
  - d. The required coverage shall be maintained in effect throughout the term of this MOU.

The EDC shall require all subcontractors performing work under this MOU to obtain substantially the identical insurance coverage required of the EDC pursuant to this MOU.
14. **Insurance Requirements:** The EDC shall maintain the following insurance policies in full force and effect during the term of this MOU:

- a. Comprehensive general liability insurance. The EDC shall maintain comprehensive general liability insurance, covering all of the EDC's operations with a combined single limit of \$1,000,000.00.
- b. Professional liability insurance. The EDC shall maintain professional liability insurance with liability limits of not less than \$1,000,000.00.
- c. Comprehensive motor vehicle liability insurance. The EDC shall maintain comprehensive motor vehicle insurance covering all motor vehicles (including owned, non-owned and hired) used in providing services under this MOU, with a combined single limit of not less than \$1,000,000.00.
- d. Workers' compensation insurance. The EDC shall maintain a workers' compensation plan covering all of its employees as required by California Labor Code Section 3700, either through workers' compensation insurance issued by an insurance company or through a plan of self-insurance certified by the State Director of Industrial Relations. If the EDC elects to be self-insured, the certificate of insurance otherwise required by this MOU shall be replaced with consent to self-insure issued by the State Director of Industrial Relations.

**15. Certificate of Insurance:** Prior to the commencement of performance of services by the EDC and prior to any obligations of the County, the EDC shall file certificates of insurance with the County, showing that the EDC has in effect the insurance required by this MOU. The EDC shall file a new or amended certificate promptly after any change is made in any insurance policy which would alter the information on the certificate then on file. In lieu of providing proof of insurance, the EDC may provide proof of self-insurance meeting requirements equivalent to those imposed herein. The EDC warrants that its self-insurance provides substantially the same protection to the County as the insurance required herein. The EDC further agrees to notify the County in the event any change in self-insurance occurs that would alter the obligations undertaken in this MOU within thirty (30) days of such change.

**16. Taxes:** The EDC agrees that as a non-profit corporation, the EDC is solely responsible for reporting all revenues received, expenditures, and payment of all federal and state taxes and social security obligations to employees retained pursuant to this MOU. The EDC also agrees that the County will not withhold any payments for federal or state taxes or social security (FICA) or Medicare benefits. In addition, the County will not provide the EDC with coverage for worker's compensation, long or short-term disability, or unemployment insurance.



**17. MOU Administrators:** All matters concerning this MOU which are within the responsibility of the parties shall be under the direction of, or shall be submitted to, the respective MOU administrators or to the party's employee specified, in writing, by the MOU administrator. A party may, in its sole discretion, change its designation of its MOU administrator and shall promptly give written notice to the other party of any such change. The parties' MOU administrators are:

County's MOU Administrator:

Ray Espinosa, CAO  
481 Fourth Street  
Hollister, CA 95023  
Email: respinosa@cosb.us  
Telephone No.: (831) 636-4000  
Facsimile No.: (831) 636-4010

EDC's MOU Administrator:

Aaron Johnston, President  
P.O. Box 1265  
Hollister, CA 95023  
Email: ajohnston@graniterock.com  
Telephone No.: (831) 234-5486  
Facsimile No.:

**18. Notices:** Notices to the parties in connection with the administration of this MOU shall be given to the parties' MOU administrator personally, by regular mail, by email, or by facsimile transmission as more particularly specified in this paragraph. Notices will be deemed given on:

- a. The day the notice is personally delivered to the MOU administrator or the office of the party's MOU administrator; or
- b. Five days after the date the notice is deposited in the United States mail, addressed to a party's MOU administrator as indicated in this MOU, with first-class postage fully prepaid; or
- c. On the day that the notice is transmitted by email or facsimile to a party's email address or facsimile number, provided that an original of such notice is deposited in the United States mail, addressed to a party's MOU administrator, on the same day as the facsimile transmission is made.

**19. Termination:** The provisions of this MOU may be terminated upon sixty (60) days written notice by either Party.

**20. Non-appropriation of Funds:** This agreement is subject for funding to be appropriated during the annual budget cycle and approved by the Board of Supervisors. If funding for any fiscal year is reduced or deleted for purposes of this program, the County has the option to either cancel this MOU with no liability occurring to the County, or offer to amend the MOU to reflect the reduced amount. The County will provide at least sixty (60) days advance written notice of such determinations.

**21. Amendment:** This MOU may be amended at any time with the mutual consent of all parties involved. Effective in writing with signatures from each authorized party representative.

- 22. Prohibition Against Assignment and Delegation of Duties:** Except as specifically authorized herein, no rights under this MOU may be assigned and no duties under this MOU may be delegated by the EDC without the prior written consent of the County, and any attempted assignment or delegation without such consent shall be void.
- 23. Compliance With Applicable Laws; Nondiscrimination:** The EDC shall comply with all applicable federal, state and local laws now, or hereafter, in force, and with any applicable regulations, in performing the work and providing the services specified in this MOU. The EDC shall not discriminate in the employment of persons necessary to perform this MOU on any legally impermissible basis, including on the basis of the race, color, national origin, ancestry, religion, age, sex, or disability of such person.
- 24. Conflict of Interest:** The EDC covenants that it presently has no interest and shall not acquire any interest, direct or indirect, financial or otherwise, which would conflict in any manner or degree with the performance of the services hereunder. The EDC further covenants that, in the performance of this MOU, no subcontractor or person having such an interest shall be used or employed. The EDC certifies that no one who has or will have any financial interest under this MOU is an officer or employee of the County.
- 25. Records to Be Maintained:** The EDC shall keep and maintain accurate records of all costs incurred and all time expended for work under this MOU. The EDC shall contractually require that all of its subcontractors performing work called for under this MOU also keep and maintain such records. All such records, whether kept by the EDC or any subcontractor, shall be made available to the County or its authorized representative, or officials of the State of California for review or audit during normal business hours, upon reasonable advance notice given by the County, its authorized representative, or officials of the State of California. The EDC shall maintain and preserve all records related to this MOU for a period of three years from the close of the fiscal year in which final payment under this MOU is made. The EDC shall also contractually require the maintenance of such records in the possession of any third party performing work related to this MOU for the same period of time. Such records shall be retained beyond the three-year period, if any audit involving such records is then pending, until the audit findings are resolved. The obligation to ensure the maintenance of the records beyond the initial three year period shall arise only if the County notifies the EDC of the commencement of an audit prior to the expiration of the three year period.
- 26. Negotiated Agreement:** This MOU has been arrived at through negotiation between the parties. Neither party is to be deemed the party which prepared this MOU within the meaning of California Civil Code Section 1654.
- 27. Independent Advice:** Each party hereby represents and warrants that in executing this MOU it does so with full knowledge of the rights and duties it may have with respect to the other. Each party also represents and warrants that it

has received independent legal advice from its attorney with respect to the matters set forth in this MOU and the rights and duties arising out of this MOU, or that such party willingly foregoes any such consultation.

28. **No Reliance on Representations:** Each party hereby represents and warrants that it is not relying, and has not relied, upon any representation or statement made by the other party with respect to the facts involved or its rights or duties. Each party understands and agrees that the facts relevant, or believed to be relevant to this MOU may hereafter turn out to be other than, or different from the facts now known to such party as true, or believed by such party to be true. The parties expressly assume the risk of the facts turning out to be different and agree that this MOU shall be effective in all respects and shall not be subject to rescission by reason of any such difference in facts.
29. **Severability:** Should any provision herein be found or deemed to be invalid, this MOU shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect. To this end, the provisions of this MOU are declared to be severable.
30. **Entire Agreement:** This MOU is the entire agreement of the parties. There are no understandings or agreements pertaining to this MOU except as are expressly stated in writing in this MOU or in any document attached hereto or incorporated herein by reference.
31. **Materiality:** The parties consider each and every term, covenant, and provision of this MOU to be material and reasonable.
32. **Waiver:** Waiver by either party of a breach of any covenant of this MOU will not be construed to be a continuing waiver of any subsequent breach. The County's receipt of consideration with knowledge of the EDC's violation of a covenant does not waive its right to enforce any covenant of this MOU. The parties shall not waive any provisions of this MOU unless the waiver is in writing and signed by all parties.
33. **Authority and Capacity:** The EDC and the EDC's signatory each warrant and represent that each has full authority and capacity to enter into this MOU.
34. **Cumulative Remedies:** All of the various rights, options, elections, powers and remedies of the parties shall be construed as cumulative, and no one of them exclusive of any other or of any other legal or equitable remedy which a party might otherwise have in the event of a breach or default of any condition, covenant or term by the other party. The exercise of any single right, option, election, power or remedy shall not, in any way, impair any other right, option, election, power or remedy until all duties and obligations imposed shall have been fully performed.


35. **Counterparts:** This MOU may be executed in any number of counterparts, each of which so executed shall be deemed to be an original. The counterparts shall together constitute one MOU.

**SIGNATURES**

SAN BENITO COUNTY EDC

*Aaron Johnston, RR 9/23/19*  
By: Aaron Johnston, President

SAN BENITO COUNTY

  
By: Mark Medina,  
Chair, San Benito County Board of Supervisors

APPROVED AS TO LEGAL FORM:  
San Benito County Counsel's Office

*Shirley L. Murphy 9/23/19*  
By: Shirley L. Murphy, Deputy County Counsel

**MEMORANDUM OF UNDERSTANDING BETWEEN  
THE COUNTY OF SAN BENITO  
AND  
THE ECONOMIC DEVELOPMENT CORPORATION OF SAN BENITO COUNTY**

**ATTACHMENT A: SAN BENITO COUNTY INDEX<sup>1</sup>**

**QUARTERLY ECONOMIC UPDATES:**

1. Number of new businesses opened;
  - a. Number of jobs created.
2. Number of business closures;
3. Commercial Vacancy Rate;
4. Business satisfaction through surveys;
5. Count of existing business:
  - a. Count of existing business in the unincorporated region;
    - i. By business sector.
  - b. Total number of employees;

**BUSINESS RETENTION:**

1. Number of San Benito Industrial and Non-Retail Commercial Business Visits
  - a. Ratio of Policy (i.e. legislative) issues raised to solution offered through EDC (for small business vs. large business)(initial goal: 70%).
  - b. Ratio of Operational issues raised to solution offered through EDC (for small business vs. large business)
  - c. Dollars/Jobs saved and new investment/jobs created
  - d. Dollars and Jobs saved and new investment and jobs created.
  - e. Number of Trainings offered to local business.
    - i. Provide a one year schedule.
  - f. Work with County Geographical Information Systems Department to map all existing business.

**BUSINESS ATTRACTION:<sup>2</sup>**

Enhance the region's image as a desirable location and destination to live, work, play and operate a business.

1. Number of Business attraction prospects (site selectors and companies)
  - a. Number of active clients and prospective business.

---

<sup>1</sup> An Index is simply a reporting out of economic conditions and activity and is not a direct reflection on the success or shortcomings of the EDC's efforts. A local economy is complex and influenced by numerous factors that are outside of the control of the EDC, and even outside the control of local governments (ex. tariffs, monetary policy, business decision makers, etc.)

<sup>2</sup> Attraction targets will focus on industries and companies pursuant to goals set forth in the economic element of the adopted San Benito County General Plan (sec. 4, Goal ED 3), notably such firms that provide "self-sufficiency wages and benefits" (Goal ED 3.1)

- b. Number of clients' and or prospective businesses' visits to San Benito County.
- c. Number of clients/prospective business investments and jobs in San Benito County.

**FIVE-YEAR BUSINESS PLAN:**

Within six months to one-year of execution of the MOU provide Internal Business Plan, projecting diversified revenue streams.

- a. Include: business retention strategy and business attraction strategy.

**ASSIST THE COUNTY IN MEETING THE CEDS 5-YEAR STRATEGY OBJECTIVES**

(adopted on September 1, 2017), which include:

- Objective 1: Act Collaboratively;
- Objective 2: Invest in Job Creation, Local Business Development and Attraction;
- Objective 3: Invest in Talent Development, Retention and Education;
- Objective 4: Improve Business Climate & Competitiveness;
- Objective 5: Invest in Infrastructure Maintenance & Growth;
- Objective 6: Support Entrepreneurial Environment & Culture;
- Objective 7: Ensure Community Safety & Health; and
- Objective 8: Create Economic Resiliency.

EDC will record performance measurements for the identified objective:

1. **Objective 1: Act Collaboratively** – *Foster Collaboration, Connectivity and Centralization of Information Between the Private and Public Sectors in Order to Increase the Competitive Advantage of the Region.*
  - a. Deliverable: Cooperation Strategy – roles, responsibilities, and resources.
    - i. Community/Business Engagement Plan.
    - ii. Cooperation Strategy – roles, responsibilities, and resources.
  
2. **Objective 2: Collaborate in Job Creation, Local Business Development and Attraction** - *Implement Best Practices, Identify Prospects, Create Opportunities via Promoting the Region for Investment, Facilitate Projects to Fruition.*
  - a. Deliverable: *Develop and execute a comprehensive Economic Development Marketing Program and identify additional funding streams.*
  - b. Identify Business needs, and provide recommendations to streamline the process

3. **Objective 3: Support and Coordinate Talent Development, Retention and Education - *Share Best Practices, Identify Fractured Systems and Create Opportunities for Talent to Develop.***
  - a. Deliverable: Support and coordinate with the Central Coast in science, technology, engineering, arts and math (STEAM) initiatives via connecting and/or creating educational facilities, curriculum and internship opportunities (both academic and vocational).
  - b. Support Community Colleges and High School Technical Programs.
    - i. Build upon and promote existing regional young professional organizations and work to develop policies to attract and retain young professionals to the excellent quality of life in the San Benito County region.
  - c. Be a resource to entrepreneurs & start-ups: Foster innovation and new business development identify and assist prospective companies and entrepreneurs to start or grow new ventures in the region.
    - i. Small Business Development: increase collaboration and connections with small business to provide training and support.
  
4. **Objective 4: Improve Business Climate & Competitiveness - *Establish Cross-Jurisdictional Partnerships Built on Trust and Authenticity to Create the Best Working Environments Across Industries and to Access Financial and Intellectual Opportunities.***
  - a. Provide recommendations for the regulatory environment: Continue to advocate for improved policies and procedures to promote the economic growth of the region over the next five years. Focus on regional growth.
  
5. **Objective 5: identify business priorities for infrastructure maintenance & growth - *Identify Business Needs to Improve and Increase Infrastructure Systems to Support Business Growth and Community Needs.***
  
6. **Objective 7: Ensure Community Safety and Health, and Objective 8: Create Economic Resiliency:**
  - a. Support business plan and prepare for disasters and risks.
  - b. Collaborate with local organizations to plan for economic resilience.

# SALES TAX REIMBURSEMENT BUSINESS INCENTIVE

---

DRAFT PROGRAM FEBRUARY 10, 2022



# OVERVIEW

---

- This Incentive is to encourage new and existing businesses that generate sales tax revenue to locate or expand in San Benito County.
- The basic concept is that business expansion will increase sales tax revenue to the County and, by providing a sales tax reimbursement incentive, new revenue will be generated that may not otherwise occur.
- Many other local governments use a similar incentive, with programs that describe and define the amount of maximum reimbursement, term of the incentive, eligible businesses, and eligible costs.

# SALES TAX REIMBURSEMENT EXAMPLES

---

- Many cities and counties in California use this type of business incentive. This includes Dublin, Livermore, San Jose, Tracy, Dinuba, Fresno, Corona, Cypress, Fresno, and Sacramento County.
  - City of Dublin - \$10 Million in taxable sales (\$100,000 to the City). Reimbursement is 50% of annual sales tax for 5 years, up to the amount invested in the property. If \$50 Million in taxable sales, then 50% reimbursement for 10 years.
  - City of Livermore - Reimbursement is tied to documented City impact and development fees and new public infrastructure improvements. Maximum annual reimbursement is \$87,500 based on a 25% reimbursement rate for new sales tax revenue between \$250,000 and \$600,000 a year. Livermore has done five agreements since 2010.

# DRAFT SAN BENITO COUNTY PROGRAM

---

- This Program establishes a base year from which the increase in sales tax revenue is calculated. The County continues to receive the annual sales tax revenue calculated as the base year every year, and then a portion of the increase in sales tax revenue from a business expansion or a new business project.
- Eligible businesses must generate \$25,000 in direct County sales tax revenue, which would be from \$2,500,000 in the business's annual retail sales.
- 50% of net new sales tax revenue for five years is the maximum reimbursement, or the actual cost of identified fees and improvements, whichever is less.

# DRAFT SAN BENITO COUNTY PROGRAM

---

- Eligible reimbursable costs are:
  - Public Health and Safety improvements
  - Infrastructure improvements
  - Impact fees
  - Site improvements

# DRAFT SAN BENITO COUNTY PROGRAM

---

- **Second Tier Program**

- For businesses generating \$10,000 in sales tax revenue they can apply for the same program for Public Health and Safety Improvements

- **Implementation**

- Each business incentive will be a specific agreement between the business and the County.

# DRAFT SAN BENITO COUNTY PROGRAM

---

- This sales tax reimbursement program is to provide an incentive to businesses considering expansion and new business projects. While the focus is on increasing retail sales tax revenue to the County, expanding businesses also create new local jobs, new demand for business services, new property tax revenue, and provide new opportunities for residents to work locally in San Benito County.

# California Microbusiness COVID-19 Relief Grant Program



# Purpose

- To assist qualified small businesses negatively affected by the COVID-19 pandemic, in accordance with specified criteria, including geographic distribution based on COVID-19 restrictions and industry sectors most impacted by the pandemic.



# Overview

- \$80,077.79 in one-time funds for Round One
- Grants to eligible businesses of \$2,500
- Microbusinesses located in the County of San Benito
  - Negatively impacted
  - Financial hardships
  - Limited operations
  - Severely impacted by COVID-19 Health and safety orders

## Criteria: Qualified Microbusiness

---

- Began its operation prior to December 31, 2019.
- Currently active and operating or has a clear plan to reopen when the state permits reopening of the business.
- Significantly impacted by pandemic
- Had less than \$50K in revenues in the 2019 taxable year.
- Currently has fewer than five (5) full time equivalent employees and had fewer than five (5) full time equivalent employees in the 2019/2020 taxable years.
- Is not excluded from participation in the California Small Business COVID-19 Relief Grant Program, as specified in paragraph (2) of subdivision (f) of Gov. Code Sec. 12100.82

## Criteria: Microbusiness Owner

---

- Microbusiness owner can provide acceptable form of government issued photo ID and documentation that includes the owner's name may include but is not limited to the following:
  - A local business permit or license;
  - A bank statement;
  - A tax return;
  - A trade account;
  - A Self attestation form/ self certification done under penalty of perjury.
- Must be majority owner and manager of the qualified Microbusiness and the owner's primary means of income of the 2019 taxable year
- Did not receive a grant under the California Small Business COVID-19 Relief Grant program



**Shall prioritize outreach and marketing efforts to qualified microbusinesses which meet one or more of the following criteria:**

- The owner of the microbusiness is a member of a group that has faced historic barriers in accessing capital and is defined as business majority owned and operated on a daily basis by women, minorities or persons of color, veterans, undocumented individuals, and individuals living in low-wealth or rural areas on low incomes.
- The microbusiness has suffered economic impacts or revenue losses due to the COVID-19 pandemic.
- The microbusiness is a sidewalk vendor.

# Timeline

2022	Program Implementation Schedule
February	Create application Create committee for application process
March - April	Advertise Grant
April 1 <sup>st</sup> – May 6 <sup>th</sup>	Open application (must be open for four (4) weeks or more)
April 6 <sup>th</sup> & April 21 <sup>st</sup>	Evening informational zoom meetings for interested organizations
May 6 <sup>th</sup>	Close application
May 9 <sup>th</sup> to May 20 <sup>th</sup>	Review and follow up on submitted applications Attempt to collect missing information
May 23 <sup>rd</sup> to June 24 <sup>th</sup>	Meet with committee to evaluate application Finalize award decision
July 1 <sup>st</sup>	Notify Applicants
July 22 <sup>nd</sup>	Award Grants

## Next steps- Staff recommendation

---

- Approve a working group for Grant Program oversight consisting of the following representatives:
  - City of Hollister
  - City of San Juan Bautista
  - County Administrative staff
  - Non-profit representative
  - Community Services & Workforce development

## Definitions

---

- “Minority/Person of Color-Owned Small Business” means the following racial or ethnic groups: African American/Black, Asian, Native American or Alaska Native, or Native Hawaiian or Pacific Islander; or LatinX/Hispanic.
- “Low-to-Moderate Income (LMI)” means any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50% of households have an income less than 60 percent of the Area Median Gross Income (AMGI), or which has a poverty rate of at least 25%.
- “Veteran” means the individual served on active duty with the Army, Air Force, Navy, Marine Corps, or Coast Guard for any length of time and didn’t receive dishonorable discharge or served as a Reservist or member of the National Guard and were called to federal activity duty or disabled from a disease or injury that started or got worst in the line of duty or while in training status.