



# Moving Solano Forward—Phase II

Final Report

February 2017

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## Moving Solano Forward - Phase II

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## Acknowledgements

Appreciation is extended to over 178 stakeholders who participated in Moving Solano Forward Phase II project, especially those public and private stakeholders who attended in numerous meetings and work sessions.

Special acknowledgement goes to the County of Solano and the Solano EDC staff for their involvement, leadership and hard work to ensure this project was inclusive, thorough and delivered the expected results.

The active participation of the City-County Coordinating Committee (seven mayors and the Board of Supervisors), City Manager Group (seven city managers and the County Administrative Officer), Solano Economic Development Task Force (representing each city, workforce development, transportation, utilities and education) and the Project Review Committee ensured that the Project Team was provided diverse input. The Project Review Committee included:

### Moving Solano Forward Project Review Committee

Name	Title	Organization
Travis Armstrong	Division Manager	Solano Garbage/Republic Services
James Bezek	Management Analyst	Solano County
Robert Bloom	CEO	Solano Workforce Investment Board
Birgitta Corsello	CAO	Solano County
Jeremy Craig	Interim City Manger	City of Vacaville
Kathleen Diohep	Economic Development Manager	City of Vallejo
Karl Dumas	Community Development Director	City of Fairfield
Lorraine Fernandez	Business Services	Solano Workforce Investment Board
Sue Fisher Jones	Government Affairs	Valero Benicia Refinery
Jason Garben	Economic Development	City of Suisun City
Mario Giuliani	Economic Development	City of Benicia
Steve Huddleston	Vice President	North Bay Healthcare
Robert Macaulay	Director of Planning	Solano Transportation Authority
Dave Melilli	Director-Public Works	City of Rio Vista
Sandy Person	President	Solano EDC
Carol Pruett	Chief Administrator	Dixon Chamber
Jon Quick	Vice President	Colliers
Sean Quinn	Project Manager	Solano EDC
Tony Sanfillipo	General Manager	Anheuser Busch Brewery
D'Andre Wells	Economic Development	City of Dixon
Jay Speck	Superintendent	County Office of Education
Andrea Garcia	External Affairs	Touro University
Debi Tavey	President/CEO	Fairfield-Suisun Chamber of Commerce





## Moving Solano Forward II – Final Report

Moving Solano Forward Phase II (MSF II) is a project focused on strategically sustaining and growing the regional economy. Local economies grow by increasing the total value of goods and services produced by local firms. Firm creation and growth, as well as businesses' movement into and out of the region, are functions of regional characteristics that determine the efficiency and productivity of various types of firms and markets.

The foundation of the Moving Solano Forward II is understanding Solano County's economic assets, challenges, and opportunities in a regional context and creating a structure to execute and take advantage of opportunities:

- 1. Enhancing industry sectors and concentrations.** Firms are more productive when interacting in “sectors” or “clusters” of related firms, business functions and institutions.
- 2. Fostering existing business and industry expansion.** Deliberate and continuous innovation and scaling is a core driver of increasing economic productivity.
- 3. Developing and deploying human capital aligned with jobs.** Today's economy places a premium on higher levels of human capital and on labor markets that enable more continuous, targeted and efficient training, retraining and deployment of workers whose skills align with changing job requirements.
- 4. Improving infrastructure and the efficiency of the built environment.** The economic benefits of concentrating assets – such as reduced transportation costs for goods, people and ideas, shared labor pools and the spillover of knowledge between firms and individuals – arise most robustly from dense, mixed-use and well-connected concentrations of businesses, suppliers, workers and consumers.
- 5. Creating effective public and civic institutions.** Government shapes and enables market activity; provides critical public goods that enhance firms' productivity and efficiency; and, along with civic, private-sector and cross-sector institutions, creates the networks and environment that support dynamic and flexible economies.

These five market drivers interact to define the characteristics, opportunities and performance of the regional economy.

## Scope of Project

Moving Solano Forward II (MSF II) is a foundation for economic growth, and focuses on those aspects that have the most direct impact on improving economic output (gross regional product or GRP), employment and wages. A number of fundamental preconditions are vital to the success of an economic development strategy, including strong schools, safe and livable environment and a stable fiscal environment.

An economic development strategy does not diminish the need for comprehensive planning regarding poverty, education, housing, public health, safety, transportation, the environment, community development and overall quality of life. These issues are critical elements of an environment that enables economic growth which are being addressed by other organizations and initiatives.

## Project Approach

A business planning model was used to guide the project and create the strategy:

### ❖ **Fact-based and market-disciplined.**

Rigorous market analysis led to strategies tailored to the specific assets and opportunities within Solano County. The work reflects extensive and vigorous economic analysis about the county's position, the path toward economic growth, and what actions move it further along that path.

### MSF II Project Working Papers

- 2.0 Property Site Overview
  - 2.1 Property Site Overview-Cities
    - 2.1, 2.3, 5.2 Business Park Boundaries
- 2.2 Corridor Research
  - 2.2a Corridor Research Supplement
- 2.4 Moving Solano Forward II Strategy
- 2.5 Perception Identity Findings
- 2.5 Marketing Campaign Style Guide
- 3.0 Economic Analysis & Cluster Selection
- 3.1 Business Lists
- 3.2 Business Survey Findings
- 3.3 Business Retention Expansion Program
- 3.4 Linking Traded Sectors to Workforce
- 5.1 GIS Property Design
- 5.1 Website Design Overview
  - 5.1 Economic Development Wireframe
- 6.1 Financing Economic Development
- 6.2-6.3 Infrastructure Financing and Funding Source Guide

- ❖ **Inclusive and collaborative.** Extensive outreach to stakeholders, organizations and cities in different settings – meetings, surveys, individuals, businesses, work sessions, groups – to generate a diverse set of inputs to the project research and strategic actions. Key groups informing the project included the Project Review Committee, City-County Coordinating Committee, City Managers Group, Solano Economic Development Task Force, Solano EDC Board of Directors and Workforce Development groups.



- ❖ **Transparent.** In addition to meetings and monthly reporting, as project tasks were completed *Working Papers* were posted to the project website for review and comment. The project website promoted the project schedule, presentations, and meeting schedule and encouraged public comment via the website. Meetings and presentations were posted on the project website for public review. [www.MovingSolanoForward.com](http://www.MovingSolanoForward.com).

## Assets

The many legacies – industry mix, workforce, built environment and institutions – of Solano County's rich history provides the foundation for a path forward for a prosperous, inclusive and competitive place. Deliberately capitalizing on, promoting and connecting the opportunities of assets, alignment of industries, human capital, innovation ecosystem, built environment and governance lead in creating competitive business locations:

### ❖ **Economic Drivers**

- Strength of existing base of traded sector – \$19.65 billion-dollar Gross Regional Product.
- Traded sector industries drive the Gross Regional Product (GRP) having an economic output of \$1.4M per job – Advanced Materials (manufacturing), Bio-Tech/Bio-Medical, Food/Beverage, and supply chain industries, including logistics supporting the traded sector.
- Travis Air Force Base continues to be a major single-industry job generator as well as magnet for supply chain industries.
- Healthcare continues to grow as the major job employment base contributing to the GRP.

### ❖ **Physical Product**

- Key location within the San Francisco Bay Area, and one of the nine counties making up the Bay Area metropolitan region.
- I-80 plus five trade corridors, 2.0 million square feet of industrial, flex and warehouse space and over 1,000 acres of Tier 1 sites available.
- Diverse portfolio of 21 industrial parks. Each city represents different opportunities:
  - Mature: Fairfield, Vacaville and Vallejo have active developer activity, more mature industrial areas and Tier 1 and Tier 2 space.
  - Emerging: Dixon is emerging market with site opportunities and strategic location near UC Davis campus.
  - Niche: Benicia, Rio Vista and County are more niche-oriented due to small land portfolios.

- Developer: Suisun City has unique opportunity to market specific sites to developers.
- Annual industrial operating costs range from 35-45% less than Oakland and San Jose.
- ❖ **Human Capital**
  - Shared workforce with over 1.3 million workers within a 40-mile radius.
  - Solano County provides jobs to workers in other areas, over 60,000 in-bound workers and exports over 107,000 out-bound workers daily<sup>1</sup>.
- ❖ **Other Assets**
  - There are many other assets supporting industry including
    - The County’s education portfolio, where colleges and universities can partner with firms to pursue cutting-edge technologies, products and research.
    - Education-workforce-economic development collaboration for tailored, industry-driven training and education to drive firm-worker matching creating high productivity talent for key sectors.
    - Strong physical and virtual connections to a variety of resident, business and cultural/entertainment nodes throughout the county.
    - Diverse living styles – urban, country and waterfront.
    - Resource assistance; inter-jurisdictional and cross-organizational partnership that enable and catalyze countywide growth.

The above overviews those key assets for impacting economic growth – competitive location, scaling local traded-sector industries and attracting new jobs and investment.

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<sup>1</sup> 2014 Census Data, In-Out Flow Analysis (LEHD, [onthemap.ces.census.gov](http://onthemap.ces.census.gov)), Private Sector Workers

## Moving Solano Forward Strategic Framework<sup>2</sup>

The Moving Solano Forward II (MSF II) extensive body of work (*16 Working Papers*) was to provide a foundation for increasing the number, size and productivity of the county's traded-sector.

Task 2.4, outlines a strategic framework to directly address opportunities, engage partners to ensure competitiveness within the region and launch activities that results in new jobs, investment and diversification of the economic base.

The research and assessment of MSF II is incorporated in the strategic framework and strategy for implementation.

The MSF II Strategic Framework is based on four interlinking initiatives, which begin to differentiate economic development actions from past efforts – strategic focus, collaborative in approach to maximize resources and outcomes.

Two initiatives are focused on business termed, *outward facing*:

- ❖ **Existing Business** actions (aka Business, Retention & Expansion) are not necessarily new. Collaborating with cities and other organization economic professionals, a collaborative use of new technology will increase efficiency and collaboration of meetings with existing businesses, called Solano Business First! Existing business development is led by Cities. The new tool, Executive Pulse was provided to each city and the County to assist in this effort

**Expected Outcomes:** Scale existing traded-sector businesses to create economic impact.



<sup>2</sup> Task 2.4 Working Paper MSF Corridor Development Strategy

- ❖ **Business Attraction** actions are new as it relates to being pro-active in “attracting” new leads in identified targets of traded-sectors – Advanced Materials, Food/Beverage and BioTech/BioMedical. Working with Solano Industry Groups (traded-sector) the Solano EDC would launch traded-sector attraction campaigns. This initiative includes new material concepts<sup>3</sup> which all jurisdictions and organizations can participate to leverage marketing and broaden exposure.



**Expected Outcomes:** Increase exposure of Solano as a premier location for traded-sectors industries and double lead generation and project conversion rates.

Two initiatives are *inward-facing* (actions that are internal to Solano County to create and maintain competitive advantage while meeting the expectations of business):

- ❖ **Competitiveness** actions included continuing the work started with MSF II to ensure a shovel-ready land and building inventory, access to state, federal resources to finance infrastructure development and address challenge areas for businesses, such as workforce development, transportation and business climate issues.

**Expected Outcomes:** Maintain competitive advantages for existing and new businesses, access resources to enhance infrastructure, maintain a shovel-ready portfolio and facilitate education-workforce-economic development collaboration around workforce challenges.

- ❖ **Resource Hub** actions included engaging collaboration with partners to ensure the right information for businesses is easily and quickly accessible, preferably virtually, connecting businesses to resources and assistance, and providing leading research on the County and industries.

**Expected Outcomes:** Maintain a robust virtual resource hub with current data and research, and access to business assistance expertise and economic research.

Solano County, all partners and organizations, have already begun to make this transition toward a collaborative, mission-focused strategic approach for economic growth:

- ❖ An Industry Group on manufacturers is forming.

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<sup>3</sup> Task 2.5 Marketing Campaign Style Guide

- ❖ The Solano Economic Development Task Force is moving to a team for launching Solano Business First! implementing in their local cities new software to enhance existing business calls.
- ❖ Workforce Development is also using same software to interface with cities and businesses to leverage outreach.
- ❖ Early adopters are planning to use the Solano Means Business campaign.
- ❖ Cities are investigating opportunity for creating an industrial-tourism node.
- ❖ Cities are preparing future analysis on infrastructure project financing.

***Now is the time to capture the energy and momentum of existing efforts to align the mutually-reinforcing strategies and leverage implementing actions by all entities. Coordinated execution of the cross-cutting strategies will achieve synergies and magnify growth across all parts of the county.***

## Next Steps – Ongoing Institution Capacity

**While significant milestones have already been achieved in building collaborative efforts, initiating tools and early adoption of the mission, the process to date and this document are just the first iteration.** Like any business plan, the plan will always be a work-in-process: the point is not the strategy, but the strategic enterprises it helps launch.

MSF II represents only the foundational work for what will become a continuous process of stakeholder engagement, analysis, strategic revision, initiative design and execution, measurement of results, adjustment and adaptation to new economic conditions.

Implementation will require:

- ❖ An entity geared toward action with a framework for strong and lasting collaboration, continual engagement of stakeholders, across sectors (public, private and civic) with focus on economic growth, addressing challenges and embracing evolving opportunities. The countywide Solano Economic Development Corporation is in best position to implement the strategy.
- ❖ Strengthening the Solano EDC to move the strategy forward – leadership, strategy-specific working groups, staffing, potential partnership arrangements and/or agreements.
- ❖ Defining roles and responsibilities including: identify/executing initiatives, monitoring progress/ performance of implementation efforts, revisiting/refreshing analysis and strategies over the long term.
- ❖ Fundraising will be necessary to support the strategy implementation, particularly the Business Attraction Initiative.

## MSF II – Reports and Documents

The MSFII full report is contained in 16 *Working Papers* that provide the basis for the strategy which was conducted around three key areas:

1. Preparing product (sites) to increase competitiveness with surrounding counties.
2. Strengthening shared-purpose economic and research analysis, partnerships and tools.
3. Creating consensus-based, strategic execution plan.

MSFII project purpose was to:

1. Produce a shared roadmap for the region, aligning existing and new initiatives around a common mission.



2. Create the opportunity for an institutional infrastructure for economic growth, comprising a network of stakeholders committed to acting collaboratively to grow the economy.
3. Enhance an ongoing enterprise, geared toward action.
4. Be more than a strategic plan, laying a foundation around which strategies and initiatives align for implementation.

MSFII “tools” for increasing organizational and institutional capacity as well as launching execution of initiatives, included:

- New economic development website, [www.SolanoEDC.org](http://www.SolanoEDC.org), [www.SolanoMeansBusiness.com](http://www.SolanoMeansBusiness.com).
- Business tracking software, Executive Pulse.
- City specific site evaluation reports, each city’s real estate portfolio evaluated and reports delivered to cities.
- Economic analysis of existing economy, gross regional product, traded-sector drivers and labor force analysis.
- An infrastructure financing guide.
- Up-to-date data based on International Economic Development Council, IEDC, standards.
- Model for forming a manufacturing industry group.
- Marketing campaign style guide.

The Final Report Technical Appendix provides overview of all work completed. All working papers are posted on [www.MovingSolanoForwardii.com](http://www.MovingSolanoForwardii.com) and the new website [www.SolanoEDC.org](http://www.SolanoEDC.org).

MSF II launch efforts will focus on:

1. Launch Solano Business First! To demonstrate collaboration and focus on scaling existing businesses.
2. Leverage the county’s geographic, supply chain and human capital advantages to grow traded sector industries
3. Become known in the greater Bay Area metropolis as the emerging premier location for traded-sector industries in advanced materials, food/beverage and biotech/biomedical through collaborative promotion.
4. Align workforce development with growth opportunities in targeted, high potential industry sectors, including health care.
5. Prepare applications for regional infrastructure to enhance efficiency, cost effectiveness and connectivity.
6. Foster dynamic industry networks and ecosystems, building on existing but sometimes fragmented activities.
7. Enhance inter-jurisdictional vision, cooperation and collaboration for economic growth.

## About the Project Team

Economic Forensics and Analytics, Chabin Concepts, DSG Advisors, Keyser Marston Associates and MC2 Design Group were part of the Moving Solano Forward Phase II Project and Team.

Chabin Concepts is an economic development and marketing firm with core competencies in realistic, achievable and measurable actions. DSG is an independent Site Selection Consultant. Our goal is to assist cities, counties, regions and states with their readiness for new investment and position them to win new jobs and investment. Our approach engages the community and leadership in strategic thinking **and** tactical implementation ***accomplish the mission.***



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