

2006 RJI Annual Report

*Building  
on the Momentum*

**RJI** Regional  
Jobs Initiative

# Building on the Momentum

## PREFACE

---

2006 was perhaps the busiest in recent history in the economic, human and community development spheres in the Fresno Region. When we launched the RJI three years ago, we said there had been many well intentioned, past efforts focused on job creation, but that they had been fragmented, disjointed and sub-scale. We also said it was important to build on what was already in place. We are very pleased with the way our community has come together since then. The degree of collaboration that exists today is unprecedented in our region and being cited nationwide as an example of successful regional collaboratives. We are no longer fragmented and disjointed. More than halfway through the five-year Regional Jobs Initiative, new partnerships have been formed and are yielding results, pilot projects are being expanded to reach scale, and community transformation efforts are beginning to reach critical mass. Consider these examples from 2006:

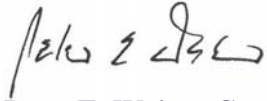
- The Central Valley Business Incubator and the International Center for Water Technology combine forces to create the Water Energy Technology Incubator, the first of its kind in the United States.
- The Creative Economy Council is formed by Mayor Autry and Councilmember Perea, does extensive research, and publishes an intense, step-by-step guide to developing, recruiting and retaining knowledge workers in Fresno, a “must have” asset for prosperity in the knowledge-based economy.
- Central Valley Fund, a \$100 million mezzanine financing organization, makes its first investment in a Fresno business, MBIA Services, retaining the firm in Fresno and saving over 100 jobs.
- Pacific Community Ventures, a non-profit business consulting firm headquartered in San Francisco, launches its San Joaquin Valley office in Fresno to provide high-level business advising to small- and medium-sized firms in the region and brings with it a \$30 million venture capital fund. This office is the quickest launch and expansion in Pacific Community Ventures history.
- The California Partnership for the San Joaquin Valley completes a 10-year strategic action proposal with specific recommendations to address major issues from education and the environment to economic development and human services issues. The plan is submitted to and approved by Governor Schwarzenegger, who extends the work of the Partnership through an additional executive order.
- The Fresno County Workforce Investment Board (WIB) completes primary research on the actual number of jobs open in the County and the number of jobs projected to be

created within three years. The research indicates that over 2,500 jobs are open today and that almost 20,000 will be available in three years underscoring the region's urgent need to develop human capital.

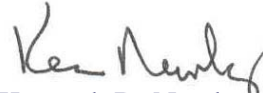
- The WIB lands a \$1.8 million grant to provide training for the food processing and logistics industries.
- State Center Community College District convenes a Workforce Development Summit to assess training and workforce current and future demand among RJI industry clusters. SCCCCD is now reconstructing its career and technical education programs to meet the needs of these industries.
- The Greater Fresno Area Chamber of Commerce and many community organizations work together to pass the extension of Measure C by an overwhelming margin. Measure C funds target many critical infrastructure projects needed for economic development.
- California voters pass the transportation bond and direct \$1 billion to the improvement of Highway 99.
- Fresno Center for New Americans, Fresno West Coalition for Economic Development and One by One Leadership, working together as “Fresno Works for Better Health,” convene and organize the first-ever “poverty summit” in Fresno. Hundreds of community leaders and a number of national experts participate in the Summit, which generated significant momentum to address issues of concentrated poverty in this region.
- The City of Fresno's state enterprise zone is renewed. The County of Fresno is awarded a new enterprise zone, which encompasses most of the County.
- The Fresno Business Council, Fresno Regional Foundation, Fresno Unified School District, and a host of partners gather to develop early plans for a “Human Investment Initiative,” a comprehensive collaborative focused on human development issues in neighborhoods with concentrated poverty.
- The Fresno Council of Governments launches a comprehensive public outreach effort to develop a shared vision for the region's growth patterns for the next 50 years. The Fresno effort is a part of a broader, 8-county planning process, the “San Joaquin Valley Blueprint.”

The above examples just scratch the surface of opportunities and successes that are materializing in the Fresno Region. With all of the above (and more) evidence, it's impossible to ignore the fact that something unique is happening in our region. Momentum for positive change is at an all time high for our community. Yet, our biggest challenge still lies ahead. Concentrated poverty persists in Fresno and undermines efforts to improve economic vitality and prosperity in our community. To truly reach our full potential, we must build on the momentum of the last three years, dig even deeper and commit ourselves to addressing and closely linking *all* the components of prosperity: economic development, human development and community

development. The collaborative approach that has served us so well in the economic development sphere needs to be applied as well in our human development and community development spheres. Doing so will change many lives, both now and in future generations.



Peter E. Weber, Co-Chair  
Regional Jobs Initiative



Kenneth D. Newby, Co-Chair  
Regional Jobs Initiative

# 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.

# Table of Contents

Overview .....	7
Status Report on Recommendations .....	9
The Job Growth Numbers .....	17
2007 Agenda .....	22

# Overview

The highly visible goal of the RJI is the creation of 25,000 to 30,000 net new jobs in five years. Underpinning that goal are four objectives:

- Diversifying our economy
- Competing more on value than low cost
- Fostering innovation and entrepreneurship
- Growing our existing businesses

When the RJI was launched in January 2003, seven industry clusters were identified as having strong potential for growth and diversification of our economy:

- Advanced Logistics & Distribution
- Advanced Manufacturing
- Construction
- Health Care
- Information Processing
- Tourism
- Water Technology

Since then three more clusters, or “economic opportunity areas,” have been added:

- Food Processing
- Innovative Energy
- Software

More than 600 business leaders are now involved in various aspects of these clusters, and it is they who are providing the direction for the RJI, for they are best equipped to know what will help their businesses prosper and grow. They have determined what synergies they can achieve by working together; what workforce needs must be addressed; and what local, state or federal policies will best enable them to compete in the information age and the world of globalization. And it is they who are making possible the implementation of initiatives best suited to achieve their growth objectives.

Working in conjunction with the RJI Industry Clusters is a group of “competitive advantage” task forces. The RJI task forces are groups of business, government and

community leaders convened to formulate and implement plans that will make the region's business climate more competitive for the target industry clusters.

RJI task forces have been formed in the following areas:

- Innovation
- Workforce Development
- Physical Infrastructure
- Technology Infrastructure
- Customer Service
- Government Affairs
- Finance/Capital Formation
- Communications
- Livability

More than 150 people and over 24 public agencies and non-profits are engaged in the RJI task forces. Each is addressing complex issues related to the competitive advantage of our regional economy. Those issues are as broad ranging as spurring innovative thinking to dealing with critical infrastructure needs and preparing the workforce. Needless to say, making progress requires attacking multiple fronts. The leaders in these task forces have shown tremendous dedication and commitment to the challenges set before them. While there is still much to be accomplished in each task force area, the overall progress is quite impressive when looking back over the last three years.

# Status Report on Recommendations

Although it is impossible to track every element of progress, the following pages provide a high level status report on each of the recommendations as outlined in the original RJI plan. As expected, additional opportunities have developed during the intervening period and those are noted at the end of this section.

## INITIATIVE 1 Create the Valley Training and Education Consortium for Healthcare.

**STATUS:** The Hospital Council of Northern and Central California is providing leadership on the initiative. The Hospital Council linked efforts of the RJI with other efforts to expand nurse training in the region with the California Partnership for the San Joaquin Valley to create the San Joaquin Valley Nursing Education Consortium. The Consortium received a \$500,000 grant from the state to work with educators and employers to increase the number of RNs in the region by 250 per year beginning in 2008.

## INITIATIVE 2 Establish a regional medical school and selected biomedical research institutes.

**STATUS:** UC Merced is the lead agency on the initiative. A complete business plan is being developed and will be submitted to the UC Office of the President in summer 2007 and the UC Regents in fall 2007. A \$5 million grant was awarded to UC Merced to further the plans for the medical school. In addition, the City of Fresno set aside \$100,000 in the 2006-07 budget to seed efforts to develop research capabilities in the Fresno Region affiliated with the proposed UC Merced medical school. Councilmember Westerlund initiated the action and is working with UCSF and UC Merced.

## INITIATIVE 3 Establish the "Regional Manufacturing Partnership and Central California Center for Manufacturing Excellence."

**STATUS:** Launched the Regional Manufacturing Partnership in 2004; over 200 manufacturing businesses and training/education partners have been involved. The cluster continues to meet quarterly.

Worked with Fresno State's College of Engineering to develop a strategic plan to double the number of students in the College within 10 years.

Coordinated numerous training sessions on manufacturing best practices and professional development for line supervisors.

Coordinated the Careers in Manufacturing Technology internship program in partnership with Fresno City College and Reedley College.

Received a \$100,000 federal grant to do the market analysis for establishing the Advanced Manufacturing Center.

Searchable web site in development - will enable area manufacturers to locate local suppliers and buyers for manufacturing services.

**INITIATIVE 4**

Establish the "Information Processing Industry Partnership" in collaboration with the Central California Society for Information Management.

**STATUS:**

Launched Fresno Call Centers cluster in 2004.

Launched web site [www.fresnocallcenters.com](http://www.fresnocallcenters.com).

Call center leaders partnered with the Economic Development Corporation Serving Fresno County and the City of Fresno to recruit CCI, a call center employer, to the market. Other call centers are seriously considering the Fresno Region for new sites.

Broder Brothers' corporate office picked their Fresno in-bound call center site for two expansions because of resources available through the call center cluster network.

Local training providers developed and offer customer service training for call center employees in response to industry needs.

**INITIATIVE 5**

Establish the "Regional Construction Partnership."

**STATUS:**

Launched the Construction Industry Partnership in 2004.

Local regional occupation programs (ROPs) in Fresno County have adopted the construction cluster as a target for career technical education.

Worked with Fresno State's College of Engineering to develop a strategic plan to double the number of students in the College within 10 years.

Construction Center for Excellence launched at Fresno State - industry donated materials and labor to complete phase one of two phases. Second phase of the center to be completed in Summer 2007.

Members of cluster advisory committee participate on the vocational ed committee for Clovis Unified.

Partnering with the Builders Exchange to bring all construction industry trade groups together to address workforce development issues.

Construction Industry Partnership is working with local jurisdictions on the investigation of the Metro Rural Loop, a proposed land use and transportation corridor in the Fresno-Madera region.

Working with public works and planning directors from the City of Clovis, City of Fresno and County of Fresno to improve efficiencies in local government building processes.

**INITIATIVE 6**

Develop a strategic plan to improve regional infrastructure.

**STATUS:**

While there have been some advances on this front, the strategic plan envisioned has not been developed. The major infrastructure components referred to in this strategic plan are (1) roads, (2) industrial parks, (3) rail, and (4) air cargo. The passage of Measure C was a critical milestone for improving local road infrastructure, as well as air capacity. Some progress has been made on advancing industrial park availability (see below). We are unaware of any specific enhancement of rail capacity or plans for rail enhancement in the Fresno Area. Major long-term land use initiatives noted elsewhere in this report, e.g. the Blueprint project organized by the San Joaquin Valley Councils of Government,

and projects such as the Metro Rural Loop analysis noted above will help infuse Smart Growth philosophies into the process of infrastructure development. Additionally, the City of Clovis recently completed a wastewater facility expansion and the City of Fresno has significant additional wastewater expansion targeted for the near future. Both projects are critical to future economic development and to maintain high-quality services to residents.

## INITIATIVE 7

Improve training opportunities specific to the logistics and distribution industry.

### STATUS:

Fresno City College added a certificate program in logistics and warehouse management in response to the Logistics Cluster's needs. The certificate program was approved in February 2007 and will be offered beginning in Fall 2007.

Fresno State reinstated its option in logistics and supply chain management and is working to establish an educational major to support the Logistics Cluster.

## INITIATIVE 8

Partner with the EDC to market the region as a state/regional hub for advanced logistics and distribution.

### STATUS:

Logistics industry representatives routinely work with the EDC on siting companies in the area. This is an industry that is regularly investigating business location opportunities in Fresno County. The issue in siting more advanced logistics firms in Fresno County is not one of promotion. Rather, we regularly turn businesses away because of the lack of certified industrial sites. Accordingly, future success in this initiative is closely dependent on the success of Initiative 6 above.

## INITIATIVE 9

Establish a regional tourism authority to prepare and implement a comprehensive regional marketing plan that engages all industry stakeholders.

### STATUS:

Measure J, a local sales tax measure, would have funded the tourism authority. However, it was not passed by the voters. Although a new tourism authority has not been established, tourism is funded at greater levels today than before the focus on the tourism cluster. The City of Fresno has increased its investment in tourism. The County continues to fund its tourism office.

Fresno Convention and Visitors Bureau added tourism promotion to its activities after having focused on convention marketing for many years. Full time staff position was added and filled to coordinate tourism promotion activities.

Promotional DVD of Fresno County made and distributed.

Fresno CVB and County tourism office are participating in a promising larger, regional tourism effort initiated by the California Partnership for the San Joaquin Valley.

## INITIATIVE 10

Continue plans to construct the International Center for Water Technology.

### STATUS:

Phase 1 of the building was completed as a part of the Water Energy Technology Incubator, the first business incubator in the country to focus on early stage and start-up water and energy related ventures.

<b>INITIATIVE 11</b>	Expand Careers in Manufacturing Technology internship program.
<b>STATUS:</b>	Internship program continues to operate every summer bringing together 15-20 companies and interns from Fresno City College and Reedley College.
<b>INITIATIVE 12</b>	Expand the export development and joint marketing activities of the water technology cluster.
<b>STATUS:</b>	<p>The International Center for Water Technology routinely takes water tech companies from the Valley to international trade shows to help develop export markets for their products.</p> <p>First-ever international water technology conference to be held in Fresno in early April.</p>
<b>INITIATIVE 13</b>	Continual evaluation of additional economic development opportunities.
<b>STATUS:</b>	In keeping with the "loose leaf" approach to the RJI plan, we have continually evaluated and acted on emerging economic development opportunities. Since the launch of the RJI plan, 3 additional industry clusters have been organized: food processing, software development and innovative energy.
<b>INITIATIVE 14</b>	<p>Develop a unified framework among "job readiness" service providers co-branded as the "bridge academy".</p> <p>The framework will include uniform admissions and assessment; individualized achievement plans; vocational training academies; job readiness certification; job placement services with a focus on career ladders; necessary support services.</p>
<b>STATUS:</b>	<p>A specific program called the "bridge academy" has not been developed. However, many of the program elements envisioned as a part of the Bridge have been developed or are in process.</p> <p>Uniform admissions and assessment - major service providers (WIB, County Employment and Temporary Assistance office, community colleges) have adopted a common assessment tool - Work Keys.</p> <p>Job readiness certification - developed and adopted by major service providers.</p> <p>Job placement services with a focus on career ladders - developed and implemented by the WIB.</p>
<b>INITIATIVE 15</b>	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.
<b>STATUS:</b>	<p>A specific facility called the Central California Workforce Development Center has not been developed. However, many of the program elements envisioned as a part of the Center are included in the services provided by the WIB and the training provided by area junior colleges.</p> <p>Employment and Training Analysis – The WIB conducted surveys of employers in target clusters to determine exact job requirements now, 1 year from now and 3 years from now. According to the data, almost 20,000 jobs will be available three years from now across 5 industries. The data underscores the importance of workforce development as perhaps the single most important economic</p>

development strategy for the Fresno Region. Next step on the E&TA is to do an inventory of all available training in the area matched against employer requirements, and then conduct a gap analysis to determine what additional training capacity needs to be brought on line.

SCCCD is undergoing a significant process to identify key training gaps and fill them based on employer demand. SCCCD organized a very effective vocational education summit in October 2006 to bring employers to the table to identify current and future training needs. Results of the summit have been compiled and are now being disseminated. SCCCD's goal for 2007 is to develop and begin implementation of plans to align available career technical education with target clusters.

**INITIATIVE 16** Develop a regional physical infrastructure strategy that provides adequate public facilities and services to the growing industry clusters identified in the RJI.

One, integrated infrastructure strategy still does not exist. However, elements of the strategy have been developed and/or are in process:

Inventory of "ready to go" industrial and commercially zoned properties - the EDC worked with the cities in the County to develop this inventory.

Assembling project areas - the County of Fresno has initiated an effort to assemble industrial park space; City of Fresno has identified 1,000+ acres in the southeast growth area for industrial park development; Clovis has assembled additional industrial land to add to its R&T park area.

**INITIATIVE 17** Respond to the needs of the clusters and task forces and investigate the feasibility of establishing a MAN in the Greater Fresno Area.

City of Clovis issued an RFP for Wi-Fi services in the Clovis area. Fresno City leaders are working with the City of Clovis to investigate expansion of the network to the metro-Fresno area. The City of Fresno began offering free downtown Wi-Fi services in Summer 2006.

**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 Region as a whole. Commit to reporting annually on these measures.

**STATUS:** New Valley Times — bi-annual indicator project — last published in February 2006.

RJI semi-annual and annual meetings and reports provide updates on progress on implementation of the RJI plan.

**INITIATIVE 19** Directly engage the arts and cultural communities in the execution of the RJI plan.

**STATUS:** Fresno Coalition for Art, Science and History and Fresno Arts Council are active participants in the RJI Implementation Task Force.

**INITIATIVE 20** Support officials in pursuit of low cost air service.

**STATUS:** Frontier, a low cost air service, has been added at FYI. Importantly, direct service to many additional locations is at hand, which will greatly enhance the functionality of air travel for the Valley.

<b>INITIATIVE 21</b>	<b>Establish a regional transportation authority.</b>
<b>STATUS:</b>	Initial investigation has been done by the Fresno COG. The regional transportation authority has not yet been established.
<b>INITIATIVE 23</b>	<b>Develop a national reputation for an innovation culture.</b>
<b>STATUS:</b>	Fresno State's entrepreneurship program was ranked in the top 10 by Entrepreneur Magazine in 2005, which helps contribute to this goal.
<b>INITIATIVE 24</b>	<b>Develop a national reputation for high growth startup businesses.</b>
<b>STATUS:</b>	The Fresno market does not yet rank nationally for its success in start up businesses. However, several important infrastructure elements have been added to the entrepreneurship economy in Fresno: Lyles Center, Pacific Community Ventures, Central Valley Fund, Bulldog Fund, Central Valley Business Incubator and Water Energy Technology Incubator. There is an increased focus of resources on entrepreneurship development and innovation as a means to economic vitality.
<b>INITIATIVE 25</b>	<b>Retain and attract 20-29 year old "knowledge workers."</b>
<b>STATUS:</b>	The Creative Economy Council developed a specific action plan to attract and retain knowledge workers. Several recommendations have been implemented. More focus needs to be paid on implementation of the report in 2007, especially around attraction of experienced "boomerangs" back to the Valley.
<b>INITIATIVE 26</b>	<b>Develop collaborative methods for the formulation and implementation of change.</b>
<b>STATUS:</b>	Difficult to quantify implementation of this recommendation, although most business, civic and elected leaders report an increased spirit of collaboration and willingness to work together to address complex issues.
<b>INITIATIVE 27</b>	<b>Develop a national reputation for dedication to customer service aimed at retaining and attracting employers.</b>
<b>STATUS:</b>	City of Fresno and County of Fresno have both undertaken initiatives to re-organize and improve customer service for business expansion and retention. More work needs to be done to streamline processes within and across jurisdictional lines.
<b>INITIATIVE 28</b>	<b>Develop and execute a comprehensive communications plan specifically for the RJJ.</b>
<b>STATUS:</b>	Ongoing. Monthly newsletters, web site, media relations, and speaker's bureau.
<b>INITIATIVE 29</b>	<b>Clearinghouse for industry specific information tools to facilitate intra- and inter-industry communication.</b>
<b>STATUS:</b>	The RJJ web site and the related cluster web sites are the main vehicle for facilitating 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.

**STATUS:** This project has not advanced as envisioned - great opportunity for 2007. The Fresno Coalition for Art, Science and History is raising funds to implement such a portal in 2007. Websites and list serves such as Fresno Famous, Mind-Hub and the Fresno Bee fill part of that function, as well.

**INITIATIVE 31**

Support the EDC Serving Fresno County in developing an industry recruitment campaign for each industry cluster.

**STATUS:** The clusters that are best positioned for business recruitment efforts are call centers, distribution, manufacturing and renewable energy. The EDC has seen a number of leads in these industries and routinely involves cluster leaders to help recruit firms to the area, but specific recruitment strategies vary from cluster to cluster. Plus, the relative lack of certified industrial sites hinders some of these attraction initiatives.

**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.

**STATUS:** City of Fresno commissioned a PR campaign in 2006, and the second edition of the New Valley Times was published in February 2006. Other, positive press on the efforts being made to transform our region has been generated through the California Partnership for the San Joaquin Valley and the state and national networks of regions.

**INITIATIVE 33**

Develop a regional strategy for funding economic development.

**STATUS:** No specific change on this recommendation. Preliminary plans are being drafted but have not been enacted. Agency leaders and elected officials increasingly showing support for collaborative economic development and the notion of interdependence between economic, community and human development.

**INITIATIVE 34**

Help promote the establishment of an industrial development capital fund.

**STATUS:** Some progress is being made, but the fund is not developing as envisioned.

**INITIATIVE 35**

Federal unemployment demonstration project.

**STATUS:** Presidential executive order has been reauthorized twice by President Bush. Congressional Research Service report was published providing much needed data on the condition of the San Joaquin Valley, including the mismatch of federal resource reaching the Valley.

**INITIATIVE 36**

Priority consideration by the Federal government for areas with chronic double-digit unemployment.

**STATUS:** We have not pursued a specific designation from the Federal government, but civic leaders throughout the Valley use the data cited in the Congressional Research Service report to make the case for investments in the region. An additional approach along these lines is advocated by the Partnership for the San Joaquin Valley, especially as a strategy to help fund efforts to clean the Valley's air basin.

**INITIATIVE  
37 & 38**

Sacramento recognition of Federal unemployment demonstration project; Priority consideration by the state government for areas with chronic double-digit unemployment.

**STATUS:** The formation of the California Partnership for the San Joaquin Valley was a response to these two initiatives.

**INITIATIVE  
39 & 40**

Establish the RJI Council whose function will be to set implementation policy and ensure that the plan is a living document; Establish the RJI Implementation Task Force whose function will be to monitor the implementation of the RJI plan and provide quarterly updates to the RJI council.

**STATUS:** The RJI Implementation Task Force and Leadership Council meet every other month to accomplish this objective.

### **Additional Initiatives**

The RJI stakeholders are committed to a "loose leaf" approach to implementing the 5-year plan, which means that as additional, synergistic opportunities arise, we attempt to pursue them as well. The following efforts have been birthed out of the initial RJI work plan.

#### **Food Processing Cluster**

Developed recommendations to handle process water issues with the City of Fresno.

Working on the Institute for Food and Nutrition Innovation at Fresno State.

Working on workforce development projects with Manufacturing and Water Tech clusters.

#### **Renewable Energy**

Working with several specific renewable firms who want to launch and/or expand operations in the Fresno Region.

Working with the California Partnership to create the San Joaquin Valley Clean Energy Office.

#### **Software Cluster**

Writing grants to secure funds to support the cluster.

Developing web site.

Working on internship programs.

Providing resources and info to other start-up software firms.

#### **Government / Public Sector Cluster**

Early stages of investigating shared workforce development and purchasing programs to improve efficiencies in the public sector and spur job development.

#### **Human Investment Initiative**

Working on a comprehensive approach to addressing the root causes and results of concentrated poverty and, where useful, lend the apparatus of the RJI to solutions.

#### **K-12 Education**

Beginning stages of working with K-12 to develop career tech education that aligns with RJI clusters.

# The Job Growth Numbers

As we evaluate the job growth numbers for 2006, it is important to remember that due to the vagaries of economic ebbs and flows, job growth numbers are not the perfect or only measures of whether adequate progress is being made on economic, workforce and human development in the Fresno Region. However, they are the figures the RJI collaborative committed to tracking over the life of the 5-year initiative and, over time, will help determine overall effectiveness of the effort. Importantly, though not part of the data presented below, there is evidence that regional per capita income is rising. And that the gap between per capita income for the region and state, which at the outset was substantial and widening, has now stabilized and beginning to narrow. Continuance of that trend will portend good things for the Valley.

The following tables provide an update on the job growth information from 2003 (the baseline year for the RJI) through 2006. The data source for all tables is the State of California Employment Development Department.

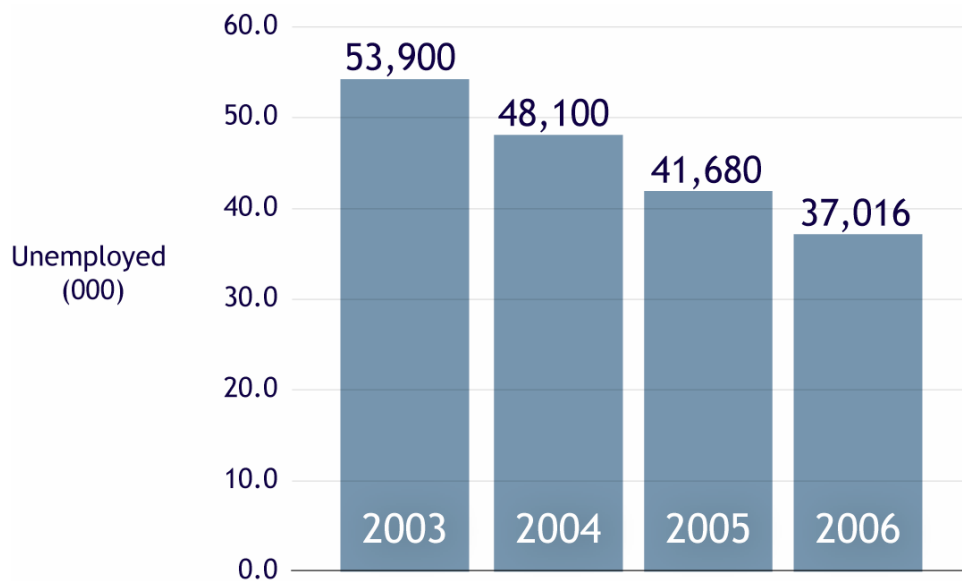
## TOTAL EMPLOYMENT RATES FOR FRESNO-MADERA COUNTIES

Civilian Labor Force Employment						
Fresno and Madera MSAs						
Comparative Report - 2003 to 2006 (Preliminary)						
	2003 Average	2004 Average	2005 Average	2006 Preliminary Average	Absolute Change 2003-2006	Percent Change 2003- 2006
<b><u>Fresno MSA</u></b>						
Civilian Labor Force	408,100	409,500	410,600	403,017	-5,083	-1.3%
Civilian Employment	360,300	367,000	373,800	370,250	9,950	2.7%
Civilian Unemployment	47,800	42,500	36,800	32,758	-15,042	-45.9%
Civilian Unemployment Rate	11.7%	10.4%	9.0%	8.1%		
<b><u>Madera MSA</u></b>						
Civilian Labor Force	59,600	63,200	62,700	62,250	2,650	4.3%
Civilian Employment	53,500	57,600	57,900	57,992	4,492	7.7%
Civilian Unemployment	6,100	5,600	4,800	4,258	-1,842	-43.3%
Civilian Unemployment Rate	10.2%	8.9%	7.7%	6.8%		
<b><u>Combined Fresno &amp; Madera MSAs</u></b>						
Civilian Labor Force	467,700	472,700	473,300	465,267	-2,433	-0.5%
Civilian Employment	413,800	424,600	431,700	428,242	14,442	3.4%
Civilian Unemployment	53,900	48,100	41,600	37,016	-16,884	-45.6%
<b>Civilian Unemployment</b>	<b>11.5%</b>	<b>10.2%</b>	<b>8.8%</b>	<b>8.0%</b>		

As the above chart indicates, unemployment rates in the Fresno-Madera area declined further in 2006. The average annual unemployment rate for Fresno and Madera counties was 8.0% in 2006, compared to 8.8% in 2005 and 11.5% in 2003 (the baseline year for the RJJ). According to the California Employment Development Department, in 2003 the number of unemployed people in the two-county region was 53,900. In 2006, that number dropped to 37,016, representing a 31% increase in employment.

## UNEMPLOYMENT

Fresno-Madera MSA



Unemployment has been reduced by 16,884 persons (31%) since 2003.

## FRESNO COUNTY NET JOB GROWTH - 2003 TO 2006

Civilian Labor Force Employment - Fresno County						
Comparative Report - 2003 to 2006 (Preliminary)						
	2003 Average	2004 Average	2005 Average	2006 Preliminary Average	Absolute Change 2003 - 2006	Percent Change 2003 - 2006
<b>Non-Farm</b>						
RJI Industry Clusters (1)	93,500	97,000	101,000	102,083	8,583	9.2%
Other Industry Clusters (2)	121,600	123,300	124,600	124,425	2,825	2.3%
Government	67,600	66,600	67,100	68,292	692	1.0%
<b>Total Non-Farm</b>	<b>282,700</b>	<b>286,900</b>	<b>292,700</b>	<b>294,800</b>	<b>12,100</b>	<b>4.3%</b>
Farm	46,200	45,300	45,400	43,942	-2,258	-4.9%
<b>Total All Categories</b>	<b>328,900</b>	<b>332,200</b>	<b>338,100</b>	<b>338,742</b>	<b>9,842</b>	<b>3.0%</b>
(1) Does not include Food Processing, "Innovative Energy" or Software						
(2) See detail on last chart for a list of other industry clusters						

Since 2003, RJI targeted industries have grown 9.2% with a total of 8,583 jobs added. Additionally, RJI targeted industries have accounted for 51.6% of non-farm employment growth from 2005 to 2006 and 70.9% of non-farm growth since 2003.

## MADERA COUNTY EMPLOYMENT 2003 TO 2006

Civilian Labor Force Employment - Madera County						
Comparative Report - 2003 to 2006 (Preliminary)						
	2003 Average	2004 Average	2005 Average	2006 Preliminary Average	Absolute Change 2003 - 2006	Percent Change 2003 - 2006
<b>Non-Farm</b>						
RJI Industry Clusters (1)	13,950	14,450	14,650	15,092	1,142	8.2%
Other Industry Clusters	8,750	9,150	8,850	9,016	266	3.0%
Government	8,800	9,700	9,800	10,017	1,217	13.8%
<b>Total Non-Farm</b>	<b>31,500</b>	<b>33,300</b>	<b>33,300</b>	<b>34,125</b>	<b>2,625</b>	<b>8.3%</b>
Farm	9,000	9,500	10,600	10,658	1,658	18.4%
<b>Total All Categories</b>	<b>40,500</b>	<b>42,800</b>	<b>43,900</b>	<b>44,783</b>	<b>4,283</b>	<b>10.6%</b>
(1) Does not include Food Processing, "Innovative Energy" or Software						
Construction includes all "Natural Resources, Mining and Construction" growth						
Tourism includes all Food Service establishments						
Information processing includes half of "Professional and Business Services" category						
Logistics & Distribution includes all of "Transportation, Warehousing and Utilities" category						
(2) See detail on last chart for a list of other industry clusters						

While RJI targeted industries did not experience strong growth in the first half of 2006, the second half of 2006 saw gains in employment in the target clusters. Since 2003, the target clusters grew by 8.2% with a total of 1,142 jobs added. In addition, RJI targeted clusters have accounted for 53.6% of non-farm employment growth between 2005 and 2006 and 43.5% of non-farm employment growth since 2003.

## EMPLOYMENT BY INDUSTRY - FRESNO & MADERA COUNTIES

Civilian Labor Force Employment					
Fresno and Madera MSAs					
Comparative Report - 2003 to 2006 (Preliminary)					
	Fresno Absolute Change 2003 - 2006	Madera Absolute Change 2003 - 2006	Total Absolute Change 2003 - 2006	Target Change by 2008	% of Target Achieved Through 2006
<b>"Original" RJI Industry Clusters <sup>(1)</sup></b>					
Construction <sup>(2)</sup>	4,358	642	5,000	5,900	84.7%
Durable Goods Manufacturing <sup>(3)</sup>	633	0	633	2,200	28.8%
Tourism <sup>(4)</sup>	775	-25	750	1,900	39.5%
Information Processing <sup>(5)</sup>	2,017	133	2,150	6,100	35.2%
Health Care	1,133	292	1,425	11,000	13.0%
Logistics & Distribution <sup>(6)</sup>	-333	100	-233	2,200	-10.6%
<b>Total RJI Clusters</b>	<b>8,583</b>	<b>1,142</b>	<b>9,725</b>	<b>29,300</b>	<b>33.2%</b>
<b>Total "Other Industry Clusters"<sup>(7)</sup></b>					
<b>Government - All</b>	<b>692</b>	<b>1,217</b>	<b>1,909</b>	-	-
<b>Farm</b>	<b>-2,258</b>	<b>1,658</b>	<b>-600</b>	-	-
<b>Grand Total</b>	<b>9,150</b>	<b>3,066</b>	<b>12,216</b>	-	-

(1) Does not include Food Processing, "Innovative Energy" or Software

(2) Attributes all "Natural Resources, Mining and Construction" growth to Construction for Madera County

(3) Includes Advanced Manufacturing and Water Technology

(4) Includes all Food Service establishments for Madera County

(5) Includes half of "Professional and Business Services" category for Madera County

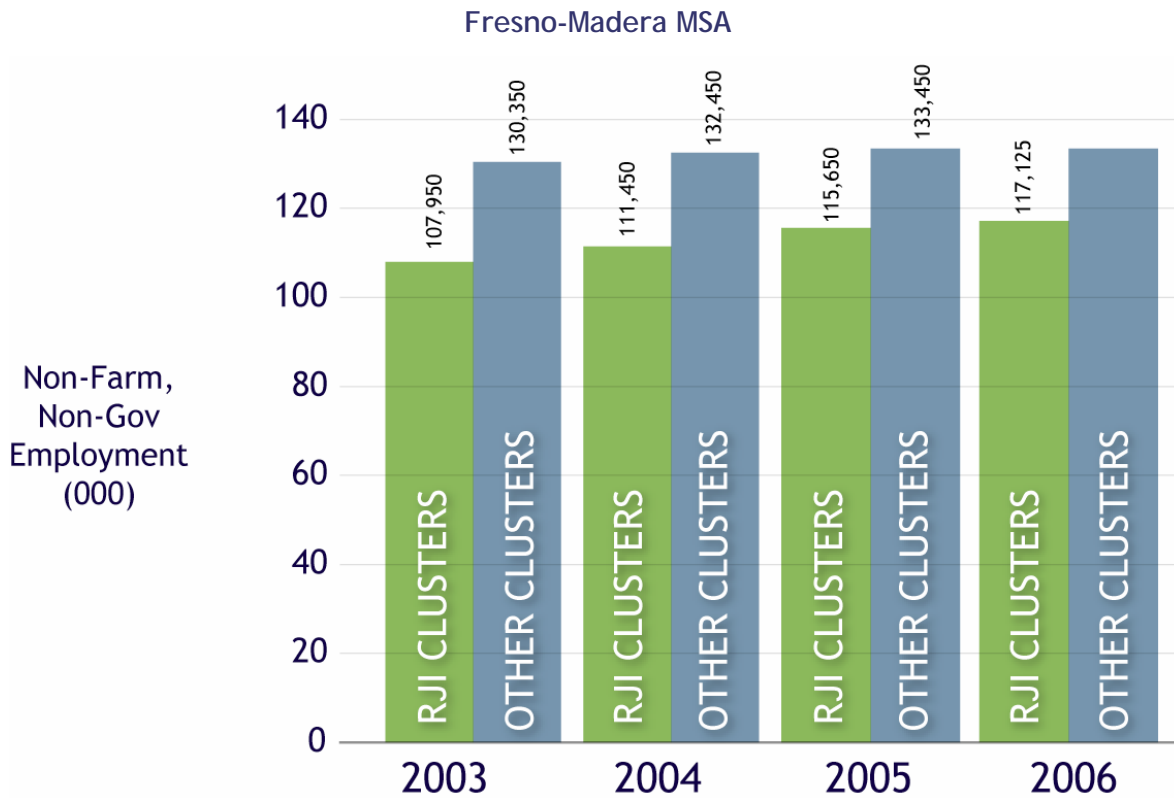
(6) Includes all of "Transportation, Warehousing and Utilities" category for Madera County (Fresno County does not include "Utilities" category)

(7) Includes Food Processing, Wholesale/Retail Trade, Utilities, Financial Activities, Professional/Management Services, Non-Government Education Services, Social Assistance and "Other"

With the exception of Logistics and Distribution, all RJI targeted industries experienced growth during 2006. The Construction industry continues to be the fastest growing of the targeted industries. However, its growth in 2006 slowed compared to the previous two years. Durable goods manufacturing has added over 600 jobs in the last three years, which is a reversal of the decline in manufacturing jobs statewide. Tourism and information processing continue to grow at an impressive pace. Health care, while growing, is not growing at nearly the rate expected by industry leaders who developed the job growth projection for the RJI plan, yet given sufficient workforce availability, it continues to represent perhaps the region’s single-greatest job growth opportunity. Overall, 233 jobs have been lost in the logistics and distribution industry, which is surprising to industry leaders who report nothing but increases in employment in their respective facilities. More investigation into this statistic is needed. Multiplier jobs (“other industry clusters”) represent 25.3% of all job growth during the 2003-2006 period.

In summary, 76% of non-farm job growth has come from industry clusters targeted by the RJI. RJI clusters have grown at an 8.5% rate since 2003, while other industry clusters have grown at a 2.4% rate.

## EMPLOYMENT GROWTH RATE



RJI Clusters have grown at an 8.5% rate compared to 2.4% by other industries.

## 2007 Agenda

As the Fresno County Workforce Investment Board's Employment and Training Analysis research shows, there are many, many jobs that go unfilled every day in Fresno County. Furthermore, the research indicates that there will be almost 20,000 jobs open in the next three years. Yet, the unemployment rate in Fresno and Madera Counties is almost twice that of the state average. It is clear from this research, interviews with employers and the 2006 job creation data that workforce, or "human," development is our community's most significant challenge and our greatest opportunity.

A major focus of 2007 will be the development of the Human Investment Initiative and the integration of all three components of vitality: economic development, human development and community development. Without clear and sustainable linkage of these major domains, the separate domains cannot attain their potential, nor can our broader community. There is much work to do within each domains, and even more to closely link each with the others, but the foundation has been set. The balance of the term of the RJI will be dedicated to that work.

A 2007 Agenda outlining the priority projects for economic, human and community development is provided as an attachment to this report. It represents both items that were outlined in the original RJI plan that have not been addressed yet, as well as the annual priorities identified by the stakeholders in the RJI collaborative.

## 2007 Agenda

ACTION ITEMS	PARTNERS
<b>Human Development</b>	
<p>1 Successful launch of Human Investment Initiative and integration with economic and community development efforts to positively impact people living in neighborhoods of concentrated poverty.</p>	<p>Initial Partners: Fresno Business Council Fresno Regional Foundation Fresno Works for Better Health Interagency Council Fresno Unified School District California State University, Fresno</p>
<p>2 Employment and Training Analysis - complete strategic plan for additional training. Collect year two data.</p>	<p>Fresno County Workforce Investment Board State Center Community College District West Hills Community College District Private Junior Colleges</p>
<p>3 Finalize and begin implementation of the plans to reconstruct the SCCCDC career and technical education programs so they align with industry needs.</p>	<p>State Center Community College District</p>
<p>4 Engage K-12 and develop plan for career technical education, including funding strategies and time lines for implementation.</p>	<p>Central Valley Ed Leadership Institute Fresno Unified School District Central Unified School District Clovis Unified School District Fresno County Office of Education</p>
<p>5 Develop strategy to recruit, retain, develop and support "knowledge workers."</p>	<p>Creative Fresno Lyles Center for Innovation at Fresno State</p>
<b>Economic Development</b>	
<p>6 Increase momentum in all industry clusters, including more business participation. Incorporate business advisory services and executive education from Pacific Community Ventures. Expand capacity and networks of individual business owners.</p>	<p>Fresno State Office of Community &amp; Econ Dev Pacific Community Ventures Fresno County Workforce Investment Board EDC serving Fresno County City of Fresno City of Clovis County of Fresno</p>
<p>7 Increase cluster companies' understanding and awareness of equity and debt financing and other tools available to grow their businesses.</p>	<p>Pacific Community Ventures Central Valley Fund</p>
<p>8 Open Mixed-Use and Water Energy Technology (WET) incubators. Attract 10 companies as on-site members.</p>	<p>Central Valley Business Incubator</p>
<p>9 Build a pathway for moving ideas to market through the commercialization of technology.</p>	<p>Lyles Center for Innovation at Fresno State</p>
<p>10 Implement Technopolis Clovis Core Committee's (TC3) Concept Development Plan. Host Clovis Technology Conference Oct 29 - Nov 1, 2007.</p>	<p>City of Clovis</p>
<p>11 Promote food processing facilities and biofuel facilities.</p>	<p>County of Fresno</p>
<p>12 Market closed facilities on the West Side of county.</p>	<p>County of Fresno</p>

13	Promote business expansion and attraction with enterprise zone designations.	County of Fresno City of Fresno
14	Work with Central Valley Tourism Association to expand tourism efforts throughout the San Joaquin Valley.	Fresno Convention and Visitors Bureau Fresno County Office of Tourism Central Valley Tourism Association Partnership for the San Joaquin Valley
<b>Community Development</b>		
15	Promote the cultural arts sector as a critical component of economic and community development.	Fresno Coalition for Art, Science & History
16	Complete and submit in summer 2007 a business plan to the UC Office of the President that includes identification of partnerships, plans for instructional facilities, a timetable for development, and an analysis of the economic impact with the aim of presenting the plan to the UC Regents in fall 2007.	UC Merced
17	Develop funding strategies for Fresno State research centers that support the clusters.	Fresno State
18	Identify and develop certified industrial sites of 100 acres or more.	EDC serving Fresno County
19	Acquire land for industrial site development in unincorporated areas of Fresno County.	County of Fresno
20	Develop the inventory, strategy and marketing plans for shovel-ready industrial sites in the City of Fresno. Coordinate the effort with the County of Fresno.	City of Fresno
21	Complete analysis of Fresno Regional Transit Authority.	Fresno County Council of Governments
22	Continue to focus on downtown. Develop downtown districts to support downtown revitalization. Investigate property based improvement districts and other tools.	One by One Leadership RJI Livability Task Force City of Fresno
23	Develop comprehensive strategy for trees, parks, open space and trails.	RJI Livability Task Force Tree Fresno City of Fresno
24	Complete feasibility analysis of Metro Urban Loop land use and transportation corridor.	City of Fresno County of Fresno City of Madera County of Madera Additional jurisdictions
25	In the implementation of the above items, look to meaningfully engage Madera County and the rest of the San Joaquin Valley. Wherever possible align efforts with the work of the California Partnership for the San Joaquin Valley.	RJI Implementation Task Force RJI Leadership Council All RJI stakeholders