

ECONOMIC DEVELOPMENT

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GREATER SACRAMENTO REGION PROSPERITY STRATEGY INITIATIVES

Business Nexus

Communities and leaders in the six-county Sacramento Region adopted the Greater Sacramento Region Prosperity Strategyⁱ (Prosperity Strategy) in 2020, which also serves as the region's five-year Comprehensive Economic Development Strategy (CEDS) funded by and approved by the U. S. Economic Development Administration (EDA). The Prosperity Strategy has an inclusive economic development framework and is managed through a partnership of the Sacramento Metro Chamber, Valley Vision, Greater Sacramento Economic Council, Sacramento Area Council of Governments, and the Sacramento Asian Pacific Chamber of Commerce, with support from the Sacramento Municipal Utility District (SMUD). EDA is investing in the region's food and agriculture cluster initiatives, minority small business development, and the implementation of the Prosperity Strategy for economic recovery and resilience, including a regional business broadband master plan. The Strategy contains several cluster-based initiatives as well as foundational initiatives in areas such as demand-driven workforce development, infrastructure, digital skills, and the innovation ecosystem.

Requested Actions

Support Prosperity Strategy Initiatives, building upon existing EDA investments, to catalyze inclusive and equitable economic recovery, and accelerate business growth and job creation in high-wage industries, including manufacturing and resilient supply chains across all industry clusters.

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Strategy implementation focuses on strengthening an innovation economy to lead the transition to a carbon-free economy consistent with state and federal policies and initiatives, along with critical emerging needs and markets. Investment priorities include anchor initiatives in three competitive advantage clusters of focus that will have major regional, statewide and national impacts: Food and Agriculture, Health and Life Sciences, and Future Mobility. Key initiatives include:

- The **Plant@California** (Food and Agriculture) is a public-private partnership bringing together world class industries in agriculture, food, health, technology and biomanufacturing with university and innovation partners to slingshot innovations and inventions into widespread commercialization. The project will accelerate solutions to the world's agriculture, health and food challenges while strengthening communities across the region and the Central Valley. The project is led by the University of California Agriculture and Natural Resources (UC ANR), in collaboration with University of California Davis, local communities, and many local organizations and industry partners. It will include an incubator facility to support Ag-Food-Tech start-up commercialization, and technical, laboratory and manufacturing facilities, including for biomanufacturing, foods of the future, and Controlled Environment Agriculture (CEA). EDA has funded the Project's feasibility study. Other Prosperity Strategy projects include food system infrastructure projects to strengthen supply chain resilience, institutional procurement, and healthy food access to underserved communities, including the Yolo Food Hub in Yolo County and the Alchemist Public Market in Sacramento.
- **Aggie Square** (Life Sciences) is a 25-acre innovation zone located next to a federally designated Opportunity Zone. Led by the University of California, Davis in collaboration with the City of Sacramento and developer Wexford Science and Technology, this planned innovation hub will be home to research programs, private industry partners, classrooms, lab facilities, student housing, and public-facing programs that engage local communities and entrepreneurs. Initial findings indicate that the six-county region will receive nearly \$5 billion in new, annual ongoing economic impact, and \$2.6 billion in one-time economic impact from construction of Aggie Square.
- The **California Mobility Center (CMC)** (Future Mobility), established as an innovation hub for the global development of transportation technology, clean energy and decarbonization, is a California nonprofit public benefit corporation recognized as tax exempt under IRS 501(c)(3). The CMC is public-private business partnership that provides qualifying future mobility start-ups from around the world with a faster path to commercializing their products, services and technologies in the California market and beyond. The CMC, developed by local and regional leaders including SMUD (Sacramento Municipal Utilities District) and California State University, Sacramento, facilitates connections between the promising start-ups and the ecosystem of members including automotive OEM's, Tier 1 suppliers, top-tier utilities, energy companies, technology companies, fleet owners, government agencies, investors, and more.

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Areas of focus encompass smart and shared mobility solutions, fueling and charging infrastructure, zero-emissions automated and electric vehicles and robotics, including for agricultural vehicle and infrastructure companies, and advanced manufacturing readiness and workforce development.

Brief Background

The Greater Sacramento Region was the hardest hit region in California during the Great Recession and was the last region to reach pre-Recession levels of employment. Regional leaders mobilized to develop a strong roadmap for future resilience and shared prosperity, working with the Brookings Institution in 2018 to conduct a comparative national assessment of the region. The assessment identified the region's competitive advantages in the three clusters described above, along with areas that required a strong strategic focus to improve weaknesses, including workforce skills gaps, a Digital Divide, and infrastructure needs. The Prosperity Strategy/CEDS that was developed is being implemented through a core set of strategies for both short-term recovery and long-term resilience, with emerging opportunities for leadership in the clean economy. The region received an EDA grant in 2021 to implement a regional economic recovery strategy through the CEDS.

A food and agriculture cluster partner organization, AgStart (AgTech Innovation Alliance) received an EDA grant in 2020 for a major wet lab and food lab innovation center in Woodland, California. This project supports a vital network of growing ag tech innovation and created start-ups attracting \$46 million in new capital investment and 24 new fulltime jobs; an expansion to meet demand was completed in 2023. The University of California Agriculture and Natural Resources (UCANR) is leading the feasibility study and business plan for The Plant@California with regional partners through a current EDA grant.

In 2015 the region, in partnership with California State University, Chico and California State University, Fresno, received a designation from EDA as an Investing in Manufacturing Communities Partnership (IMCP) along with an implementation grant for strengthening the manufacturing ecosystem for the Central Valley AgPlus Food and Beverage Manufacturing Consortium. The region has also received several EDA grants for small business financing, minority business development, and broadband. Public, civic and private sector partners are working together for a strong regional recovery and future sustainable, equitable prosperity.

Through the framework of the Prosperity Strategy, regional leaders conducted a planning and engagement process in 2022 that led to the region being designated as one of the State's thirteen regions for investment from the new Community Economic Resilience Fund (CERF). CERF will invest planning and implementation funds for inclusive place-based economic development that also focuses on transition to a carbon reduction economy, and leverages Prosperity Strategy priorities.

Other activities to strengthen the region's innovation ecosystem are described in a companion issue paper.

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