

Vision

We believe that economic, environmental, cultural, and social values are inseparably related. The quality of life so valued by Mendocino County residents depends on economic opportunity for all, while preserving rural beauty and natural resources, and a thriving, diverse community. Our adventure, in the next five years, is to use our creativity to find the balance.

As we look ahead, we see Mendocino County growing prosperous through self-reliance, innovation, and community investment. While we believe that much of our future economic development will come from the growth of businesses that now thrive in Mendocino County, we heartily welcome appropriate new business to our county. We support economic development which protects the predominantly rural nature of the county and which maintains and/or enhances our air, water or land resources. We will prepare our vacant industrial lands for new and expanding businesses to occupy. We will continually improve local governmental response to economic development opportunities.

The future of Mendocino County lies with the people who live, work, learn, and recreate here. We will invest in people, maximizing our potential through innovative educational and social programs aimed at all age levels and targeted employment needs, and through integrated, current data bases, making up-to-date information accessible to all segments of the community.

We encourage our leaders and citizens to see our county as a whole region and to work together to build the local economy. We want our governments to coordinate effectively in providing services to our citizens, and to lead their jurisdictions in the direction of sustainable development. We will seek participation and collaboration from all segments of our community in assessing needs, evaluating performance and modifying the ongoing economic development process.

Introduction

Inhabiting a Northern California region of rugged natural beauty, Mendocino County boasts vast open spaces, timeless villages, mountains, rivers, and spectacular coastline. Mendocino County is home to a rich cultural heritage, strong community values, connection to the land, lively civic participation, and a shared ethic of cooperative self-reliance. Our current complex challenges present numerous opportunities for partnership and innovation, in which our success will be measured not only by material improvements, but also by our growing ability to work together with flexibility and commitment to achieve common goals.

In formulating this Comprehensive Economic Development Strategy, Mendocino County has established an on-going, participatory planning process, bringing together the experience and expertise of people who have been working on the issues for some time. We have sought and included diverse perspectives, inviting the broad participation of stakeholders in the area's economy to discuss our county's potential and obstacles, to propose solutions, to strategize and to set priorities that will benefit our economically distressed population and the region as a whole. In agreement with EDA guidelines, we have explored actions that could be undertaken locally to coordinate local, state, and federal financial assistance, with attention to civil rights, environmental laws, and sound principles of sustainable development to leverage available resources and improve quality of life.

Economic development refers to a “qualitative change, which entails changes in the structure of the economy, including innovations in institutions, behavior, and technology.” (Bearse and Vaughan, EDA report) Economic development allows an economy to increase its effectiveness and productivity, enabling more outputs with fewer inputs over time. The measures of success have to do with such things as how effectively scarce natural resources are being utilized, how well pollution is being reduced or prevented, material improvements such as income and opportunities for personal growth, and the overall sense of safety and well-being experienced by *all* the inhabitants of a place.

The goals of such development (taken from EDA publication, 2001) include: stimulating a dynamic, self-sustaining process to ensure on-going viability; jobs at living wages, offering benefits and career ladders for area residents; producing goods and services that meet social needs; establishing greater local control, participation, and accountability in decisions such as hiring, investment, and location; broadening business and asset-ownership within lower income communities. Sound economic development policies must be compatible with protecting environmental assets while providing the earnings from jobs, revenue and tax base needed for further investments in education, services, amenities, infrastructure and quality of life. Our goals and strategies strive toward an integration of local and regional planning initiatives, to incorporate different viewpoints and strategically piece together components of multiple efforts and resources. We recognize that this calls for capacity building across a wide spectrum of participants, building and supporting cooperative relationships.

The Area and Its Economy

Since our last plan was prepared, Mendocino County has seen extreme changes to its economy. Our traditional economic sectors have diminished greatly. For example, there remain no lumber manufacturing operations in the coastal area of the county, and only a few mills operating in the inland area. These operations are importing logs to keep running. The rise of grapes as a cash crop worked quite well at first, but with the glut of new production coming on world-wide, we are beginning to see unharvested crops, no long term or pre-season contracts and falling prices.

The largest sectors remaining in our traditional economy are government and non-profits. We have seen growth in our hospitality sector, with many new rooms coming on line in the last few years. While we welcome our visitors and the jobs they create, we are eager to avoid the trap of the one-sector economy, a historic problem in our county. Since Mendocino County has historically concentrated on a few economic sectors, the thrust of the current plan is to diversify the economy to mitigate the peaks and valleys of the economic cycle.

The demographics of our county are changing as well. We are bringing more retirees who wish a less urban lifestyle. We are attracting more immigrants who come to work in our agricultural and service businesses. Many people in the region commute long distances to balance the cost of housing with wages, as wages in most California counties are not aligned with housing costs. Our plan attempts to capitalize on these changes. We embrace the medical opportunities that retirees and an aging population bring. Our minority populations are creating new sorts of business opportunities as well

Our problem remains one of sustainability. The average job in our county pays approximately 1/3 less than the cost of living. Housing prices are out of reach of even families in the top third of earners. In the appendices, we have included data demonstrating these trends.

Strategy – Support existing local business

Since our locally grown businesses have always been our best job creators, we believe that supporting them should be our first priority. The following steps will further this strategy.

Goals

- Focus programs on local businesses first.
- Support a marketing campaign for local businesses and local products. Add value by branding a local identity.
- Mentor small businesses.
- Create programs that support downtowns, neighborhood areas and town centers.
- Educate the public about how the local economy works and mount an anti-leakage campaign.
- Encourage local institutions (banks, chambers of commerce, etc.) to support business improvement. Improve marketing for the business support services that currently exist.
- Recapitalize our public loan funds.
- Develop a public loan/grant program to assist businesses with regulatory compliance.
- Understand and develop our existing business clusters.
- Put first priority on developing housing for the existing workforce, including farm worker housing.

To assist us in meeting this goal, we have assembled a list of local resources available which can be seen via the internet at www.mendocinoresources.com.

Strategy – Prepare for new business


Because we have lost so many of our family wage jobs, we want to be ready to welcome new businesses.

Goals

- Offer the same capital and technical assistance programs we offer to existing business. Recapitalize local loan pools.
- Prepare our existing vacant sites for new occupancy. Study each existing site and create certainty about the development process required for each site (e.g. infrastructure needed, zoning, environmental studies)
- Continue to educate our labor force at all levels.
- Continue to support our quality of life institutions (libraries, theaters, schools, arts organizations.).
- Be very specific in targeting our recruitment efforts.
- Streamline the regulatory processes and have thorough, consistent information or contact information available at city and county offices.

Strategy – Find innovative solutions to our housing needs

We believe that housing is a key piece of the economic development picture in Mendocino County. There is a need to raise awareness of this vital connection. We want to find solutions to the housing needs of special populations such as young adults, farm workers, and seniors. We also need affordable housing that can be rented or purchased by individuals earning average (80-120% of Adjusted Median Income) wages in our county. In order to further this goal, we will:

- Work to bring lenders, builders, jurisdictions, planners, employers, non-profit agencies and other stakeholders together to discover what options are available. These options include new approaches to pro-forma projections that factor in progressive energy solutions as long-term affordability factors to be considered at the feasibility stage of development.
- Support  changes to our general plan and zoning ordinances that would expand the types of housing available and advocate for practical implementation of those changes.
- Encourage the development of different housing strategies like co-housing, condominiums, live-work studios, downtown infill conversion, etc.
- Expand the range of financing strategies available to lower-income buyers.
- Attempt to foster an integration of strategies included in this report among Housing Service providers.

Strategy – Use local, state, and federal funds to improve infrastructure

The infrastructure of Mendocino County is aging and in need of repair, improvement or expansion. Deferred maintenance has accumulated and public infrastructure built quickly at the end of World War II is now in need of upgrading. We believe that these improvements are essential if we are to attract jobs to the community.

We define infrastructure as: all utilities, water (including sewer and storm water runoff), telecommunications, roads and other transportation. We identify the following sources:

Sources of Money for Infrastructure

- EDA, (Economic Development Administration)
- USDA, (United States Department of Agriculture)
- CDBG, (Community Development Block Grants)
- Redevelopment (districts generate tax increment funds to use for improvements)
- Infrastructure bank (a State program for lending infrastructure funds to jurisdictions)
- Banks
- Sales tax
- Ratepayers (the local taxpayer or service customer)
- Franchise fees (cities can get these from cable companies)
- Development impact fees (fees assessed to developers to cover the costs of impact mitigation)
- Voluntary Donation Funds (tax) (Project specific, community controlled)

Goals

Leverage local funds with other State or Federal funds to make needed improvements. These projects will be prioritized by the individual jurisdictions based on need and readiness of the project.

Innovations for Economic Development

Our committee developed several innovative ideas for economic development. We think that all of these ideas have value and we hope to develop each idea as time and funds permit. For our present CEDS, we've developed three ideas as a place to begin and these three ideas follow this list.

- More comprehensive planning;
- Energy independence;
- Housing for youth and other groups, for example, create "art zone", a live/work space for artists;
- Four year college and educational institutions that teach skills needed to achieve the vision for economic development expressed in the Mission Statement. See "Educational niches" for specific examples;
- Workforce sharing
- Marketing what is unique in Mendocino County, for example:
 - Agricultural products specific to the County,
 - Organic produce and meats
 - Organic seeds;
- Innovative ways of delivering health care;
- Educational niches, for example:
 - Designing and building renewable energy facilities,
 - Organic crop and livestock production,
 - "Green building" design and construction,
 - Native American education, crafts, languages
- Performance and visual arts institutions;
- Tourism based on niche groups and interests
- Waste treatment alternatives;
- Water conservation and use;
- Local telecommunication access;
- Free broadband.
- Support groups working to create a sustainable forest industry in the County
- Maintain an inventory of timber in Mendocino County
- The principle of sustainability as a goal in all economic endeavors that impact natural resources;

Innovative Strategy 1 - Energy Self-Sufficiency

Achieving energy self-sufficiency within Mendocino County emerged as one of the highest priority innovative strategies for economic development. The cost of gas and electricity is a large part of the "leakage" of revenue from Mendocino County. Yet Mendocino County is rich in sunshine, ocean waves, some consistently windy locations and some excess biomass, all of which might be transformed into useful electric energy.

Mendocino County is home to a cluster of renewable energy companies, which provide local as well as national and international technical expertise in planning and installing renewable energy facilities. These facilities range from systems for individual homes to those designed for whole communities. There is strong interest among county residents in renewable energy and energy self-sufficiency. Mendocino County has the highest percentage of homes powered by renewable energy of any county in the State.

In addition to recirculating money spent on electricity inside of Mendocino County, designing, building and operating local energy producing facilities, either for individual homes or whole communities, would be a source of jobs in the county. As the county progresses toward energy self-sufficiency and the demand for these skills grows, the establishment of training programs and ultimately educational institutions to train professionals in this field could also be a source of jobs in the county. In summary, we feel that Mendocino County is uniquely positioned to pursue this economic strategy of energy self-sufficiency to create skilled and valued jobs in the county. We believe that the early adopters of this strategy will reap marketing benefits and will be the "authorities" of the future.

We propose a five-step process for embarking on the strategy:

Goals

- assess the county's energy needs, both the current energy use and the projected use to some foreseeable future date. This would include an inventory of housing, commercial, industrial and public facility energy use as well as energy used in transportation. It would include an inventory of the quantity and type of fuel being used and a projected future demand for each category of energy use.
- assess the renewable energy resource potential that exists in the County including solar, wind, water, biomass and geothermal. We will then assess the technical requirements to develop these potential energy sources.
- assess the market potential, the feasibility and affordability of developing these energy sources, - i.e., is it realistic? For example, how many roofs with how many

solar panels would it take to produce a given amount of energy and at what price? We will also assess the energy savings gained through energy conservation.

- assess any possible barriers to local energy development. We will examine current local, state and federal policies and standards, both voluntary and mandatory, as well as private sector incentives that encourage the development of renewable energy and energy conservation. We will consider possible future public and private sector incentives to encourage such development. We will study the successes of other jurisdictions in the state, country and worldwide in employing policies and standards to conserve energy use and produce renewable energy.
- educate the public and its decision makers about the costs and benefits of renewable energy and energy self-sufficiency and the actual science of energy conservation and renewable energy production. In this way, we would hope to engage the citizens and decision makers in achieving local energy self-sufficiency.

Innovative Strategy 2 – Solve our Water Issues

Water availability is a limiting condition for economic development throughout the West. An economic development advantage can be created by solving these problems while the solutions are still voluntary. We have established goals in several areas.

Goals:

Availability and storage

- Establish water budgets (needs and availability assessment) for the watersheds that exist in part or entirely within Mendocino County and their sub-basins. (For watersheds like the Russian River, this needs to be done for the entire watershed.)
- Evaluate existing reports and studies regarding dam operations and maintenance projects to determine the watershed-wide impacts of agency activities and potential alternatives (e.g. reduction of Eel River diversion, low summer flows, infiltration ponds, raising Coyote Dam).
- Explore a wide range of methods and feasibility for diverting and storing winter water for use during the summer low flows.

Conservation

- Investigate upland groundwater recharge and infiltration opportunities to reduce excessive run-off, improve soil infiltration, and increase water-holding capacity in the watershed. (e.g. innovative housing designs like Village Homes in Davis, CA, use of permeable paving materials for parking lots, drip irrigation systems, etc.)
- Explore a wide range of methods and feasibility for treating and reusing wastewater in the watershed. (e.g. agriculture, redwoods, golf courses, etc.)
- Improve forest management practices to protect stream conditions and promote soil retention.
- Investigate incentives to encourage innovation and conservation.

Education of public on water issues

- Promote awareness of watershed, basins, and aquifers and their relationships to water flow, supply and quality.

Data to base decisions on

- Assess the scope of data currently available. Develop an informational warehouse or database of existing data and identify methods used to collect specific data and the question answered by the collection of specific data (Russian River Interactive Information System or RRIIS)

Waste Water Treatment

- Reduce storm water pollution entering Mendocino County watersheds and ocean fronts.
- Explore a wide range of methods and feasibility for waste water treatment for different size communities.

Innovative Strategy 3 – Embracing our Diversity

Embracing our diversity means using the assets that different groups of people bring to Mendocino County. Though many kinds of diversity are represented in our county, this plan will focus on ethnic diversity.

Assets of each group:

City of 10,000 Buddhas – international tourism, Chinese language fluency, university offerings, classes, girl’s and boy’s schools, restaurants

Native Americans – tribal resources, casinos, Pomo Heritage Institute, native arts – basketry, beading, regalia making, contemporary arts - health consortium, federal land base, celebratory events

Mexicans and Mexican Americans – Spanish language fluency, entrepreneurship, restaurants, specialized service businesses – Moneygrams to Mexico, travel agencies, quinceñara, wedding and confirmation supplies, special dances and clubs, community celebrations and holidays.

Goals

- street vendors around central locations in towns, perhaps along with farmers markets, to bring different groups together
- large Latino, Native American or other ethnic festivals; bring in new arts activities – film, theater, visual arts that reflect these traditions; focus tourist attraction toward minorities
- focus on developing cultural handicrafts or arts (like Salsa Cookbook ladies in Boonville)
- harvest celebration honoring farm workers
- hiring more bilingual personnel
- support leadership training, Latino Chamber of Commerce
- more elected officials who represent these groups
- bring immigration services, employment services, adult education and literacy programs in Spanish to entire county
- find ways to encourage the mainstream community to participate in ethnic-sponsored activities

Evaluation of our progress

The committee believes that we are putting forth a realistic, achievable plan. Many ideas in our plan are already happening in agencies, government and private groups. Many are and will be taken up in the business sector. We have taken many pieces and fit them into an economic development framework.

What we hope to present to our neighbors is a vision for changing our local economic circumstances. We believe that by embracing the changing realities of the 21st century, we can gain an edge for our businesses and an improved quality of life for our residents. In other words, we suspect that the early bird will get the worm.

The CEDS process is a starting point for local economic development. The document is a compendium of dialog and consensus built among a committee of diverse interests and backgrounds. While the Committee hopes that the CEDS is embraced as a hub of common ground by the various entities interested in or performing economic development, we recognize that each jurisdiction will have its own unique reaction and utility for the document. We hope that each jurisdiction will be able to find elements in this plan that will give momentum to its own strategies.

We present a spare plan—an outline of the diverse ways we each saw our own constituencies participating. Our true success will be measured by the engagement of individual citizens, governments, and businesses in modifying, creating and implementing the vision. It will also be measured by how the jurisdictions embrace and build on the strategies herein. Therefore, one measure of success will be an on-going public discussion forum to recognize and document success, identify tasks to be done, and learn from one another.

Our community leaders can best help us by being champions of the plan, conveners of the common ground where citizens come together, and moderators of an engaged, energized and productive civil discourse.

Comprehensive Economic Development Strategy Committee

Established by BOS
Resolution 02-240 on
October 22, 2002

Member		Area of Representation
Name		
Carrie	Brown	CEDS - Other (Nominee Made by an Agricultural Business Association)
Patti	Campbell	EDFC - County of Mendocino/Supervisor
Michael	Delbar	Alternate for Patti Campbell
Ellen	Drell	EDFC - Environmental Community
Lois	Lockart	EDFC - Tribal Representative
Marty	Lombardi	EDFC or WIB Business (Finance/Insurance/Real Estate)
Cindy	Miller	WIB - One-Stop Operator
James	Mulheren	EDFC or WIB Business (Manufacturing/Wholesale Trade, Constructions Trade)
Ron	Orenstein	EDFC - City of Willits
Victoria	Patterson	WIB - Migrant and Seasonal Farm-Worker Services
Meridith	Randall	WIB - Education/Adult, Education-Literacy/Vocational Programs
Mari	Rodin	EDFC - City of Ukiah
Tony	Shaw	CEDS - Other (CEDS Coordinator or Other Economic Development or Planning)
John	Trinterud	EDFC or WIB - Business (Retail Trade/Service/Hospitality)
Dave	Turner	EDFC - City of Fort Bragg
Stephen	O'Mara	EDFC or WIB - Other
Christina	Carpenter	EDFC - City of Point Arena
Paul	Andersen	WIB - Organized Labor
Eric	Enriquez	WIB - Community Based Organization (Housing or Small Business Assistance)
Madelin	Holtkamp	Staff
Joan	Kelley	Staff

Appendix 1

Executive Summary and Background Report from the Mendocino County General Plan

Note: This plan is being prepared in 2004. As with any compendium of data, we are working with older data. The preparers of the report above are working with data from the 2000 Census. Employment data necessarily lags as well. One goal of our CEDS is to try and develop more current local information that can be locally maintained.

Appendix 2

Supplementary materials for the “Area and Its Economy section

- a. Mendocino Private Industry Council Rapid Response Breakdown by year 1995-2003
- b. California Employment Development Department Labor Market Information Division charts
 - 1. Self sufficiency vs. Average Wage per Job
 - 2. Employment Compared to Public Assistance Recipients Mendocino
 - 3. Table of Civilian Labor Force, Employment, and Unemployment
- c. Los Angeles Times article, (January 22, 2004), “Low-pay sectors Dominate U.S. and State Job Growth”