

.....

County of Mendocino

**2010 Comprehensive
Economic Development
Strategy (CEDS)**



•
•
•
•
•
•
•

Table of Contents

BACKGROUND

| | |
|--------------------------------|---|
| What is the CEDS? | 1 |
| CEDS Strategy Committee | 1 |
| CEDS Development Process | 3 |

COUNTY ECONOMIC PROFILE

| | |
|--|----|
| Geography | 4 |
| Population | 5 |
| Transportation Access | 9 |
| <i>Roadways</i> | 10 |
| <i>Railroads</i> | 10 |
| <i>Harbors</i> | 10 |
| <i>Aviation</i> | 11 |
| <i>Public Transit</i> | 11 |
| Economy | 12 |
| <i>Evolving Economic Base</i> | 12 |
| <i>Employment and Unemployment</i> | 14 |
| <i>Wages</i> | 17 |
| <i>Agriculture and Natural Resources</i> | 19 |
| <i>Travel and Tourism</i> | 22 |

Background

What is the CEDS?

This Comprehensive Economic Development Strategy, hereinafter referred to as “CEDS”, is the culmination of efforts by the citizens of Mendocino County over the past year.

The Economic Development Administration (EDA), a division of the United States Department of Commerce, states:

“A CEDS is designed to bring together the public and private sectors in the creation of an economic roadmap to diversify and strengthen regional economies. The CEDS should analyze the regional economy and serve as a guide for establishing regional goals and objectives, developing and implementing a regional plan of action, and identifying investment priorities and funding sources. A CEDS integrates a region’s human and physical capital planning in the service of economic development. Integrated economic development planning provides the flexibility to adapt to global economic conditions and fully utilize the region’s unique advantages to maximize economic opportunity for its residents by attracting the private investment that creates jobs for the region’s residents. A CEDS must be the result of a continuing economic development planning process developed with broad-based and diverse public and private sector participation, and must set forth the goals and objectives necessary to solve the economic development problems of the region and clearly define the metrics of success. Finally, a CEDS provides a useful benchmark by which a regional economy can evaluate opportunities with other regions in the national economy.”

The Public Works and Economic Development Act of 1965, as amended (PWEDA) requires a CEDS in order to apply for investment assistance under EDA’s Public Works or Economic Adjustment Assistance Programs.

This document is intended for use as a reference of economic conditions, development strategies, and projects throughout the county. However, this CEDS should not be considered a “stand-alone” document; rather the CEDS is one tool of many to be used for economic development purposes.

CEDS Strategy Committee

On February 10, 2009, The Mendocino County Board of Supervisors designated the Workforce Investment Board to act as the CEDS Strategy Committee. The Workforce

Investment Board is comprised of representatives of the public and private sector, and its membership consists of:

| | |
|-------------------|--|
| Carmel Angelo | Assistant Chief Executive Officer, County of Mendocino |
| Don Ballek | Executive Director, Economic Development & Financing Corp. |
| Emilia Bartolomeu | Manager, Employment Development Director, Redwood Empire Workforce Services |
| Glenna Blake | Marketing and Planning Manager, Mendocino Transit Authority |
| Patty Bruder | Owner, Strong Mountain, Inc. Director of Community Action, North Coast Opportunities |
| Jack Buckhorn | Business Manager, International Brotherhood of Electrical Workers, Local 551 |
| Teri Cirillo | Director of Human Resources, Fetzer Vineyards |
| Dottie Deerwester | Owner, Ready, Set, Go |
| Rick Dodds | Director of Human Resources, Ukiah Valley Medical Center |
| Cathy Frey | Executive Director, Alliance for Rural Community Healthcare |
| James Goltz | President, Retech Systems |
| Monte Hill | Financial Consultant, Wells Fargo Advisors, Retired June 30, 2009 |
| Pamela Jensen | Administrator, Ukiah Valley Association for Habilitation |
| Bob Jordan | Regional Manager, United Way of the Wine Country Board Member, California Human Development |
| Leland Kraemer | Broker, Leland Kraemer Real Estate |
| Brooks Lockhart | Workforce Development Program Coordinator, California Indian Manpower Consortium |
| John McCowen | Second District Supervisor, County of Mendocino |
| Nona Olsen | Director of Regional Occupational Program, Mendocino County Office of Education |
| Steve O'Mara | Owner, O'Mara Consulting |
| Pamela Patterson | Chief Executive Officer, West Company |
| Fred Pepper | Field Representative, United Food and Commercial Workers, UFCW-8 Golden State |
| Rachel Peugh | Owner, Link Business and Personnel Services |
| Nina Presmont | Rehabilitation Supervisor, Department of Rehabilitation |
| Rick Radcliffe | Carpenters Union Local 751 |
| Meridith Randall | Vice President of Education and Student Services, Mendocino College |

| | |
|-------------------|--|
| Scott Schneider | Executive Director, Mendocino County Lodging Association |
| Camille Schraeder | Executive Director, Redwood Children’s Services |
| Moises Soria | Family Resource Center Coordinator, Nuestra Casa |
| Ernie Thompson | Field Representative, United Food and Commercial Workers, UFCW-8 Golden State |
| John Ulvila | Executive Director, MPIC, Inc. (Charles Hall, current Interim Executive Director) |

CEDS Development Process

For the creation of the CEDS, it was determined very early that the ability to collect widespread community opinions was important to the process. A steering committee, comprised of staff from the County, Workforce Investment Board, Northern California Tribal Economic Development Consortium, Economic Development & Financing Corporation, and West Company, met early in 2009 to develop a framework and timeline for the development of the CEDS. To facilitate public participation and comment in a large and geographically diverse county, it was decided to make the working documents available on the internet. Internet access points were provided in different regions of the county.

On February 10, 2009, The Mendocino County Board of Supervisors designated the Workforce Investment Board to act as the CEDS Strategy Committee. On April 28, 2009, a press release from the Mendocino County Executive Office and the Workforce Investment Board announced that the CEDS would be updated in 2009, and reiterated that the Workforce Investment Board had been designated as the CEDS Strategy Committee for this process. This press release further explained how citizens of the county could participate online, through the mail, or at regularly scheduled meetings. To provide additional community outreach, a summary of the process was also distributed via email, and on March 31 the Executive Committee of the Workforce Investment Board held a meeting at an offsite location, where the process was again described and explained. Through the development of this document, specific outreach was made to individuals representing sectors that appeared under-represented in the process.

This CEDS has been developed utilizing input received through the steering committee, the online process, and extensive participation by the Strategy Committee. To develop this final product, over the last year the Strategy Committee has held detailed, agendaized discussions during regularly scheduled public meetings that were focused through structured exercise.

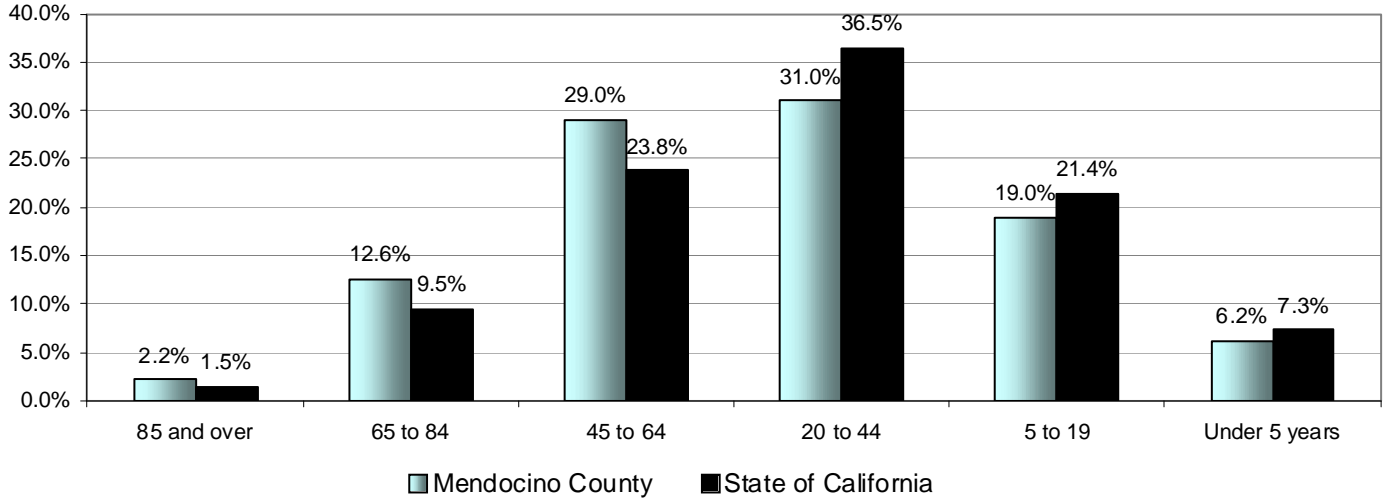
Mendocino County is bordered by Sonoma County to the south, Glenn, Lake, and Tehama Counties to the east, Humboldt and Trinity Counties to the north, and the Pacific Ocean to the west. The county encompasses a large, rural area located 115 miles north of San Francisco. With a total area of approximately 3,510 square miles, (approximately 3% flat land) it is geographically the fifteenth largest county in the state. Features of the county include elevations ranging from sea level to almost 7,000 feet, 130 miles of coastline, a coastal mountain range, and vast tracts of timberland.

Conceptually, the county can be broken into four distinct areas: 1) the coastal areas generally following Highway 1, 2) the Highway 101 corridor that traverses the county from south to north, 3) the mountainous area between Highway 101 and Highway 1 (including the Anderson Valley), and 4) the more remote northeast corner of the county that includes the Round Valley Indian Reservation.¹

Population

According to the California Department of Finance Demographic Research Unit, Mendocino County's total estimated 2009 population is 90,206. The City of Ukiah, with an estimated population of 15,711, is the largest city in the county and serves as the county seat. Other incorporated cities in the county include Fort Bragg (6,868), Willits (5,080) and Point Arena (492). 62,055 residents live in the unincorporated areas of the county.

COUNTY AND STATE POPULATIONS BY AGE GROUP

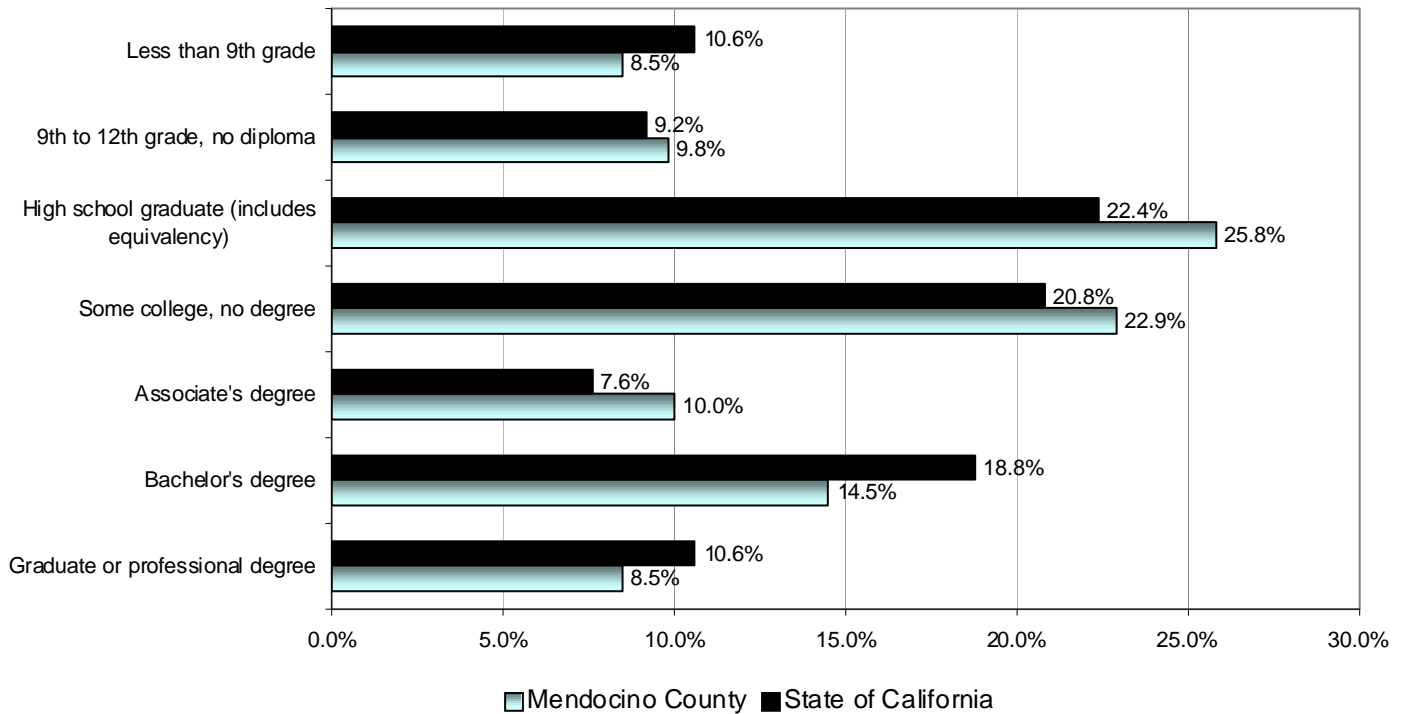


Source Data: U.S. Census Bureau, 2006-2008 American Community Survey
<http://factfinder.census.gov/home/saff/main.html?lang=en>

¹ 2008 Coordinated Public Transit- Human Services Transportation Plan

Since 1990, the number of people between the ages of 50-59 increased over 103%, while those between the ages of 30-39 decreased over 26%, causing a 10% decrease among children between the ages of 0-9. These trends may indicate that the number of jobs for those between 30-39 has declined, while people looking towards retirement are migrating into the area. Residents over 60 make up a higher percentage of the population in Mendocino County than the state average.²

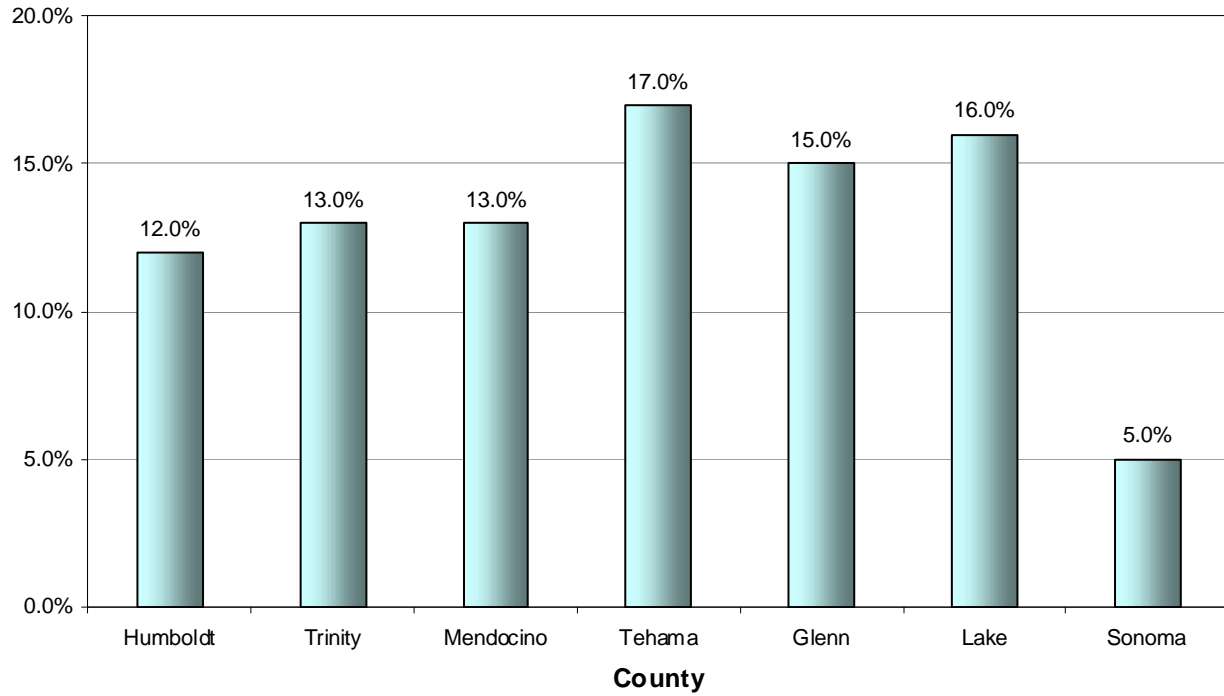
EDUCATIONAL ATTAINMENT, POPULATION 25 YEARS AND OVER



Source Data: U.S. Census Bureau, 2006-2008 American Community Survey
<http://factfinder.census.gov/home/saff/main.html?lang=en>

² 2009-10 Mendocino County Economic & Demographic Profile

PERCENT OF POPULATION RECEIVING PUBLIC ASSISTANCE*

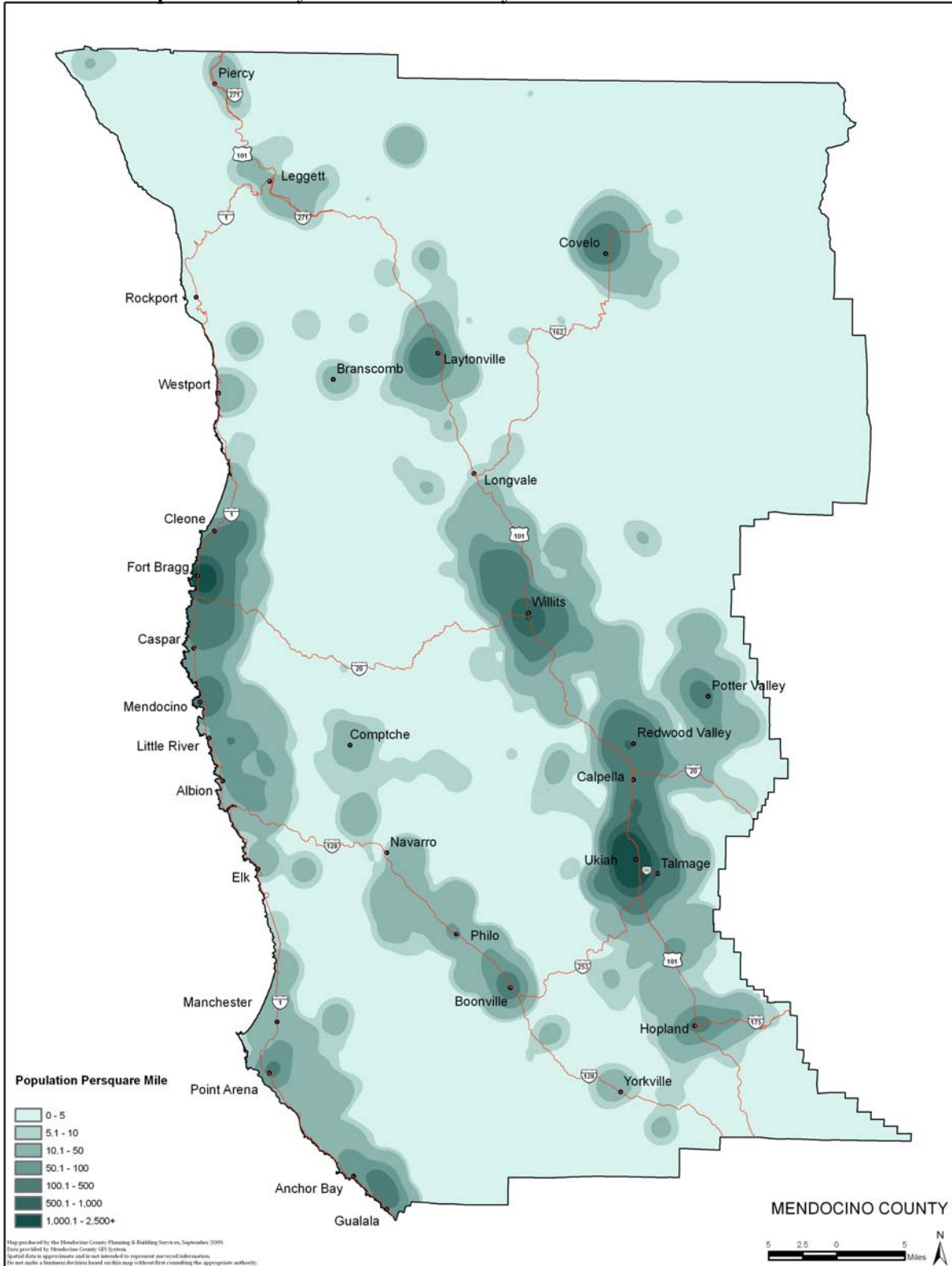


Source Data: LIMID Planning Information Packet (PIP)

<http://www.labormarketinfo.edd.ca.gov/?pageid=135>

*Public Assistance as defined in this graph refers to CalWORKs, Welfare-to-Work, General Relief, and food Stamps

Population Density of Mendocino County



•
•
•
•
•
•
•

Roadways

The primary transportation corridors are Highway 101 through the middle of the County, and Highway 1 that follows the coast. State Route 128 connects Cloverdale with the coast and travels through the Anderson Valley, while Highways 20 and 175 connect the Highway 101 corridor with Lake County and points further to the east.³

Inter-county roadway transportation utilizes a network of state highways, county roads, city roads, and private roads, but the diverse topography often results in narrow and winding roads. For example, the 76 mile drive from Willits to Point Arena requires approximately three hours.

Railroads

Rail service in Mendocino County is limited for both passengers and freight. During the summer, the Sierra Railroad operates the Skunk Train, a 40-mile passenger excursion route between Willits and Fort Bragg (<http://www.skunktrain.com>). The California Western Railroad (CWR) also provides mail service along the line. The CWR line is an essential means of transportation for some small communities between Fort Bragg and Willits. However, the line is susceptible to weather and geologic events.

The Northwestern Pacific Railroad (NWPRR) extends from the Arcata/Eureka area in Humboldt County to the San Rafael area in Marin County. The railroad was heavily damaged in storms over a number of years and has not been in operation since 1998. The NWPRR segment in Mendocino County is managed by the North Coast Rail Authority (NCRA), formed by the State Legislature in 1989 to ensure the continuation of railroad service in northwestern California (www.northcoastrailroad.org). The NCRA is responsible for implementing passenger rail service north of the Sonoma County line. Although passenger rail service does not currently exist on the NWPRR in Mendocino County, the NCRA in 1995 signed an agreement with the California Redwood Coast Company to operate service between Healdsburg and Willits. Excursion rail service to Mendocino County has not been programmed, but could begin by 2012. In 2008, voters in Marin and Sonoma Counties approved a measure to establish a rail transit district from Cloverdale to San Rafael and impose a ¼-cent sales tax for 20 years to fund the district. Successful rail service in these counties may make it more feasible to start such service in Mendocino County.⁴

Harbors

Mendocino County has three harbors of significance. Noyo Harbor, located south of Fort Bragg, is a well established public marine facility. It has three ramps and numerous support facilities for the commercial fishing fleet. The Point Arena Harbor provides marine facilities, including the Arena Cove Pier used by the commercial fishing industry (<http://www.redwoodcoastchamber.com/ptarena.htm>). The pier features a 10,000-pound hoist and two hoists for unloading boats. The Albion Harbor is the

³ Coordinated Public Transit – Human Services Transportation Plan

⁴ Mendocino County General Plan

(<http://www.co.mendocino.ca.us/planning/plans/planGeneralTOC.htm>)

port for the Albion fishing community.⁵ Passenger service is currently limited to recreational opportunities, including limited fishing charters and whale watching excursions.

Aviation

Six public use airports in Mendocino County provide for regional and interregional needs of commercial and general aviation:

- Ukiah Regional Airport (http://www.cityofukiah.com/pageserver/?page=airport_main)
- Willits Municipal Airport (Ells Field) (<http://thecityofwillits.com/city-departments/airport/>)
- Round Valley Airport, near Covelo
- Little River Airport, near the community of Little River
- Boonville Airport (<http://www.andersonvalley.org/Airport.htm>)
- Ocean Ridge Airport, northeast of Gualala

In addition to the public use airports, there are three private-use airfields in Mendocino County: Fort Bragg Airfield, Lofty Redwoods Airfield north of Anchor Bay, and Wilson's Field in Gualala.⁶

Public Transit

Current opportunities for public transit within the county are limited, due largely to the county's geographically dispersed population and exacerbated by the county's sheer size (3,510 square miles). The Mendocino Transit Authority (MTA) is the public bus system which serves the most densely populated areas of the county (www.4mta.org). The MTA operates routes which make connections to Amtrak, Golden Gate Transit, Sonoma County Transit, Greyhound, Santa Rosa City Bus, and Airport Express with service to the San Francisco and Oakland airports.

Additional, limited public transportation opportunities exist, primarily within individual communities.

⁵ Ibid.

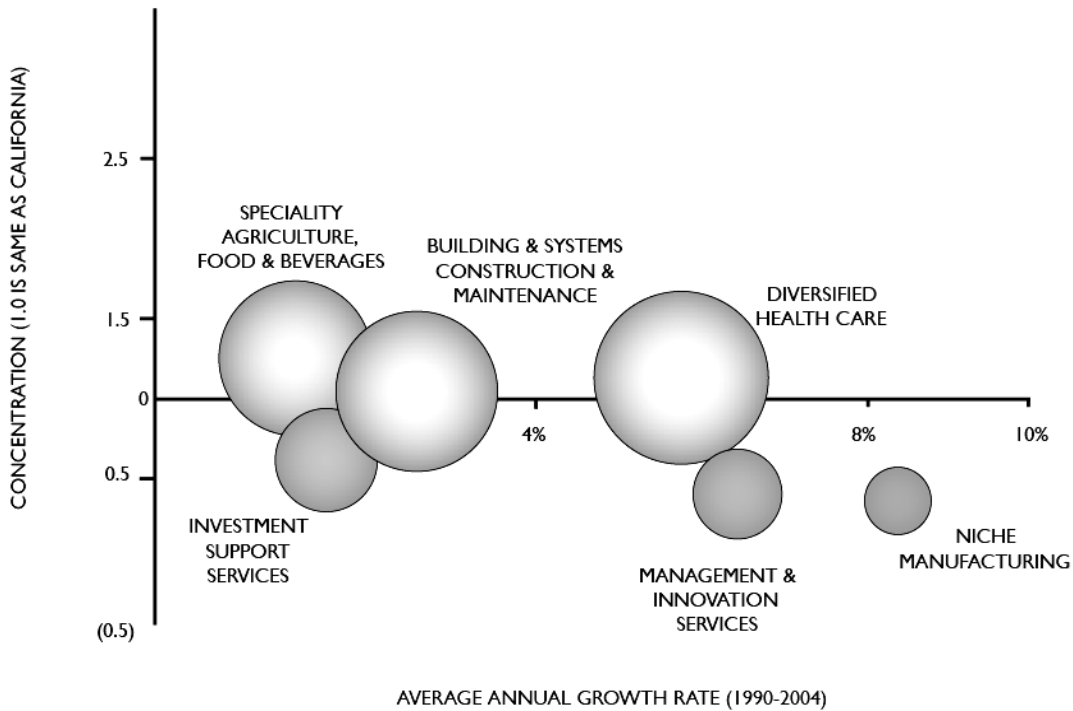
⁶ Ibid.

Economy

Evolving Economic Base

The Redwood Coast Targets of Opportunity report and subsequent Occupations of Opportunity report released June 2008 delineate clearly the opportunities for entrepreneurship, employment, and business growth for Mendocino County. The original report indicated faster growth than the rest of the region’s economy in the following six clusters:

- Diversified Health Care
- Building and Systems Construction and Maintenance
- Specialty Agriculture, Food, and Beverages
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing



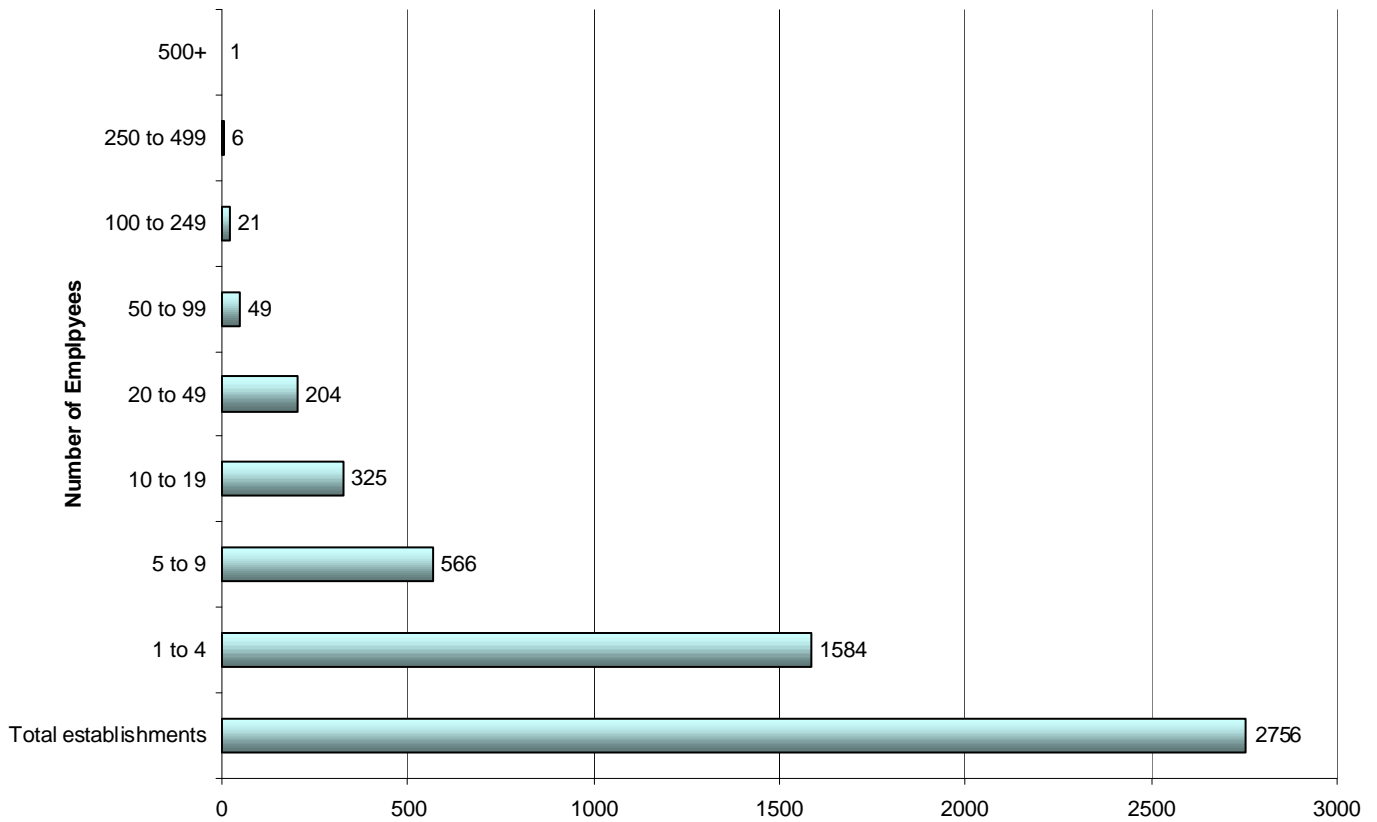
Source Data: Occupations of Opportunity Report, June 2008
<http://northcoastprosperity.com/files/webfm/contents/Redwood%20Coast%20Occupations%20of%20Opportunity%2006.20.081.pdf>

The Occupations of Opportunity report indicates 56% of the growing jobs are occupations within the Targets of Opportunity with the following projections from 2004-2014:

- High Wage Level – >\$45,000 per year – 566 job openings
- Mid Wage Level – \$25,000 - \$45,000 per year – 1,249 job openings
- Low Wage Level – <\$25,000 per year – 1,831 job openings

(Complete Targets of Opportunity and Occupations of Opportunity reports prepared by Collaborative Economics Inc. is available at www.mendowib.org)

2007* BUSINESS BREAKDOWN BY NUMBER OF EMPLOYEES



Source Data: U.S. Census Bureau

<http://censtats.census.gov>

*There was no significant change in the number of employee / number of establishment ratio between the years of 2003 and 2007

Employment and Unemployment⁷

Employment Development Department Labor Market Information data for Mendocino County indicates the County ranks 13th among the 58 counties in California with an increase in the overall civilian unemployment rate from 6.1% in May 2008 to 10.2% in May 2009. By sub-area, the unemployment rates for May 2009, in descending order, are Laytonville 21.4%, Covelo 17.3%, City of Fort Bragg 11.9%, City of Ukiah 10.4% Mendocino 10.0%, City of Willits 9.8% and City of Point Arena 3.6%. Countywide, there was an increase of .3% in the civilian labor force, from 44,040 in May 2008 to 44,170 in May 2009. Mendocino Private Industry Council provided Rapid Response Assistance due to layoffs to 354 individuals in 2008, up from 272 individuals served in 2007. The current year, January 2009, through June 2009 indicates 165 individuals have received services due to layoffs.

CIVILIAN LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

| | SECOND QUARTER 2008 | | | SECOND QUARTER 2009 | | | FIRST QUARTER 2009 | | |
|--------------------|---------------------|--------|--------|---------------------|--------|--------|--------------------|----------|--------|
| | APRIL | MAY | JUNE | APRIL | MAY | JUNE | JANUARY | FEBRUARY | MARCH |
| Labor force | 43,970 | 44,380 | 45,380 | 43,840 | 44,150 | 44,740 | 43,600 | 43,860 | 43,960 |
| Employment | 41,100 | 41,600 | 42,480 | 39,130 | 39,590 | 40,230 | 38,900 | 39,010 | 38,820 |
| Unemployment | 2,870 | 2,780 | 2,900 | 4,710 | 4,560 | 4,510 | 4,700 | 4,850 | 5,140 |
| Unemployment Rate | 6.5% | 6.3% | 6.4% | 10.7% | 10.3% | 10.1% | 10.8% | 11.1% | 11.7% |
| State rank by rate | 22 | 17 | 15 | 18 | 14 | 9 | 22 | 23 | 23 |

Source Data: California Employment Development Department, Labor Market Information, Report 400C

<http://www.labormarketinfo.edd.ca.gov/?pageid=131>

2006 MICROENTERPRISE BUSINESS STATISTICS IN CALIFORNIA

| | Number of Microenterprises | | | Number of Businesses | |
|---------------------|--------------------------------|---------------------------------|------------------------|-----------------------------------|--------------------------|
| | Without Employees ¹ | With 1-4 Employees ² | Total Microenterprises | Total With Employees ³ | Percent Microenterprises |
| County of Mendocino | 8,086 | 1,573 | 9,659 | 2,710 | 89.5% |
| State of California | 2,645,256 | 484,553 | 3,129,809 | 877,749 | 88.8% |

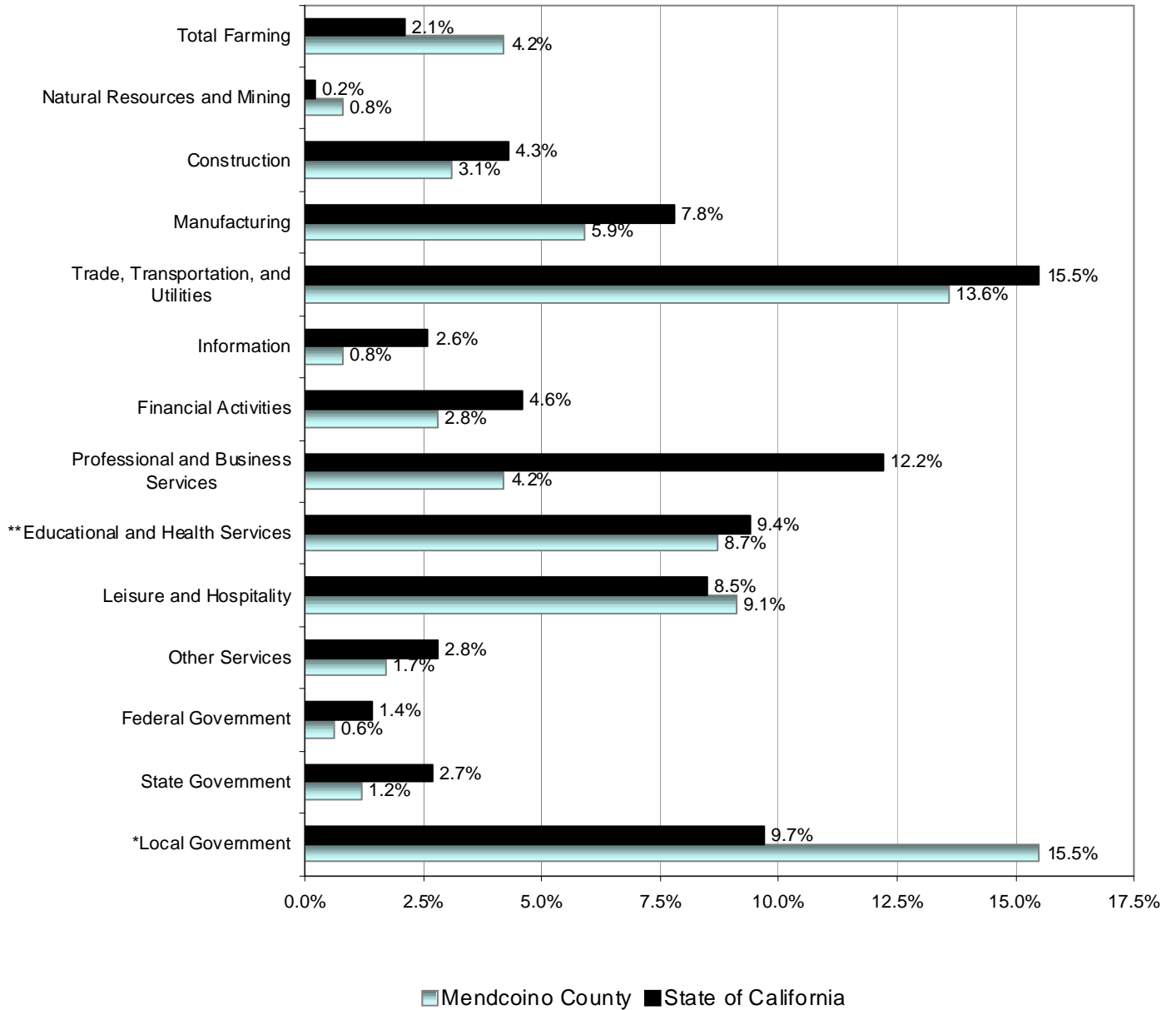
Source Data: ¹U.S. Census Bureau, Non-Employer Statistics, 2006

²2006 County Business Patterns, U.S. Dept. of Commerce

³2006 County Business Patterns, U.S. Dept. of Commerce

⁷ Mendocino County Workforce Investment Board Draft Local Plan Modification 2009 (<http://www.mendowib.org>)

2008 EMPLOYMENT BY INDUSTRY

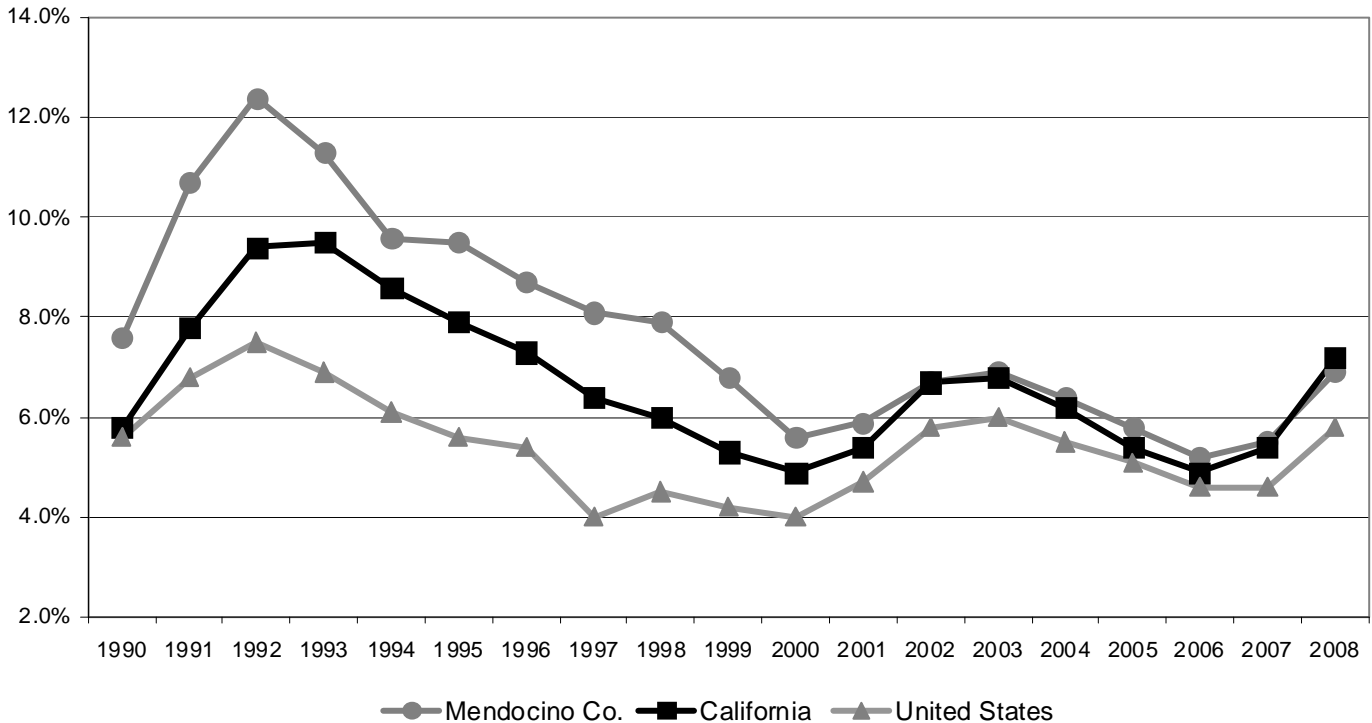


Source Data: Employment Development Department, Labor Market Information
<http://www.labormarketinfo.edd.ca.gov/?PAGEID=94>
 *Local Government includes Tribal Governments as well as K-12 and Junior Colleges.
 **Educational and Health Services includes private schools such as trucking and beauty colleges, etc.

Between May 2008 and May 2009, the total farm sector experienced a 7.4% decrease of 130 employees and total non-farm employment saw a 4.3% decrease of 1,310 employees. Sector changes of note include construction – a 12.4% decrease (170 employees); durable goods – an 11.6% decrease (140 employees); goods producing – an 8.3% decrease (360 employees); manufacturing – a 6.5% decrease (170 employees); service providing – a 3.6% decrease (950 employees); transportation, warehousing and utilities – a 3.1% decrease (20 employees); and educational and health services – a 1.3% decrease (50 employees). Government employment decreased overall by 1.6%, which included a 1.9% increase in state government (10 employees), and a 2.7% decrease in local government (190 employees).

Limited economic opportunities, a declining resource-dependent economy, and a lack of affordable housing combine to produce a challenging workforce environment for employers and employees alike. Most of the employment opportunities are in or near the county’s incorporated areas.

ANNUAL UNEMPLOYMENT RATES FOR MENDOCINO COUNTY, CALIFORNIA, AND THE U.S.

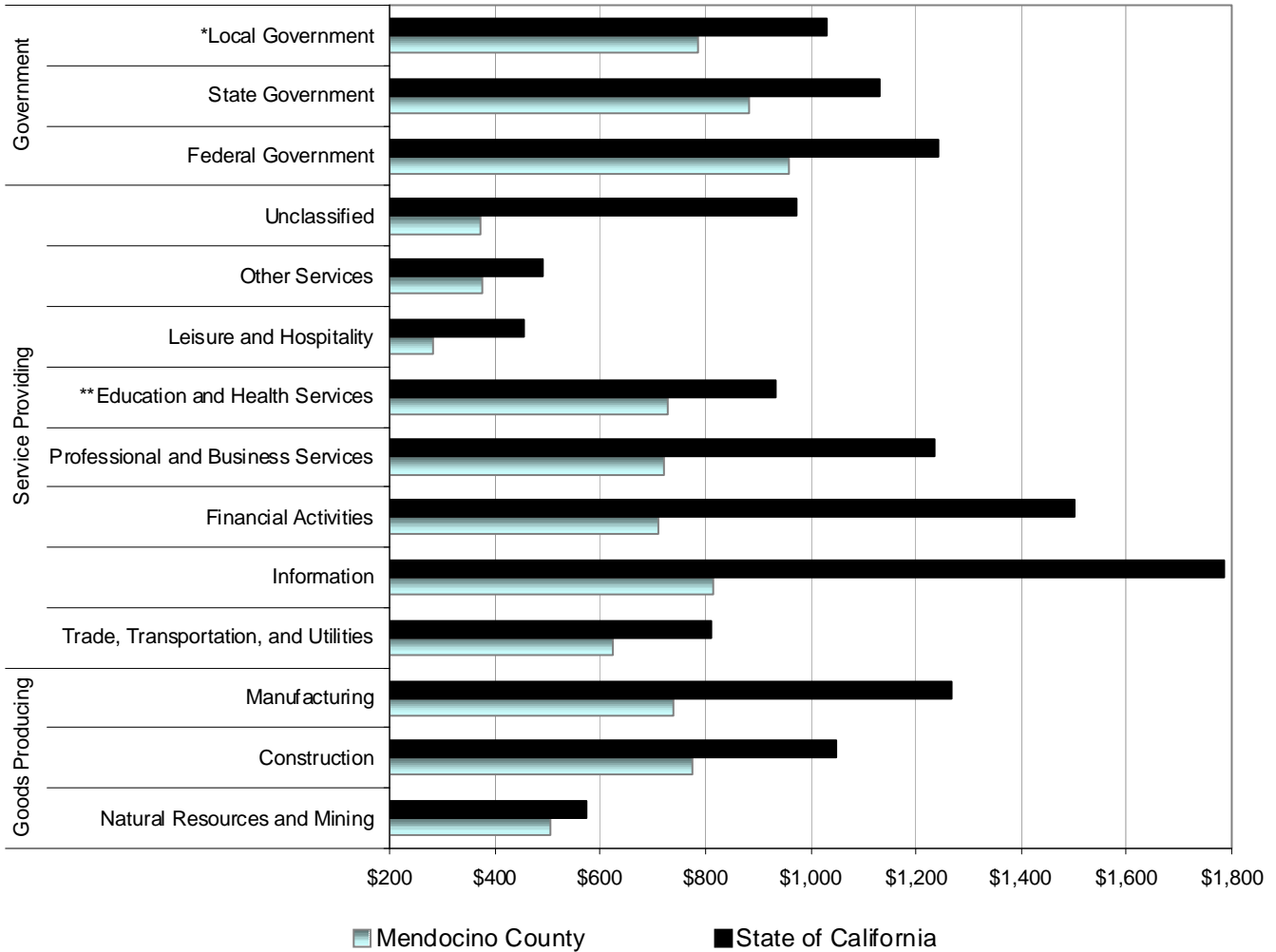


Source Data: California Employment and Development Department, Labor Market Information
<http://www.labormarketinfo.edd.ca.gov/?pageid=164>

Wages

Total wages in all industries in 2008 increased by 3.2% from 2007 reaching \$1,067,362,113. The average annual wage rate decreased 3% in 2008 to \$31,650 (per EDD, ES202 data). In 2008 the average weekly pay in Mendocino County increased from 2007 to \$592 while the state average was \$975 for 2008.

2008 AVERAGE WEEKLY PAYMENT BY MAJOR INDUSTRY FOR MENDOCINO COUNTY AND STATE OF CALIFORNIA



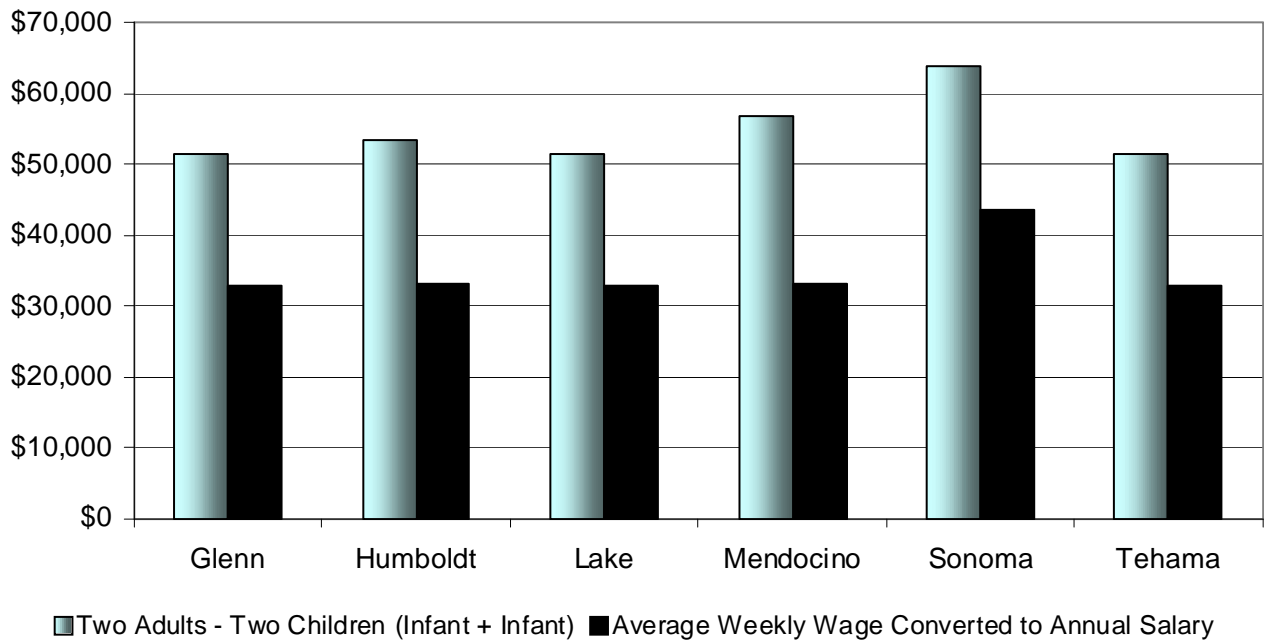
Source Data: Cal. Employment and Development Department, Labor Market Information <http://www.labormarketinfo.edd.ca.gov/qcew/qcew-select.asp>

*Local Government includes Tribal Governments as well as K-12 and Junior Colleges.

**Educational and Health Services includes private schools such as trucking and beauty colleges, etc.

The Family Economic Self-Sufficiency Standard (Self-Sufficiency Standard) measures how much income is needed for a family of a certain composition living in a particular county to adequately meet its minimal basic needs. It is based on the costs families face on a daily basis – housing, food, child care, out-of-pocket medical expenses, transportation, and other necessary spending – and provides a complete picture of what it takes for families to make ends meet. In contrast, the [Federal Poverty Level \(FPL\)](#), which was developed in the early 1960’s and is used to determine income eligibility for many public programs, is based on the outdated assumption that food represents one-third of a family’s budget. The FPL also fails to take into account housing and transportation costs, geography, and, most importantly, child care costs, which are increasingly more expensive. For a family of four—whether in a high cost market like San Francisco, CA or a more affordable market like Baton Rouge, LA—the poverty level is \$22,050 in annual household earnings.⁸

2008 SELF-SUFFICIENCY STANDARDS

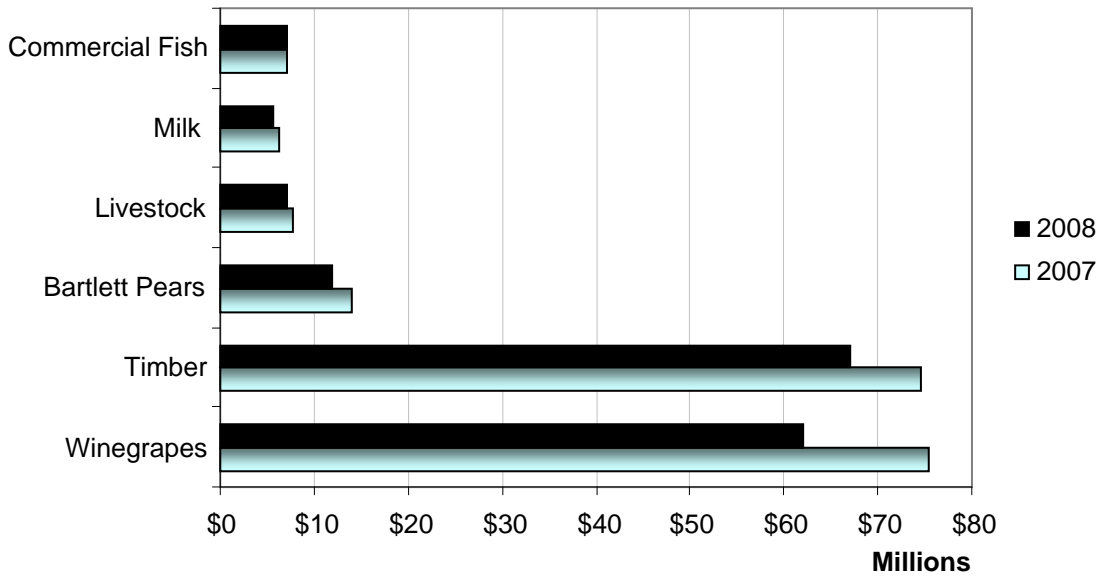


Source Data: Center for Community Economic Development
<http://www.insightcced.org>

⁸ Center for Economic Development (<http://www.insightcced.org/index.php?page=ca-sss>)

Agriculture and Natural Resources

GROSS AGRICULTURAL VALUE FOR COMMODITIES



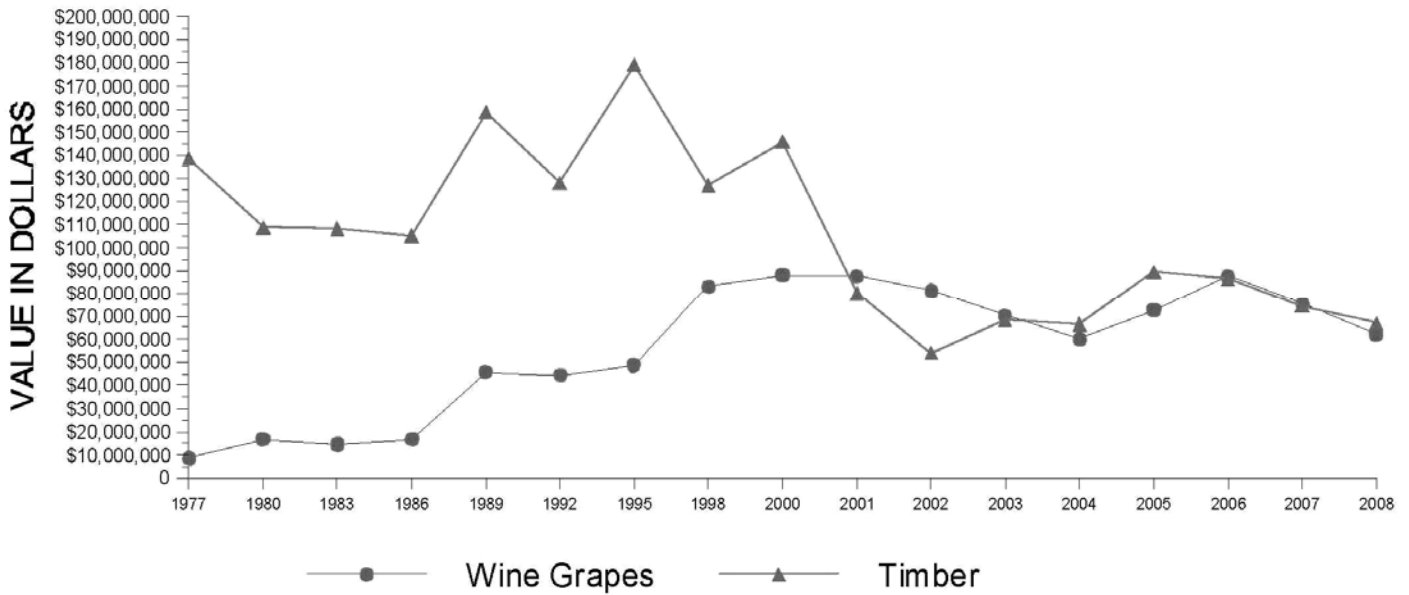
Source Data: Mendocino County 2008 Crop Report
http://www.co.mendocino.ca.us/agriculture/pdf/2008_crop_report_complete.pdf

In 2008, agricultural production in the county totaled almost \$175.7 million. The production of timber, currently the most valuable crop in Mendocino County, generated over \$67 million, and made up 38% of the county’s total agricultural value. Wine grapes were next, valued at \$62 million, and 35% of the county’s total agricultural value. Rounding out the top three is Bartlett pears, with a value of almost \$12 million for 7% of the county’s agricultural value.

In 2007, timber production accounted for 25% of the county’s total agricultural production. Comparatively, timber accounted for over half of the county’s total agricultural production in 1996. Despite this reduction in value, Mendocino County was the second leading timber county in the state in 2007, producing a volume of 908 million board feet, and a value of approximately \$43.6 million.



WINE GRAPE VALUE VS. TIMBER VALUE



Source Data: Mendocino County Agricultural Commissioner
http://www.co.mendocino.ca.us/agriculture/pdf/2008_crop_report_complete.pdf

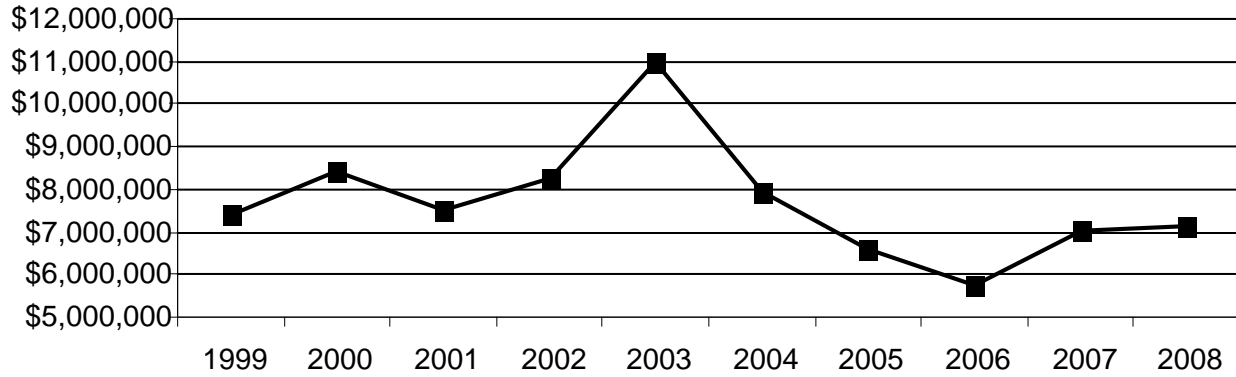
Total harvested acreage is the amount of land that is harvested for agricultural products in a given year. A total of 745,304 acres of land were harvested in Mendocino County in 2007, which accounted for 33% of the land area in the county and 2.6% of the total harvested land in California. Wine grapes were the dominant harvested crop, with nearly 16,342 acres harvested in 2007. In addition, 355,000 acres of pasture were used as range, and 6,000 acres were irrigated.⁹ It is interesting to note that in 2008, a total of 7,799 acres are reported as being utilized in the production of organic agricultural products.

Northern California’s historically vibrant fishing industry has been severely impacted by new regulations and restrictions, many of which were intended to protect or preserve diminished resources. The remnants of Mendocino County’s fishing industry reflect this new reality. In 2007, salmon was the highest valued catch in the county; in 2008, the commercial salmon season was completely closed for the first time in history. The season was again closed in 2009. Despite these closures, the total value of the commercial catch actually increased slightly in 2008, however this information doesn’t fully capture the damage that has been done to our fishing fleet.

⁹ 2009-10 Mendocino County Economic & Demographic Profile

Sport salmon fishing was a major part of the economy, and has been eliminated now for two years; this aspect of the closure is not reflected in the commercial catch. According to the State Department of Fish and Game, the total value of the 2008 catch is estimated at \$7,112,954.

COMMERCIAL FISH CATCH TEN YEAR VALUE COMPARISON



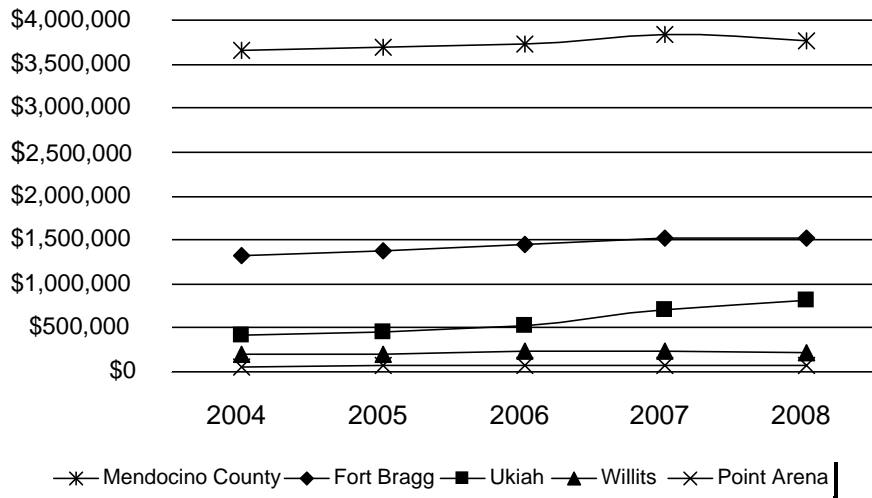
Source Data: State of California Department of Fish and Game
http://www.co.mendocino.ca.us/agriculture/pdf/2008_crop_report_complete.pdf

Travel and Tourism

The county’s geography caters to a wide array of recreational opportunities, ranging from beach hiking and ocean fishing, to mountain biking and exploring the many State Parks. The travel and tourism industry in Mendocino County has grown rapidly over the past decade. As a sector, this industry now represents 10% of total employment within the county, 7.2% of total county earnings, and 38.8% of total local taxes generated.¹⁰

Tourism provided approximately 5,290 jobs in 2007, a .99% decrease from 2006. Travel spending in 2007, at \$326.1 million, was up from the 2006 figure of \$316 million. In 2007, travel-generated earnings totaled \$120 million, an increase over the 2006 county earnings of \$114.3 million. The transient occupancy tax for 2008 totaled \$6,190,722, down from \$6,216,671 in 2007. The unincorporated area garnered the majority of the taxes (57.6%), experiencing a \$107,330 decrease from 2007. The incorporated cities of Willits, Point Arena and Fort Bragg all experienced decreases in occupancy tax as well. Ukiah was the only incorporated city that experienced an increase in occupancy tax, up 13.25% from 2007.

**MENDOCINO COUNTY TRANSIENT OCCUPANCY TAX
2004-2008**

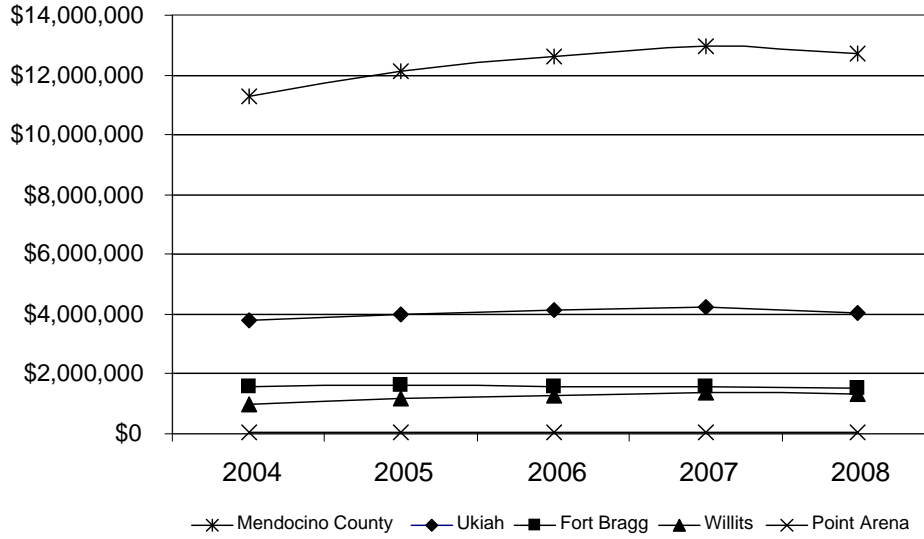


Source Data: Mendocino County Tax Collector, Finance Department for Cities of Fort Bragg, Point Arena, Ukiah, and Willits

¹⁰ Dean Runyon and Associates (<http://www.deanrunyan.com>)

Retail Sales

MENDOCINO COUNTY SALES TAX 2004-2008



Source Data: Mendocino County Treasurer-Tax Collector

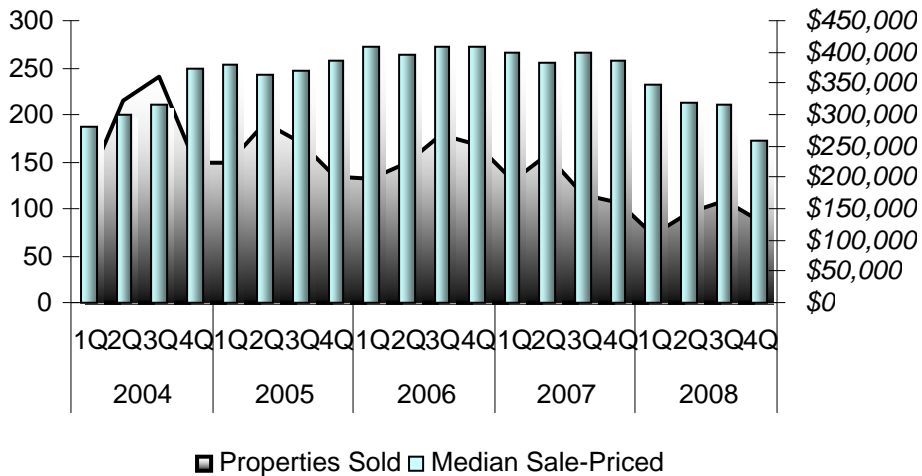
Housing

The total number of housing units in Mendocino County reached 39,563 in 2008, an increase of 0.7% from the previous year. The number of housing units in the county and the state increased at an average annual rate of 0.7 and 1.1 % between 1998 and 2008. Single family units have increased the most in the county, with a 11% increase since 1998.¹¹ Between 2000 and 2009, the average rent price for a three-bedroom unit in Mendocino County was about 8% more expensive than the average rent price in twenty counties in Northern California. Overall, rent prices in Mendocino County have been increasing at a slightly faster rate than the Northern California average, but increased 5% between 2008 and 2009.¹²

The 2008 National Low Income Housing Coalition report for Mendocino County indicates 39% households are renters with an estimated average wage of \$10.63 per hour. The Fair Market Rent (FMR) for a two-bedroom apartment is \$940. In order to afford this level of rent and utilities, without paying more than 30% of income on housing, the household must earn \$37,600 annually which would typically require an \$18.08 per hour housing wage.

The median sales price of homes in inland Mendocino County fell from \$349,000 in the first calendar quarter of 2008 to \$250,000 for the first quarter of 2009 (28.4%). The coastal home median sales price for the same period also decreased from to \$494,500 to \$350,000 (29.2%).

INLAND MENDOCINO COUNTY PROPERTY SALES 2004-2008



¹¹ 2009-10 Mendocino County Economic & Demographic Profile
¹² Ibid

⋮

COASTAL MENDOCINO COUNTY PROPERTY SALES 2004-2008



Source Data: Sources: Bay Area Real Estate Information Services (BAREIS); Coastal Mendocino Association of Realtors (CMAR).
<http://www.bareis.com/statistics.html>

CEDS Goals

Mendocino County encompasses rich natural resources, enjoys a mild climate, produces world class timber and wine grapes, and benefits from proximity to large urban areas in the Sacramento Valley and San Francisco Bay Area. The Strategy Committee has struggled to balance the stated desires of our community with the economic development that is vital to the continued health of our community.

Embracing our diversity is seen as vital to our success as we move forward. Regarding economic development projects that are compatible with the goals of this CEDS, the Strategy Committee views improved collaboration between the County, tribes, and cities as essential. Also critical is a concerted effort to leverage any locally available funds with outside money in the pursuit of these goals.

Sustainability through Localization

The localization of an economy has been identified as an important mechanism to strengthen and build an existing economic base, leading to increased sustainability. Throughout the past decade, the citizens of this county have demonstrated a desire for increased sustainability, and the energy expended on localization efforts is expanding rapidly. We have identified the following strategies to address this goal:

- Increase networks among local businesses in order to develop and expand the local markets
- Support local industry cluster development
- Increase local food production:
 - Rebuild the local food system
 - Provide business training and technical assistance to food entrepreneurs (including farmers) in order to build capacity in the local food community
 - Develop a local marketing and distribution system to increase access to locally produced food products
 - Farmer development at three existing local high school farms
 - Assist small farmers in sustainable practices
 - Promote aquaponics projects to raise and sell fish locally

- Community Development Block Grants (CDBG)
(<http://www.hcd.ca.gov/fa/cdbg/funds/>)

Travel and Tourism Industry

Historically, organized efforts to promote travel and tourism within Mendocino County have been hampered by the difficulty of retaining a regular stream of income for this purpose. In 2006, a Mendocino County Lodging Business Improvement District (BID) was approved, authorizing the collection of a 1% business assessment. These funds, in conjunction with a 50% match from the county, are earmarked for promotion of the county and provide an annual budget of almost \$1,000,000. Visit Mendocino County, Inc. is a newly created organization that will carry on the work of earlier organizations in leading promotional efforts of the county and implementing a marketing plan; the success of these efforts will depend in large part on the support and collaborative effort expended by the community (<http://www.gomendo.com>). We have identified the following strategies to address this goal:

- Increase the average length of stay and overnight visitor spending per day
 - Facilitate navigation within the county for both visitors and residents through improved way finding and signage
 - Enhance visitor center services and hours of operation
 - Support the continued development of organizations and institutions that support the arts and provide activities and events for visitors to Mendocino County
 - Provide business technical assistance and training to art and tourism businesses to build capacity from within
 - Support the preservation of historic resources
 - Improve customer satisfaction through the establishment of a hospitality training program for businesses throughout the county
- Increase the number of people who travel to Mendocino County
 - Support a unified marketing message for the county
 - Focus marketing efforts on the county's defined target areas:
 - San Francisco Bay Area
 - Sacramento Valley
 - Seek new opportunities through outreach to niche markets

- Continue to support existing partnerships both regionally and intra-county
- Develop new partnerships for promotional opportunities such as co-op promotions, event sponsorships, collateral sponsorships, etc.

Potential funding sources include:

- Business Improvement District (BID)
- Cooperative partnership opportunities
- Event participation fees
- Mendocino County Lodging Association (MCLA) (<http://www.mcla.info>) partnership funding
- County
- Cities

Sustainable Utilization of Natural Resources

The economy of Mendocino County has traditionally been based on our natural resources. However, that base has been slowly shifting for a number of reasons, which include but are not limited to the continuing adoption of new restrictions by regulatory agencies, harvest cycles, and concerns regarding the depletion of some resources. The continuing closure of most of our lumber mills bears testimony to the fact that we are continuing to struggle balancing the needs of our communities with the availability of resources. We have identified the following strategies to address this goal:

- Preserve the economic and environmental benefits to the community that are associated with having an adequate supply of local natural resources permitted for harvesting and use
 - Advocate for the adoption of permit streamlining tools (e.g., CEQA significance thresholds, countywide impact fees, established fair share mitigation measures) that will lessen the time, cost, and complexity of the permitting process
 - Publicize the benefits of having an adequate supply of local natural resources permitted for harvesting and use (e.g. reduced green house gas emissions, living wage jobs, revenues and tax base for government operations, reduced local construction costs, and reduced impact to local roads)

- Promote the utilization of recycled materials and environmentally preferable technologies in construction
 - Encourage the use of recycled construction materials (e.g. recycled aggregates, recycled asphalt pavement) in public works contracts
 - Provide technical assistance, training, and support for businesses, employees, and communities that are transitioning from fishing, timber, and natural resource extraction to industries, as stated in the Targets of Opportunity report (www.mendowib.org)
 - Support innovative production processes that hold environmental benefits (e.g., warm mix asphalt, rubberized asphalt pavement)
- Support local businesses who desire to modernize and expand
 - Work with public agencies to expedite permit approvals for existing businesses who seek to modernize and expand operations to respond to environmental regulations or market conditions
- Protect the local natural resource-based industry
 - Encourage the implementation of land use policies that ensure that future development will not interfere with the harvesting, processing or delivery of natural resources
 - Help to mediate and resolve conflict in locations where development has encroached upon existing industrial uses and businesses
 - Encourage the retention of appropriately zoned land
 - Encourage consistent investment in public infrastructure that improves the efficiency of transportation and delivery of natural resources
- Provide the natural resource based industry with an effective “voice”
 - Form a task force that contains elected officials to resolve the concerns of natural resource based industries, and to advocate for the jobs, revenue, tax base, and environmental benefits that they provide
- Add value to county products by branding a local identity

Infrastructure

The relatively small population of Mendocino County, combined with the vast, geographically disparate area, has historically made the county-wide development and

subsequent maintenance of basic infrastructure extremely difficult. Deferred maintenance continues to accumulate, and public infrastructure built quickly at the end of World War II is now in need of upgrading. With regard to our lack of water, many areas of the county have been restricted from allowing new water connections due to concerns about the availability of supply for existing users. In 2009, mandatory water rationing in many areas of the Ukiah

Valley provides a particular highlight on the urgency of our need for solutions to our lack of available water.

Access to broadband internet access is becoming tightly woven into the fabric of what many businesses consider a requirement; our current lack of this service in many areas of the county is making it progressively more difficult to attract or retain business in many of our communities. We have identified the following strategies to address this goal:

Water Resources

- Increase water use efficiency
 - Educate the public regarding recycled water and its potential uses
 - Investigate incentives to encourage innovation and conservation
 - Encourage the utilization of recycled water
 - Implement rainwater harvesting projects
 - Advocate for regulatory changes to allow the expanded use of grey water
 - Work to expand access to and opportunities for use of recycled and grey water
- Increase water storage capacity. Currently identified projects include:
 - Scout Lake, Calpella, College, Coyote Dam Feasibility Study
- Work with the County Water Agency (<http://www.mendocountywa.com>), cities, and water districts to create an opportunities & constraints analysis related to groundwater supply
- For existing communities, expand the availability of and access to adequate centralized sewer and water systems
- Increase availability, capacity and efficiency of sewer treatment

•
•
•
•
•
•
•
•

- Maintain a basic level of transit services for county residents

Potential funding sources include:

- Community Development Block Grants (CDBG) (<http://www.hcd.ca.gov/fa/cdbg/funds/>)
- Economic Development Administration (EDA) (<http://www.eda.gov>)
- United States Department of Agriculture (USDA) (<http://www.usda.gov>)
- California Infrastructure and Economic Development Bank (I Bank) (<http://www.ibank.ca.gov>)
- Redevelopment
- Tax revenue
- Development impact fees
- Broadband Technology Opportunities Program (BTOP) (<http://www.ntia.doc.gov/broadbandgrants>)
- Broadband Infrastructure Program (BIP)
- California Emerging Technology Fund (CETF) (<http://cetfund.org>)
- California Advanced Services Funds (CASF) (<http://www.cpuc.ca.gov/PUC/Telco/Information+for+providing+service/announcingcasf.htm>)
- Additional sources include:

| Government Level | Fund Name | Appropriate Funding Range | Purpose |
|------------------|---------------------------------|---------------------------|---|
| Local | LFT – Local Transportation Fund | \$3 million | Administration, regional transportation planning, public transit, bike and pedestrian |
| | LFT Reserve | \$150,000 | Meet budget shortfalls, extraordinary transit costs |
| | Local Planning | \$100,000 | Overall work program |

•
•
•
•
•
•
•

| Government Level | Fund Name | Appropriate Funding Range | Purpose |
|------------------|---|-------------------------------|---|
| Local | 2% Bicycle and Pedestrian | \$60,000 | Optional local projects; match funds for grants |
| | Capital Reserve Fund | \$200 - \$400 K | Transit capital projects |
| State | PPM – Planning Programming & Monitoring | Varies, \$0-\$225,000 to date | Manage Regional Transportation Improvement Program (RTIP), other OWP projects |
| | RPA – Rural Planning Assistance | \$275,000 | State-mandated transportation planning activities, other OWP planning projects |
| | STA – State Transit Assistance | \$150,000 - \$1 million | Public transit operating or capital projects |
| Federal | TE – Transportation Enhancements Program | \$2 – \$3 million | Enhancements to surface transportation system beyond any required mitigations (12 eligibility categories) |
| | RSTP – Regional Surface Transportation Program | \$450 – \$550 K | Discretionary uses; surface transportation improvement projects or maintenance. |
| | FTA Section 5310 | \$4-\$70,000 per project | Vehicles, equipment |
| | FTA Section 5311 | \$300,000 | Operating assistance |
| | FTA Section 5311(f) | \$30-\$400,000 per project | Capital projects |
| | FTA Section 5313(b) Transit Planning Assistance | Up to \$80 K per project | Training, partnerships |
| | FHWA Community-based Transportation Planning and Environmental Justice: Context-Sensitive Planning Grants | Up to \$300 K per project | Local transportation planning projects |

Workforce Development

The development of the workforce is futile without a parallel effort to retain existing jobs and to increase the number of jobs in growth occupations. Mendocino County has established a comprehensive partnership to provide education and training for youth, adults, dislocated workers and older workers in demand occupations within the Mendocino Works One-Stop service delivery system comprised of partners whose programs include a strong workforce component. Partners include but are not limited to private business, government, K–14 education, West Company/Small Business Development Center (<http://www.westcompany.org>), Economic Development and Finance Corporation (<http://www.edfcorp.com>), Experience Works (<http://www.experienceworks.org>), Employment Development Department (<http://www.edd.ca.gov>) and CalWORKs Job Services (<http://www.ladpss.org/dpss/calworks/default.cfm>), California Indian Manpower

Consortium (<http://www.cimcinc.org>), California Human Development Corporation (<http://www.chdcorp.org>), Ukiah Valley Association for Habilitation (<http://www.uvah.org>), and Mendocino Private Industry Council (http://www.mpic.org/html/ron_womack.htm). Within this partnership, through a variety of employment and workforce-related services, individuals are empowered to enter or reenter the world of work, explore career opportunities and develop their entrepreneurship potential. In addition, business services are provided to facilitate job retention and expansion. We have identified the following strategies to address this goal:

- Increase training
 - Technical
 - Apprenticeships
 - Incumbent workers
 - Opportunities for temporary employment
 - Paid and unpaid work experience/internships for youth
 - Work to develop a vocational school to provide training (construction, etc.)
- Increase sustainable wage occupations
- Recognize the value of entrepreneurship and self-employment; implement and support programs to develop these sectors
- Promote the benefits of telecommuting
- Increase career pathways, and expand partnership opportunities between /among:
 - ROP programs
 - Community colleges

•
•
•
•
•
•
•
•

- 4-year colleges
- Contract education, internships, and apprenticeships
- Businesses
- Work to facilitate business retention and expansion
 - Support local businesses
 - Recapitalize local sources of funds

Potential funding sources include:

- Workforce Investment Act (WIA) Title I–Formula Adult, Dislocated Worker, Youth and Rapid Response
- WIA Title I– ARRA Formula Adult, Dislocated Worker, Youth and Rapid Response
- Small Business Development Center (SBDC) (<http://www.sba.gov>)
- Women’s Business Center (WBC) (<http://www.womenbiz.org>)
- USDA, Intermediary Relending Program
- Community Development Block Grants (CDBG) (<http://www.hcd.ca.gov/fa/cdbg/funds/>)
- WIA Title V Formula and ARRACalifornia Department of Education

Housing Needs

Providing adequate housing opportunities for our citizens is the most basic of responsibilities. According to the 2008 Regional Housing Needs Analysis, the county has a projected need for 1,213 additional market rate units and 1,339 units of affordable housing within the unincorporated areas of the county alone (by 2014). In producing these additional units, we encourage consideration of the needs of farmworkers, the homeless, large families, single-parent households, persons with disabilities, Native Americans, and seniors. We have identified the following strategies to address this goal:

- Create permitting and fees incentives for affordable housing developers to encourage new affordable housing development
- Rehabilitate our existing stock of affordable and market rate housing as opportunities arise

- Review existing codes to ensure current needs for creative housing opportunities are met
- Encourage public/private partnerships to promote affordable housing opportunities (working with local hospitals to encourage homeownership programs for their employees, etc)
- Promote next level care for senior housing (as Mendocino County is a retirement destination, there are economic development opportunities in combining health care services and housing in our area)
- Support the implementation or utilization of down payment assistance programs
- Work with Housing Service providers to finance additional housing opportunities for low-income households. Potential funding sources include:
 - Home Investment Partnerships Program (HOME) (<http://www.hcd.ca.gov/fa/home>)
 - Community Development Block Grants (CDBG) (<http://www.hcd.ca.gov/fa/cdbg/funds/>)
 - United States Department of Agriculture (USDA) (<http://www.usda.gov>)
 - CalHome Program (<http://www.hcd.ca.gov/fa/calhome>)
 - Redevelopment
 - Joe Serna, Jr. Farmworker Housing Grant Program (<http://www.hcd.ca.gov/fa/fwhg>)
 - California Tax Credit Allocation Committee (<http://www.treasurer.ca.gov/CTCAC>) – Low Income Housing Tax Credits
 - California Debt Limit Allocation Committee (<http://www.treasurer.ca.gov/cdlac>)
 - Federal Home Loan Bank (<http://www.fhlbsf.com>)

Wellness and Healthcare

The health and wellness of Mendocino County residents is paramount to the county's economic growth and development. It has been well documented that the health of an individual has a direct correlation to their productivity in the workplace. More importantly, the availability of health care services are a key component that individuals and businesses look to as they consider relocating to this county. In order to assure the health of our

residents, a vibrant and sustainable health care delivery system that includes primary, specialty, dental, mental health and hospital care services must exist to meet the needs of this county's diverse population. We have identified the following strategies to address this goal:

- Pursue trauma designation for local hospital to increase regional referral
- Increase the availability of and access to all wellness and healthcare opportunities
 - Primary care
 - Specialist care
 - Dental care
 - Mental health care
 - Native American Tribal health
 - Veteran's care
 - Complimentary (alternative) care
 - Prevention
- Support a consistent message regarding the quality of local care

Potential funding sources include:

- Federal Grants through Health Resources and Services Administration (HRSA) (<http://www.hrsa.gov>)
- State of California (<http://www.ca.gov>)
- Private foundations
- Local citizens
- Patient revenue

Plan of Action

This CEDS is not in conflict with any known state goals or priorities, and is intended to be compliant to and integrate with the State of California's economic development goals and priorities. This CES will be implemented in a manner that:

- Promotes economic development and opportunity;
- Fosters effective transportation access;
- Enhances and protects the environment;
- Maximizes effective development;
- Promotes the use of technology and use of the workforce consistent with any applicable State or local workforce investment strategy;
- Promotes the use of technology in economic development, including access to high-speed telecommunications;
- Balances resources through sound management of physical development;
- Obtains and utilizes adequate funds and other resources.

Performance Measures

Performance measures will be tied directly to the long-term economic development goals as previously identified in this document. To monitor performance of the strategy, the following data will be monitored as it becomes available:

- Computation and comparison of county unemployment rates to state and national rates;
- Computation and comparison of county job creation to state figures;
- Computation and comparison of county average weekly pay to state and national figures;
- Computation and tracking of county Transient Occupancy Tax (TOT) collections;
- Computation and tracking of county sales tax collections;
- Computation and tracking of county agricultural value, inclusive of forest products.

Trends in these key economic indicators and any significant changes in the economy will be monitored on a consistent and timely basis. Effectiveness in meeting goals will be evaluated and adjustments will be made to the CEDS document as required to meet the performance goals of the document and/or the economic development needs of the region.