



Mendocino Coast: 2004 and Beyond

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Introduction

- Mendocino County faces many challenges and opportunities
 - Eastern Mendocino County
 - Ukiah could be the next hub.
 - Anderson Valley could be the next premier wine stop for tourists.
 - Mendocino Coast
 - Tourism, logging, fishing, boutique retail
 - Centered on tourism between Gualala and Caspar.
 - Fort Bragg, because of HWY 20 link, could reap Ukiah rewards



Interdependency

- Those in Mendocino and Fort Bragg cannot forget connection to Eastern Mendo:
 - Wine region draws folks the rest of the way
 - Many events in Mendocino involve those firms
 - County government may look toward HWY 101 towns before Mendo Coast: *tax revenue*
 - New business may see retail and services availability along corridor also.



Competition

- Mendocino Coast and County competes with Sonoma Coast and County, obviously
 - Bodega Bay area a large draw for tourists, especially local.
 - Must drive through Sonoma to get here from SF, Marin, most places
 - They are also looking for opportunities
 - Must think like a business, and understand economic situation.



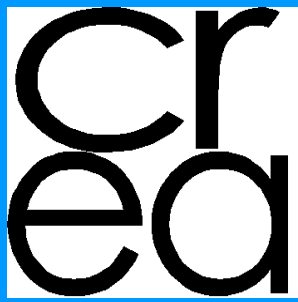
Three Major Issues

- **Positioning**
 - Mendocino Coast must *position* itself for the next economic upswing versus competition?
- **Partnership**
 - All of Mendocino County must think of a general plan to understand itself and compete.
 - Government, businesses, citizens, must all *partner*.
- **Progress**
 - Cannot live in the past, nor rest on laurels.
 - *Progress* is essential to sustained growth economically.



Positioning

- What does Mendocino Coast want to become?
 - High tech?
 - Services centered (insurance, accounting, legal)?
 - Agricultural expansion?
 - Primary industries have been the focus
 - Tourism expansion?
 - How many tourists possible and how much money can be made?
- Need a distinct vision, given competition



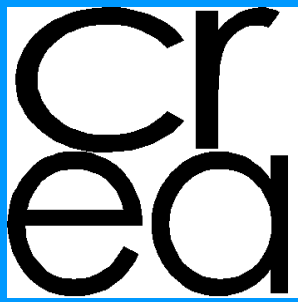
Positioning (cont.)

- Understand competitive environment
 - Must identify current businesses
 - Must identify available space, zoning, etc.
 - Must identify wants of citizens
 - Must understand constraints placed by government and surrounding counties
- Key: How can this area take advantage of resources to further itself in a sustainable way?



Partnership

- Any plan must be inclusive and engage
 - Must search entire county
 - Must allow for comments from all
 - Must take positioning into account
- Government and Business must work together
- Business and Business must work together
 - Time lost on who gets what means someone else gets it.



Partnership (cont.)

- Sustainability a key issue
 - Environmental: What business can really come here?
 - Political: What businesses add to the community?
 - Economic: How does the business mix allow flexibility and optimize advantages simultaneously?
 - Key: Does current sociopolitical environment allow economics to deliver a sustainable plan?



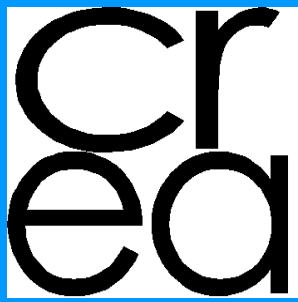
Progress

- Agricultural base provides a great tool
 - Sonoma, Marin and Napa Counties have agricultural diversification.
 - Does Measure H exclude the entire biotech industry?
 - Services already in place due to agriculture
- Must we define progress technologically?
 - No, but that is where the money is.
 - Last four major booms in US high-tech
 - All booms come from some technological gains



Progress (cont.)

- Locational Issues
 - Where would new companies/industries go?
 - How does Mendo Coast look versus others?
 - Access a obvious, big issue.
- Can constraints be alleviated?
 - HWY 20 to 2 x 2 lanes all the way to Williams?
 - Would Sonoma County Airport help?
- Key: Must think outside box, or nothing happens.



Mendo County Stats

- Unemployment in Mendocino County
 - 1990 – 1997, average monthly U rate = 9.7%
 - 1998 – 2000, average monthly U rate = 7.1%
 - Largest Employers, 1998-2000
 - Durable Goods Manufacture = 10% of Employed
 - Retail Trade = 14%
 - Education = 11%
 - Leisure and Hospitality = 11%
 - Local Government = 16%
 - Farm = 8%



Mendo Stats (cont.)

- Same Employers, 2001 – 2003
 - Durable Goods Manufacture = 6% of Employed
 - Retail Trade = 14%
 - Education = 11%
 - Leisure and Hospitality = 12%
 - Local Government = 20%
 - Farm = 7%
 - Shift from durable goods manufacture to government?
- Average monthly U rate = 7.1% from 2001-2003



Observations

- Cannot look at unemployment alone.
 - Certainly provides a clustering of jobs.
 - Also provides shifts, or lack of shifts.
 - Unemployment has a connection to many local economic issues
 - Home prices
 - Wages and prices of goods
 - Local demand for all services, especially gov't



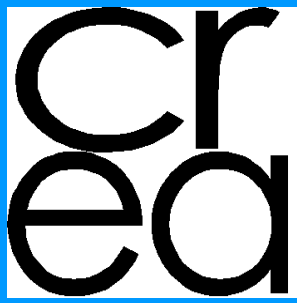
Observations (cont.)

- Mendo unemployment seasonal
 - Ag tie biggest here.
 - Also tourist seasons
 - Much different from Ukiah than Fort Bragg and Mendocino.
- Pockets of labor also describe local area
 - Covelo versus Fort Bragg, for instance

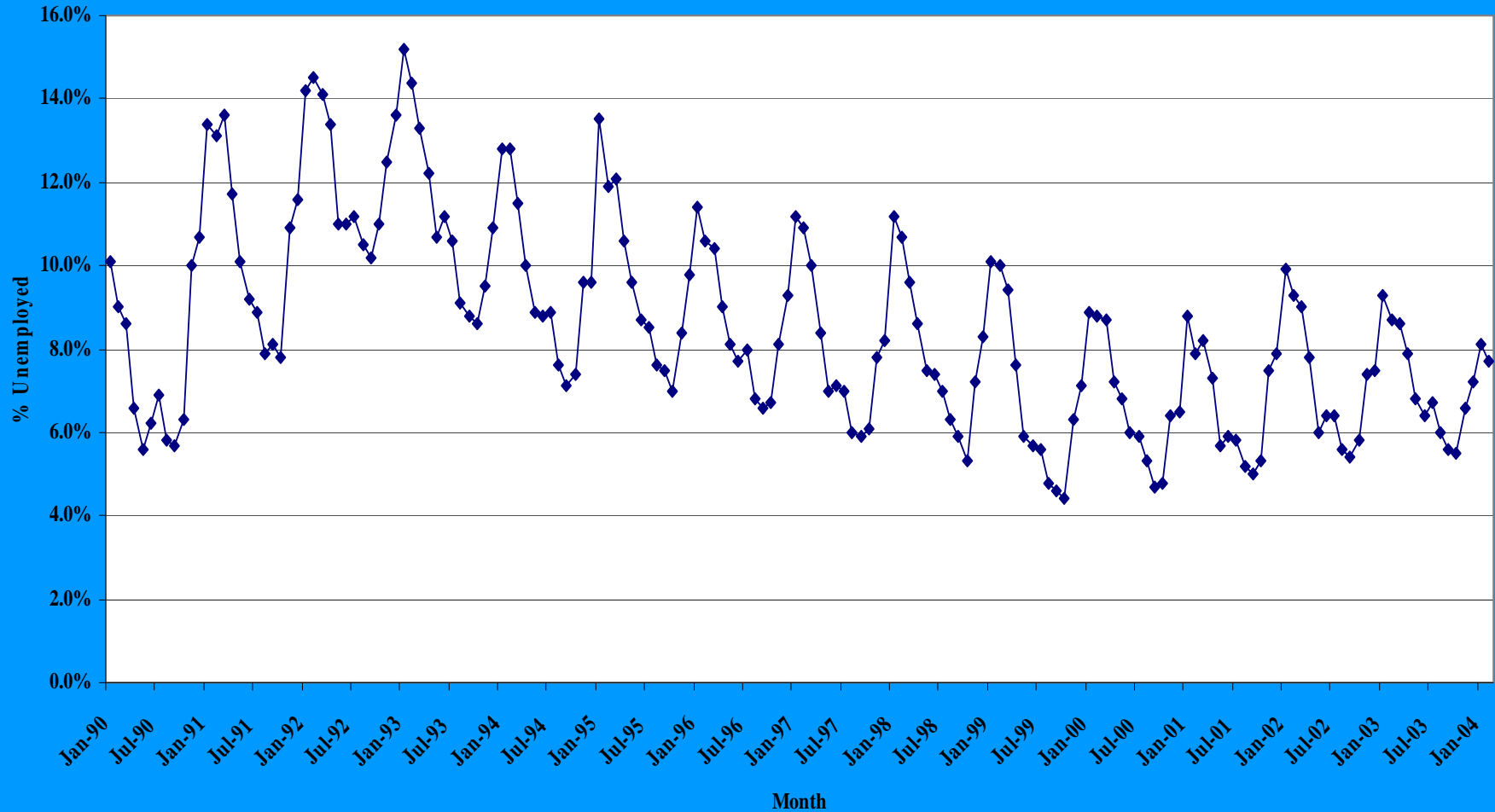


February 2004

Location	Labor Force	Employed	Unemployed	U Rate
Mendocino County	43,960	40,840	3,120	7.1%
Covelo	490	450	40	9.0%
Fort Bragg	3,420	3,220	200	5.9%
Laytonville	600	540	60	9.4%
Point Arena	220	180	40	17.7%
Ukiah	7,600	7,090	510	6.8%
Willits	2,550	2,370	180	7.0%



Unemployment 1990-2004





Conclusions

- Mendocino County can be an area of growth in any industry
 - Connection to HWY 101 good.
 - Available space provides relatively low-cost alternatives for businesses
 - Affordable housing?
 - Choosing correct mix is itself a mix of art and science.



Conclusions

- Mendocino County an amalgam of different micromarkets in labor
 - Employment stats show this
 - Almost two different counties on both sides of HWY 20
 - Why is there not better integration?
 - For all involved, must work on working together.