



**COMPREHENSIVE ECONOMIC  
DEVELOPMENT STRATEGY (CEDS)**

**2013**

**for the  
SUPERIOR CALIFORNIA  
ECONOMIC DEVELOPMENT DISTRICT**

**Counties of  
MODOC, SHASTA, SISKIYOU, AND TRINITY**

**Prepared by  
SUPERIOR CALIFORNIA ECONOMIC DEVELOPMENT DISTRICT  
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## EXECUTIVE SUMMARY

The Superior California Economic Development District (SCEDD) submits this Comprehensive Economic Development Strategy (CEDS) as a periodic comprehensive review and update as of January 24, 2012, as required by the United States Department of Commerce-Economic Development Administration (EDA). The CEDS provides historical data, outlines present economic situations, identifies opportunities for development and outlines broad plans for implementing defined strategies for improving and developing the local and District-wide economies.

This document originated as an EDA sponsored “Overall Economic Development Program” report first completed in 1968 by Virgil Covington and Evangeline Manning, Shasta County Economic Development Corporation. This 2013 CEDS is a complete review and update of the CEDS previously reviewed and updated in 2002 and reviewed annually each year thereafter. The information contained in this CEDS is solicited from District board members, elected officials, administrators, public works officers, and the private sector business people throughout the four county area served by the District. Using the EDA CEDS guidelines, pertinent information and data was obtained and assembled by County and subject categories. This CEDS document was prepared by District staff on behalf of and under review of the Economic Development District CEDS Committee.

This document, as submitted, is the final document as approved by the Superior California Economic Development District Board of Directors acting as the Economic Development District CEDS Committee.

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## ORGANIZATION

The Superior California Economic Development District (SCEDD) was organized in 1979 through a Joint Powers Agreement with the Counties of Modoc, Shasta, Siskiyou and Trinity in the northeastern-most part of California. The District encompasses an area of 17,731 square miles with a current population of 245,750 and a labor force of 112,300 comprised of the four member counties.

In 1980, SCEDD was designated an “Economic Development District” by the U.S. Department of Commerce Economic Development Administration (EDA). The EDA Annual 301(b) Planning Grant enables the District to work with its county members in providing planning and technical assistance to the public and private sectors for new business development, business retention/expansion, and ultimately, job creation.

The District is currently governed by a seventeen member Board of Directors composed of representatives from each participating county (see page 2).

The Board of Directors meets on the third Thursday of every other month beginning in January. On occasions when prompt official action is needed, the Board will meet on an alternate month as well or will call a special meeting. Committees of the Board meet as needed.

**SUPERIOR CALIFORNIA ECONOMIC DEVELOPMENT DISTRICT  
BOARD OF DIRECTORS AND CEDS COMMITTEE**

<u>NAME</u>	<u>OCCUPATION</u>	<u>APPOINTMENT</u>
<b><u>Modoc County</u></b>		
Dave Allen	County Supervisor	County Board of Supervisors
Jim Irvin	City Councilman	City of Alturas Councilman
Vacant		Private Sector - County BoS
<b><u>Shasta County</u></b>		
Pam Giacomini	County Supervisor	County Board of Supervisors
Jeff Kiser	City Manager	City Council of Anderson
Greg Clark	Deputy City Manager	City Council of Redding
Vacant		
<b><u>Siskiyou County</u></b>		
Michael Kobseff	County Supervisor	County Board of Supervisors
Steve Drageset	CPA/Self Employed	Private Sector - County BoS
Kelly McKinnis	City Finance Director	Siskiyou League of Local Agencies
<b><u>Trinity County</u></b>		
John Fenley	County Supervisor	County Board of Supervisors
Vacant		Private Sector - County BoS
Vacant		
<b><u>Members At Large (Appointed by SCEDD Board of Directors)</u></b>		
William Hinman	Bank Branch Manager - ret.	
Audra Gibson	Non-Profit Program Administrator	
Fred Castagna	Project Manager- City of Shasta Lake	
Vacant		

Total Board Members Positions - 17

Positions vacant at this time - 5

**OFFICERS FOR FY 2013 - 2014**

Steve Drageset	President
Greg Clark	Vice President
William Hinman	Treasurer
Robert Nash	Secretary/Chief Executive Officer

## **COMMITTEES FOR FY 2013-2014**

### **EXECUTIVE COMMITTEE**

Steve Drageset, President  
Greg Clark, Vice President  
Bill Hinman, Treasurer  
Fred Castagna  
John Fenley  
Kelly McKinnis  
Pam Giacomini

### **FINANCE COMMITTEE**

Steve Drageset, Chair  
Bill Hinman  
Michael Kobseff

### **PERSONNEL COMMITTEE**

Steve Drageset, Chair  
Bill Hinman  
Fred Castagna

### **LOAN COMMITTEE**

Steve Drageset, President  
Greg Clark, Vice President  
Bill Hinman, Treasurer  
Fred Castagna  
John Fenley  
Kelly McKinnis  
Pam Giacomini

## MINORITY REPRESENTATION

State: California  
 County: Modoc-Shasta-Siskiyou-Trinity  
 Prepared By: Robert Nash, Executive Officer

This form is for the purpose of providing data to determine compliance with EDA Directive 7.06 on minority representation on CEDS Committees. The two aspects of compliance are as follows:

- a) The percentage of minority representation on the CEDS Committee must be as large as the minority percentage of the population of the area. If there is an Executive Committee, its membership must reflect the ratio of the minority representation on the CEDS Committee.
- b) Minority representation should be selected by representatives of the lending minority groups or organizations of the area, meeting in a closed session.

	<u>Number</u>	<u>Percent</u>
1. Population by Race/Ethnicity*		
Total Population	236,688	100%
White	200,894	84.9%
Hispanic/Latino	21,794	9.2%
American Indian	6,562	2.8%
Black or African American	2,112	0.9%
Asian	4,988	2.1%
Native Hawaiian and Pacific Islander	338	0.1%

2. CEDS Committee Members  
 (See Page 5)

<u>Summary</u>	<u>CEDS Committee</u>
** Total Seats	17
** Non-Minority Members	12
Minority Members	1

5. Method by which Minority Representative were Selected:

Within the four-county Superior California Economic Development District, there are currently no known minority organizations that encompass all of the counties. Therefore, the Board of Directors seeks minority members from within the District with an emphasis on previous or current public or quasi-public office.

\* Source: U.S. Census Bureau, Census 2010.  
 \*\* Three positions are vacant at this time.



## **SCEDD STAFF**

The Superior California Economic Development District Board of Directors is served by a staff with offices in Redding, Shasta County.

Executive Officer, Robert Nash: Responsible for managing the business of the District consistent with the objectives of the EDA Act of 1965 as amended. The Chief Executive Officer reports to the board and implements long and short term corporate goals and objectives of the board. The CEO coordinates departmental programs, projects, and staff for business financing; business training and technical assistance; and economic development planning and technical assistance. He supervises financial management of the District, including accounting, budgeting, reporting and audits.

Administrative Assistant/Executive Secretary: Serves as assistant to the Board of Directors and the Executive Officer. Assists in the preparation, submission, and administration of all grant applications, contracts, reports and agreements. Responsible for scheduling Board meetings, preparing and mailing out Board packets, transcribes Board minutes, and maintains District files. Assists with Microenterprise Development Program administration and Loan Program administration as needed.

Loan Program Manager: Manages and maintains the SCEDD Business Development Loan Program portfolio including loan repayments, workouts, and adverse collections. The incumbent also prepares applications for other loan/grant funding as directed to leverage the loan fund and/or obtain additional sources of capitalization. Responsible for marketing and delivery of loan packaging and consulting fee services; business development loans; preparation and review of loan applications, credit

analysis; recommendations for funding and loan documentation. Loan Program Manager supervises other loan program staff

Loan Closing Specialist: Serves as Assistant to the Loan Program Manager.

Responsible for follow-up with loan applicants/borrowers, coordinates loan application documentation, prepares loan closing documents, maintains loan collateral and maintains loan files and follow-up.

Economic Development Specialists: SCEDD is utilizing part-time contract staff for economic development planning and technical assistance activities as needed.

Fiscal Officer: Responsible for all aspects of fiscal management and fiscal reporting including compliance with grant, contract and federal expenditure regulations and guidelines; contract and grant financial reporting; program budgets; and followup loan financial reviews. Also, serves as systems administrator for SCEDD computer hardware/software, local area network and telecommunications. Also serves as Human Resources expert/advisor to the Executive Officer and management staff.

Bookkeeper: Maintains accounts for the District. Accounts include payroll, accounts receivable, and accounts payable. This position also handles loan accounting and billing.

Special Projects Manager - Microenterprise Development Program Manager:

Responsible for supervision and leadership to programs and projects by working with and providing guidance to program staff; solicits program funding opportunities, keep funding agency current on project progress through written reports; recruits targeted clients via a variety of outreach mechanisms as appropriate; develops curriculum and program design for prebusiness training, provide ongoing evaluation and follow-up on a regular basis; and maintains program/project budgets and compliance with program guidelines and

regulation.

Business Development Specialist : Provide pre-business training and ongoing business counseling/support services for targeted microenterprise clients, both prebusiness and existing microbusinesses; develops supplemental curriculum material; recruits and schedules guest presenters, oversees reference library and software programs and maintains clients tacking information.

## BACKGROUND: THE AREA AND THE ECONOMY

### The Area

The Superior California Economic Development District (District), formed in 1979, includes the four counties of Modoc, Shasta, Siskiyou and Trinity. The four-county District is a region covering an area of 17,734 square miles, extending from the northeastern corner of California (Modoc County), east along the Oregon border to Del Norte County (Siskiyou County), southward along the border of Humboldt County (Trinity County). To the south the District borders Tehama County and includes portions of the upper Sacramento Valley (Shasta County). On the eastern side of the District, Modoc County borders the State of Nevada and Lassen County to the south.

The District is predominantly mountainous terrain with small valleys interspersed. Mount Shasta (14,162 feet), Mount Lassen (10,547 feet) and Castle Crags are among the most spectacular of many volcanic and former volcanic mountain peaks in the region in addition to the spectacular granites of the Trinity Alps and Marble Mountains.

The climate is variable throughout the District due to the great variation in topography. Extremes range from a Mediterranean climate in the northern end of the Sacramento Valley, Redding area, with elevation of agricultural river bottoms ranging 400 to 500 feet in elevation, with mild, moist winters and dry, hot summers, to the mountain valleys in Siskiyou and Shasta Counties (Scott, Shasta and Fall River

Valleys, elevations 2,600 feet to 3,300 feet), with longer, colder winters, but hot dry summers - to the high desert valleys (Tulelake Basin, Butte Valley, Big Valley-Adin, Alturas, Surprise Valley, Likely, with elevations 3300 to 5500), to alpine climate of the high mountain wilderness areas of Trinity, Siskiyou and Modoc Counties. Between the high mountains and the valleys, a high desert climate with rolling hills of juniper and sage is found in eastern Siskiyou County, eastern Shasta County, and nearly all of Modoc County. Foothills immediately north and east of Redding often receive over 100 inches of rainfall during the winter while the high desert areas may receive no more than 10 inches.

There are three major river course water sheds. The Sacramento/Pitt River water shed covers all of Shasta County and most of Modoc County. The Klamath River and watersheds transects Siskiyou County, and the Trinity River heads in Trinity County with the watershed covering essentially the entire county except a small portion of the south- county area which is covered by Mad River watershed. These rivers systems are most notable for not only their spectacular unspoiled beauty, but for their world renowned salmon, steelhead and trout fisheries. These three rivers are also renowned for their historical Gold Rush era gold mining and still, to this day; provide recreational gold panning activity as well as a limited amount of commercial gold extraction activity.

There are hundreds of natural lakes in the mountainous and wilderness areas of the region plus two large natural basin lakes: Lower Klamath Lake in Siskiyou County, and Goose Lake in Modoc County, plus three large intermittent lakes (dry lake bed), Upper, Middle and Lower Alkali Lakes in Surprise Valley, Modoc County. Major

reservoirs, constructed as part of the Federal Reclamation Act - Central Valley Project, include Shasta, Keswick, Trinity, Lewiston and Whiskeytown Lakes. These reservoirs have a combined storage capacity of over 7.5 million acre feet of water, all within the District, providing critical flood control downstream, water storage for downstream irrigation, major hydroelectric power generation, and substantial recreation. There are numerous other smaller reservoirs such as Shastina, Siskiyou, Big Sage and Tule Lakes which serve many purposes including flood control, water supply storage, hydroelectric generation and recreation. Copco, Iron Gate, Britton and the Pitt Reservoirs are owned by power companies for the express purpose of hydroelectric generation. Other highlights include ten separate wilderness areas and seventeen other parks, monuments, wildlife refuges and recreation areas.

The Interstate 5 (I-5) freeway, the primary north-south transportation route through the district, begins at the Mexican border in the south and traverses northward through California. It passes through the capital city of Sacramento, the nearest major metropolitan center to the District, where it intersects with I-80, the closest primary transcontinental route. I-5 passes through Shasta County, continues north through Siskiyou County and on to Oregon, Washington and Canada. In addition to Interstate 5, there are several other important highway routes that intersect the District:

Highway 395, the "Three Flags Highway", connects Mexico, the United States and Canada. It runs along the eastern edge of the Sierra Nevada and Cascade Mountain Ranges passing through Alturas, Modoc County.

Highway 299 West originates in Redding and travels through Trinity County to the coast, intersecting with Highway 101 near Eureka, the West Coast route.

Highway 299 East also originates in Redding and runs east through northeastern Shasta County, through Burney and Alturas in Modoc County, and into northwestern Nevada.

Highway 97 originates in Weed, Siskiyou County and is the primary route north through eastern Oregon and Washington into and through British Columbia where it becomes the Alaska

There are additional secondary highways in the District that link communities with the primary routes for local transportation and commuting. These secondary routes are especially important for the timber and tourism/recreation industries.

The Union Pacific Railroad (which acquired the lines formally operated by Southern Pacific) bisects the Sacramento Valley bisects the District at Redding and continues north through Siskiyou County to Klamath Falls, Oregon. The Burlington Northern/Santa Fe Railroad line traverses the remote western part of Modoc County Klamath Falls, Oregon, south through Lassen and Plumas Counties and on to Sacramento and Reno.

There are four short-line railroads in the District. The Yreka Western Railroad is not presently operating, but remains in place, and until recently, served Yreka and Montague in Siskiyou County with freight and excursion passenger service, connecting with the CORP short-line (formerly Southern Pacific) in Montague. The CORP short-line runs on rail route owned by Union Pacific (formerly Southern Pacific) from Weed, Siskiyou County, to Roseburg, Oregon, connecting with Union Pacific main-line on either end. The McCloud River Railroad, historically a logging rail road originally developed by McCloud Lumber Company, previously connected with Union Pacific at Mount Shasta, Siskiyou County and the Burlington Northern/Santa Fe to the east in

Modoc County at Bartle, traversing eastern Shasta County to serve the Burney area. The McCloud River short-line is no longer in operation and has been removed. The fourth short line, Great Western, is owned by the County of Lake, in Oregon, and runs a route connecting Lakeview, Oregon, with Alturas, connecting with the Union Pacific to Klamath Falls, Oregon. There are no railroad services in Trinity County or western Siskiyou County. The rail route between Alturas and Susanville, Lassen County is still owned by Union Pacific but was taken out of service and the rail removed about ten years ago.

The only airport with scheduled airline service in the District is located in Redding. The Redding Municipal Airport accommodates scheduled commuter airline service connecting with major airlines in San Francisco for points beyond. However, the Redding airport has struggled in retaining more than one airline to provide service to locations in addition to San Francisco, the most recent departure being Horizon/Alaska Air serving Los Angeles and Portland, Oregon. There are several air charter services based in Redding. Federal Express maintains an air package freight station at the Redding airport. There are several other small county airports throughout the District, some with fixed base operator service, some without any service. Other airports with scheduled airline service serving region, but located outside the District, are in Medford, Oregon; Klamath Falls, Oregon; Reno, Nevada; and Sacramento, California.

### Government(s) and Political Geography

The four counties in the District are political subdivisions of the State of California. There are a total of 13 incorporated cities in the District.



Following is a list of incorporated cities by county:

INCORPORATED CITIES BY COUNTY	
Modoc County	Alturas (county seat)
Shasta County	Anderson Redding (county seat) Shasta Lake
Siskiyou County	Dorris Dunsmuir Etna Fort Jones Montague Mount Shasta Tulelake Weed Yreka (county seat)
Trinity County	(None) The county seat is the community of Weaverville (unincorporated)

Paramount to the geography of the District is the high percentage of national forest lands. Roughly two-thirds of the District's forest lands are federally owned.

There are numerous Indian Reservations throughout the District. The following is a list of reservations as compiled by the Indian Assistance Program Field Directory of 1990.

Modoc County	Alturas Rancheria Cedarville Rancheria Fort Bidwell Reservation Likely Rancheria Lookout Rancheria XL Rancheria
Shasta County	Big Bend Rancheria Montgomery Creek Rancheria Pit River Tribe of California Redding Rancheria Roaring Creek Rancheria
Siskiyou County	Karuk Tribe of California Quartz Valley Rancheria

## The Economy

The 2012 combined total population reported by California Department of Finance the four counties that comprise the District as 245,687, up 16,100 (7%) from the year 2000 (See the Appendices for County profiles and additional statistical information). Shasta County has the highest population (177,823), up 14,934 since 2000, and fastest average growth rate since 2000 (9.2 percent), of the four counties. Both Modoc and Trinity Counties actually lost population in the 1990's but gained a modest 1.3% and 5.3% respectively 2001 through 2012, even with a slight drop in population in 2011. Siskiyou gained a minimal 1% in population over past 12 years. (Population numbers from California Department of Finance, Demographic Research Unit)

Probably more telling than anything as to the direction of the economy is in the Labor Force, unemployment, participation rate, etc. Combined labor force in the four county region in 2011 was 112,300<sup>2</sup>, a 19% growth since 2000. From a relative stand point, that was a more rapid rate of growth than the population growth. Labor force participation (the number of workers in the labor force as a part of the total population) grew from 44.8% to 49.8%. The majority of that growth in labor force and labor force participation was in Shasta County, in fact, Trinity county lost about 50 from the labor force in 2011 and participation dropped from 39.2% to 36.8%. (Labor Force numbers from California Employment Development Department, Labor Market Information Division)

The annual average unemployment for the four counties was 6.5% in 2000 and increased to 16.3% by 2010 and then dropped slightly to 15.2% in 2011 while the

California statewide average unemployment was at 4.9% and 12.4% and 11.7%, respectively. Unemployment in October of 2012 in each county: Modoc - 12.2% after a peak of 18.5% January 2011; Shasta - 11.5% after peak of 17.5% February 2010; Siskiyou - 12.7% after peak of 20.1% January 2011; Trinity - 13.4% after peak of 22.1% January 2011. As can be seen, unemployment in the more rural counties of our region exceeds that of the metropolitan Redding area (Shasta County), while the state unemployment, as a whole, is far lower than the north state region, particularly our four county district. This has been the case for at least the most recent 30 years, probably long and is pretty typical anywhere comparing rural employment / unemployment to metropolitan (Unemployment numbers from California Employment Development Department, Labor Market Information Division)

Employment in the North State remains cyclical due in large part because of the seasonal nature of the resource based economy (agriculture, timber, outdoor recreation) which not only affects those industry sectors, but all the other sectors supporting or which benefit, such as retail. The primary economic growth in the District is centered in the metropolitan Redding area of Shasta County and along the I-5 corridor up through Siskiyou County. It is no secret that the more remote communities have a harder time just maintaining a local economy, let alone economic growth and job creation.

Another important measure of economic health is personal income, particularly family income, as a measure of trend and comparison to other regions. Weighted average household income for the four county region in 2010 was \$36,700, compared to state-wide of \$57,600. More interesting, is the rate of decline when adjusted for inflation.

Since 2000, all counties in the district, except Modoc, which is the lowest at \$34,579 to begin with, have experienced a 10% or more decline in real household income for 2012. Modoc is 8.3% decline in real household income between 2000 and 2012. (Information per US Census Bureau and Claritas as prepared by Wahlstrom and Associates.

Government, particularly state government, is by far the largest employment sector with the most growth in number of jobs in the region over the past 12 years. Actually, the past two years local government jobs have decreased with the budget difficulties being experienced during the current recession. Outside of government, the largest employment in numbers for the region is Private Educational Services - Health Care, Retail Trade, and Leisure-Hospitality, in that order. The Redding area has developed a regional health care hub over the past five decades and now boasts over 11,100 jobs, with Siskiyou a distant second and Trinity and Modoc each having fewer than 200 jobs in that sector. It's the same case with retail trade and leisure-hospitality. However, it is important to recognize the thousands of self-employed entrepreneurs in the more rural areas of the region where most of the retail and hospitality economy is smaller businesses, often only the proprietor(s), without employees.

Industrial, which includes sawmills, logging, and construction, comprise almost 6,000 jobs, and farms, which includes timber, account for only about 1,900 jobs. However, these are the primary base industries supporting our transportation sector and a large part of our wholesale trade sector.

In the area of agriculture production, Siskiyou County has the greatest activity in terms of sales at \$280 million in 2011, then Modoc at \$82 million, Shasta County at \$78 million, and then Trinity at \$1.7 million. Modoc County suffers from climatic and transportation limitations to farm profits. Trinity County, due to its mountainous terrain and vast public ownership, has a very limited amount of farming and ranching activity. Overall, agriculture activity is not increasing in production; however, the past three years have seen the industry enjoy excellent prices for most products after several years of depressed profitability.

Timber production value in 2011 was \$53 million in Shasta County, \$39 million in Siskiyou, \$9.5 million in Trinity, and \$2.4 million (2008) in Modoc (County Crop Reports). This is exclusively timber and timber products, including firewood, produced on private land, excluding all product from federal or state lands. It would seem that Trinity would be a higher producing timber county; however, due to the vast majority of the timber land being owned by the federal government, there is very little timber production by comparison in Trinity County.

Within the region, a large sector of specialty agricultural production takes place, some of it unique to just this region: nursery strawberry plants, wild rice, mint, seed garlic, specialty beef production for medical and cosmetic component production, and queen bee rearing, among others. There are increasing efforts underway to develop and market special products, particularly herbs, mushrooms and wine grapes and other nursery root and cane stock, some of which is particularly suitable for smaller farms. This leads to the latest opportunity in agriculture and for economic development, that being the small farm direct to consumer market. This is a rapidly

growing trend and includes processing and manufacturing of food products.

One issue that is expected to be a growing constraint to agriculture production is competition for groundwater and surface water resources and diversions of water from agricultural use for other environmental uses. While this issue will be a challenge in many areas of the District, it has been most notable in the Klamath Basin where water for the Klamath Irrigation Project was substantially reduced and a large acreage permanently taken out of production in the early 2000's. The water was to be withheld from agricultural irrigation diversion so that it could be used for the benefit of certain endangered fish species. More recently this has been a major factor with water diversions in the Scott and Shasta Valleys in Siskiyou County. The long term impacts of these farm water versus environment issues are yet to be determined. Along similar lines, environment factors are becoming an increasing hindrance to grazing livestock on public lands and private lands bordering sensitive streams and rivers.

Forest product manufacturing (lumber, doors, windows, fencing, etc.), is holding fairly steady these days, in spite of a very depressed timber market due to the world-wide recession and collapse of the housing market. The interesting factor is that today the majority of large scale wood product manufacturing is firms that also own their own timber resource. One rare exception is the Schmidtbower owned Trinity Forest Products dimensional lumber mill in Weaverville, Trinity County. There are a few specialty wood products manufacturers remaining but the road has been very lean in recent years and many have not survived the current recession. This is after the 1990's scale back of the industry due, in large part, to surmounting

environmental and regulatory constraints, including protection of endangered and threatened species, particularly the Northern Spotted Owl, which resulted in the majority of public forest land being taken out of timber production. These circumstances forced the majority of mills to close in the early 1990's resulting in permanent layoffs which were never recovered and probably never will be recovered in the timber industry.

One exception to this economic phenomena in the timber industry is Trinity River Lumber Company in Weaverville, Trinity County which purchases and freights in nearly all of its raw timber inventory. An untimely catastrophic mill fire in the fall of 2009 resulted in a near complete loss of their sawmill facility. The loss became an opportunity to rebuild with an all new modern sawmill, which they did. The good part is the family owned company was able to rebuild and hire back employees, the down side is the new machinery with the latest in automation technology resulted in only about 90 of the original 130 employees being hired back. Again, on the positive side, the opportunity to rebuild with modern milling machinery may be the factor that has allowed them to remain in business with that plant in Weaverville, those jobs being the majority of the industrial jobs remaining in Trinity County in 2012.

The mining industry has experienced very little new activity beyond the few established companies that have been working at it for some time, regulatory environmental constraints being the key factor as it is in all other resource based industries. Apart from recreational gold extraction on the Klamath, Salmon, and Trinity Rivers, the gold mining industry continues to decline with new regulation two years ago essentially eliminating commercial suction dredging on the Klamath and

Trinity Rivers. Mining of limestone with adjacent cement manufacturing in the Redding area remains successful but also remains limited by the resource and insurmountable environmental constraints to starting up a new operation. Additionally, mining diatomaceous earth still occurs in the Burney area and is apparently moderately successful. Mining aggregate for construction materials remains a viable industry in the region, but has been very slow in recent years due to the general economic recession and collapse of the housing and building industry. The one important factor that has contributed some stability to aggregate and limestone mining is the publicly funded highway and bridge projects, one of the largest bridge projects in the county being on Interstate 5 “Antlers” bridge crossing Shasta Lake at Lakehead.

There is increased emphasis in the recreation and tourism sectors of the economy in most areas of the District, but sales have been down, due in large part to the economic recession. Because the region has abundant and attractive natural resources that draw people to the area, tourism continues to provide a substantial amount of economic activity. Developed attractions such as the Mount Shasta Board and Ski Park, Turtle Bay Park and Museum, boating and fishing on the large Reservoirs, and others provide valuable recreational resources that help stimulate businesses and support local hospitality businesses. However, the tourism industry remains primarily seasonal in most areas of the District with substantial fluctuations in economic activity.

The decline of native fish stocks, especially migrating fish stocks (salmon and steelhead), is a serious threat to the outdoor recreation sector in the region, especially for local communities that rely heavily on sport fishing as a component of



their tourism economy. Commercial and sport salmon fishing was curtailed in 2009 and 2010 due to drastic losses in the salmon run numbers; however, as the salmon run numbers have rebounded, limited sport fishing was allowed in 2011 and in 2012 pretty much full scale sport and commercial fishing was allowed as salmon numbers have rebounded very nicely. What the future holds is unknown, due in large part to what nature and natural phenomena coupled with the numerous unnatural barriers and conditions handed to the fish populations and the seemingly endless regulations.

Retail seems to be doing fine in the Redding area with both local shoppers and transient shoppers from the surrounding communities taking advantage of the big box retailers and wide selection of retail products available. This tends to hold pretty true, but on a smaller scale, for retailers in the smaller communities along the Interstate 5 corridor. However, retail trade in rural communities of the district outside the I-5 corridor are struggling like never before. The remote community retailers suffer against the economy of scale and less costly freight enjoyed by retailers in the larger communities along major transportation routes. Rural retailers are competing with Medford and Klamath Falls, Oregon (who also enjoy no sales tax burden as in California) and our own Redding, California right in our Economic Development District. It is has been a factor in retail trade for several decades now as profit margins become increasingly tight and shoppers are more willing to travel for a better deal and better selection of product.

The overall economy in the four counties that comprise the Superior California Economic Development District, as demonstrated by high unemployment rates, low family income and other factors, is far from robust compared to many areas of

California and the nation, and there is little anticipation of any real improvement across the board in the foreseeable future. The rate of decline and business failure seems to have curtailed, but growth remains elusive at this time in the midst of five years of economic decline, so far. A few sectors of the economy are holding their own, most notably agriculture. Most employment is either in government, services, or retail trade.

## ENVIRONMENTAL

### Land Use

The county board of supervisors in each of the four counties; aided by planning departments, have the primary responsibility of land use planning for private lands within the unincorporated areas of those counties. The incorporated cities are responsible for land use planning in their jurisdictions. Trinity County is unique in that it does not have any incorporated cities.

All jurisdictions (city and county) have planning commissions which serve as advisors to the elected officials. The ultimate decisions for land use issues are the responsibility of the local elected officials acting in accordance with the planning laws of the State of California.

Planning coordination is complicated by the fact that much of the land in the District is owned or controlled by federal and state sources. Local communities have been concerned that resource management policies for these state and federal lands often focus on broad political objectives and fail to adequately address the effects of those policies on local economies.

### Zoning

All counties and cities in California are required to use a zoning system to regulate how private lands can be used and developed. Zoning is required to be consistent with the community's general plans. The jurisdictions in the District are striving to maintain a balance between land uses for residential, commercial,

industrial, agriculture and open space/recreation purposes.

The debate continues concerning how the area can expand economically to meet residential and commercial needs without jeopardizing natural resources, agricultural areas or the general rural character that many people value. A recent example of this struggle was the June 2012 Voter Referendum overturning a previous General Plan Land Use designation change approved by the County Board of Supervisors on a unanimous vote from Rural Residential-Ag to Commercial on a 100 acre area adjacent to the northeast corner of the I-5 and Knighton Road interchange.

#### Toxic and Hazardous Sites

Sites designated by the U.S. Environmental Protection Agency in the 1990's as hazardous waste sites within the District included the following:

Valley Plating Company. City of Shasta Lake, Shasta County  
Iron Mountain Mine. Shasta County. This is a Superfund Site.  
J.H. Baxter Company. Weed, Siskiyou County.

Each of these sites either has been cleaned up or controlled and mitigated by EPA in past years. The Iron Mountain Site, a former iron mine, will continue to be a site with EPA sponsored mitigation measures on going well beyond the foreseeable future due to extremely toxic metals naturally occurring in the ground water effluent at the former mine tunnel entrance.

There are a number of other contaminated sites in the District; most consisting of fuel and oil contamination at vacant and, in some cases, existing truck terminals, railroad terminals, bulk fuel plants and other industrial sites. Many have been cleaned up with a combination of private investment with EPA assistance. Contamination is a major hindrance to local development and planning due to the cost of cleanup.

These costs often exceed the property value of the site after remediation.

### Prime Farmland

Much of the farmland in the District is located at high elevations with substantial productivity limitations due to climate. The majority of farmland soils are designated as Class III, IV or V soils. These soils are not considered to be "prime" farmland. There is a very small percentage of Class I or II soils constituting "prime" agricultural land, and most of these areas are in the Sacramento Valley. The majority of the traditional productive farmland in the Redding area has already been or is in the process of urbanization.

<b>PERCENT OF LAND IN AGRICULTURE</b>		
	Percent	Acres
Modoc	28.7	108,517
Shasta	15.5	28,725
Siskiyou	16.6	97,739
Trinity	3.0	1,194

### Conservation Areas

The District is especially rich in natural resources, including scenic areas and fish and wildlife resources. There are numerous areas that have been set aside for preservation and open space uses as follows:

UNIQUE AREAS AND HABITATS IN THE SCED DISTRICT	
WILDERNESS AREAS	Marble Mountain (Siskiyou County) Mt. Shasta (Siskiyou County) Red Buttes (Siskiyou County) Lava Beds (Modoc County) South Warner (Modoc County) Thousand Lakes (Shasta County) Lassen Volcanic (Shasta-Lassen Counties) Yolo Bally-Middle Eel (Trinity County) Chanchelulla (Trinity County) Trinity Alps (Trinity County)
NATIONAL PARK	Lassen Volcanic (Shasta-Lassen Counties)
STATE PARKS	Castle Crags (Shasta County) McArthur-Burney Falls (Shasta County) Ahjumawi Lava Springs (Shasta County) Shasta Historic (Shasta County) Joss House Historic (Trinity County) Natural Bridges (Trinity County)
NATIONAL MONUMENT	Lava Beds (Modoc County)
NATIONAL WILDLIFE REFUGES	Modoc (Modoc County) Clear Lake (Modoc County) Tule Lake (Siskiyou County) Lower Klamath (Siskiyou County)
WILDLIFE AREAS	Butte Valley (Siskiyou County) Ash Creek (Modoc County)
NATIONAL RECREATION AREA	Whiskeytown-Shasta-Trinity Area (Shasta-Trinity Counties)  Whiskeytown Administered by the National Park Service - Shasta-Trinity Administered by U.S. Forest Service

### Historical Sites

An updated list of sites and structures eligible for listing on the National Historic Register is available from the State of California Department of Parks and Recreation. Each county also has an expanded list of local sites available.

### Flood Hazard Areas and Wetlands

All of the counties in the District participate in the Federal Emergency Management Agency (FEMA) flood plain map system. The National Flood Insurance Act of 1968 offers an important incentive to communities for implementing a flood plain management program. Damages resulting from development in flood-prone areas can be minimized through flood plain management. This management concept encompasses a comprehensive program of corrective and preventive measures for reducing flood damage including but not limited to emergency preparedness plans, flood control project, and flood plain management regulations. Each government entity within the District has an updated general plan that addresses the issue of development within flood hazard areas.

### Wetlands

The United State Army Corps of Engineers has identified and continues to recognize numerous wetland areas in the District as “jurisdictional” wetlands within its regulatory control, and there are hundreds of additional minor wetland areas that may be determined to be jurisdictional wetlands when development is proposed. Special permits and mitigation measures are required for development projects that impact jurisdictional wetlands.

There are significant wetland resources on the wildlife refuges listed below:

WILDLIFE REFUGES	
Butte Valley Wildlife Area	Siskiyou County
Lower Klamath National Wildlife Refuge	Siskiyou County
Tule Lake National Wildlife Refuge	Siskiyou County

Shasta Valley Wildlife Area	Siskiyou County
Modoc National Wildlife Refuge	Modoc County
Ash Creek Wildlife Area	Modoc County

### Endangered Species

The following is a partial list of endangered plants and animals in the District as compiled by the California Department of Fish and Game:

ENDANGERED ANIMALS	
Scientific Name	Common Name
<i>branchinecta lynchi</i>	vernal pool fairy shrimp
<i>buteo swainsoni</i>	Swainson's hawk
<i>canis lupus</i>	gray wolf
<i>charadrius alexandrinus nivosus</i>	western snowy plover
<i>chasmistes brevirostris</i>	shortnose sucker
<i>catostomus microps</i>	Modoc sucker
<i>coccyzus americanus occidentalis</i>	western yellow-billed cuckoo
<i>deltistes luxatus</i>	Lost River sucker
<i>desmocerus californicus dimorphus</i>	valley elderberry longhorn beetle
<i>empidonax traillii</i>	willow flycatcher
<i>gulo gulo</i>	California wolverine
<i>haliaeetus leucocephalus</i>	bald eagle
<i>hydromantes shastae</i>	Shasta salamander
<i>lepidurus packardi</i>	vernal pool tadpole shrimp
<i>monadenia infumata setosa</i>	Trinity bristle snail
<i>oncorhynchus tshawytscha</i>	chinook salmon - Central Valley spring-run ESU
<i>oncorhynchus tshawytscha</i>	chinook salmon - Sacramento River winter-run ESU
<i>ovis canadensis sierrae</i>	Sierra Nevada bighorn sheep
<i>pacifastacus fortis</i>	Shasta crayfish
<i>plethodon asupak</i>	Scott Bar salamander
<i>plethodon stormi</i>	Siskiyou Mountains salamander
<i>riparia riparia</i>	bank swallow
<i>salvelinus confluentus</i>	bull trout
<i>strix nebulosa</i>	great gray owl
<i>vulpes vulpes necator</i>	Sierra Nevada red fox



Endangered Plants	
Scientific Name	Common Name
<i>arabis mcdonaldiana</i>	Mcdonald's rockcress
<i>calochortus persistens</i>	Siskiyou mariposa-lily
<i>cirsium ciliolatum</i>	Ashland thistle
<i>cottus asperrimus</i>	rough sculpin
<i>eriastrum tracyi</i>	Tracy's eriastrum
<i>eriogonum alpinum</i>	Trinity buckwheat
<i>fritillaria gentneri</i>	Gentner's fritillary
<i>gratiola heterosepala</i>	Boggs Lake hedge-hyssop
<i>grus canadensis tabida</i>	greater sandhill crane
<i>orcuttia tenuis</i>	slender Orcutt grass
<i>panicum acuminatum var. thermale</i>	Geysers panicum
<i>phlox hirsuta</i>	Yreka phlox
<i>tuctoria greenei</i>	Greene's tuctoria

The Spotted Owl (*Strix Occidentalis*) is not listed as endangered; however, it has been given a "threatened" designation. The resulting economic impact as a result of owl protection and timber harvest prohibitions have been substantial on both private and public forest lands.

There is genuine community-wide concern for careful and conscientious management of the northern California environment. However, the issue of environmental preservation/conservation/protection in reference to the historical natural resource extraction economy is so diverse and complex that it cannot be adequately or appropriately addressed here. Nevertheless, a balanced position must be attained soon so that a stable, sustainable economy can be maintained in an effective and conscientious manner.

## PUBLIC SERVICES

### Sewage Treatment Facilities

A listing compiled by the State of California Regional Water Quality Control Board of waste water treatment facilities in the District, their design capacities and current loads are as follows:

Discharger	Facility	Capacity MGD	Usage MGD
Alturas, Modoc County	Alturas Municipal WWTP	0.50	0.50
Adin Com. Serv. District	Adin STP	0.07	0.03
California Pines CSD	Calpines STP	0.01	0.005
Shasta County	Palo Cedro WWTP	0.06	0.03
Shasta County	Cottonwood WWTP	0.40	0.15
City of Anderson	Anderson STP	2.00	1.10
City of Redding	REDG STP Clear Creek	8.80	7.50
City of Redding	Stillwater Regional STP	12.00	4.00
Shasta Dam PUD	Central Valley STP	0.58	0.58
Burney Water District	Burney WWTP	0.44	0.33
Fall River Mills CSD	Fall River Mills STP	0.08	0.08
City of Dunsmuir	Dunsmuir STP	0.51	0.30
McCloud Community Services District	McCloud STP	0.30	0.20
City of Mount Shasta	Mount Shasta STP	0.70	0.30
City of Weed	Weed STP	0.78	0.41
City of Yreka	STP	1.70	1.00

There are also several other small systems (plants), usually private, serving various small communities throughout the District which are not listed.

Most of the District is rural in character and most sewage treatment plants are located in incorporated cities or in unincorporated communities like Weaverville

and McCloud where services are provided by a community services district. The smaller communities and remote/rural areas frequently rely on private septic systems.

### Water

Approximately 75 percent of the water in the State of California originates in Northern California. As a result, the Federal Bureau of Reclamation-Central Valley Project was established in the 1930s. The completion of Shasta Dam in 1944 established the keystone facility for the project, followed by the Trinity River project completed in the early 1960s. Much of this "federal" water is delivered to riparian municipal and agricultural users and "reclamation" irrigation districts in the Sacramento and San Joaquin Valley.

One of the primary uses of the project is irrigation and flood control; however, the Congressional intent for the project also calls for "the preservation and propagation of fish and wildlife." A significant amount of stored water is now "priority reserved" for summer season releases to enhance fish and other riparian wildlife and habitat. The local recreation industry benefits as the lake surface levels are maintained at higher and more consistent levels. However, downstream industrial water users including agriculture operations are impacted by reduced water supplies.

Water will continually be a matter of concern in the District. This is partly because of the large increase in population in the State of California, particularly in Southern California. The water issue is further compounded by the necessity of metropolitan areas in Southern California areas to seek new sources of water to meet their needs.

As demonstrated in the Klamath Basin area of the District, environmental issues such as stream flow requirements for protection of fish habitat and habitat

of various threatened and endangered species are increasingly playing a major role in determining the allocation and use of water resources. In April 2001, the Bureau of Reclamation announced that there would be no water available from Upper Klamath Lake to supply the farmers of the Klamath Irrigation Project. The water, which was in short supply because of a regional drought, was withheld from agricultural use so that it could be used for the benefit of two species of “endangered” sucker fish and the “threatened” Coho salmon. Although there has been some relief to farmers in the provision of irrigation water since the ruling, the drastic reduction in local agricultural production in 2001 severely impacted farms and a variety of business and caused widespread economic hardship in the Klamath Basin. Furthermore, it is not clear how water resources in the Basin will be allocated in the future.

#### Solid Waste Handling and Disposal

Until recently most communities were handling solid waste disposal with the use of local landfills. But the State of California decided that since some communities were experiencing toxic conditions long after landfills had been closed and that those communities could not finance the cleanup, each community must:

- a. Determine how toxic free its disposal methods are.
- b. Appoint a task force to study the waste disposal problem and present plans to properly handle all aspects.
- c. Immediately establish a fund of sufficient amount that would be adequate for toxic cleanup of any unit.
- d. Within a short space of time put in operation the task force plans to properly handle solid waste disposal.
- e. Reduce waste disposal 50 percent by year 2000. Most

communities are implementing recycling to reduce waste. However, very remote areas are hard pressed to justify the cost of recycle collection, let alone mandated waste reduction.

It is difficult for many rural communities to financially comply with state land fill requirements because of the relatively low volumes of waste and the economy of scale. A number of landfills have been closed and transfer stations installed.

Several communities have initiated recycling programs and toxic waste collections. The city of Redding obtained a grant to purchase a plastic granulator to recycle the plastic which is being removed from the waste stream. The California Integrated Waste Management Board designated Siskiyou County as Recycling Market Development Zone which offers incentives to businesses engaged in recycling or using recycled materials. These incentives include loans and assistance in marketing, technology and permitting.

## **ASSESSMENT ECONOMIC PROBLEMS, OPPORTUNITIES PAST DEVELOPMENT EFFORTS**

### **GOALS**

The economic development goals which the Superior California Economic Development District has maintained since 1980 were still relevant for the District as recent as 2000. By 2007 it was apparent that the original goals were aging and not necessarily as relevant as they used to be. A lot has changed over the past ten years and the current economic development goals are getting stale, or maybe even obsolete, in some cases. Unfortunately, this appears to be due, at least in part, to an acceleration of negative economic factors in certain segments of the regional economy, particularly in certain geographical areas, resulting in a generally stagnant, at best, or negative pace, at worst, in overall economic condition in the region.

The following discussion is formatted under the District's present economic development goals, a general assessment of the goals as stated, a brief assessment of efforts over the years under these goals, and further assessment of the relevance of the goals in the economic situation today and as anticipated going forward.. This will aide in the reassessment or restatement of economic development goals and formation of new goals in the following sections of the of this CEDS document.

**1. GOAL. *To maintain a strong, environmentally responsible, sustainable wood products industry in the region that provides increasing employment opportunities for the residents of the District.***

The SCED District was originally formed around this goal as the timber/lumber industry experienced a period of substantial and sudden economic decline in the late 1970's, early 80's. Shrinking profit margins in the manufacturing side (saw mills) was requiring more efficient mechanization and larger economies of scale, effectively throwing all the original family owned and operated smaller saw mills with old and labor intensive machinery out of business along with some of the original large sawmills built in the 1920's and 30's that had not been updated. All of the old box factories also ceased operations as cardboard replaced wood for packing and shipping boxes and containers. Also, the timber industry had essentially cut over all the readily available "old growth" timber, going to second growth timber which was available in much lower volumes depending on maturity since original harvest and site quality determining growth rate.

An attempt to help mitigate this economic decline in the industry and communities centered around the industry, SCED District initiated its first business development loan fund, at the time, specifically targeted to the communities of McCloud and Burney, both of which had just experienced a major shut down leaving hundreds of workers without work in the community. For the most part, the response by the District was not very successful in lifting the economic decline. It was pretty quickly learned that communities reliant on an industry suffering major economic set back is not a good place to invest precious public funded programmatic loan funds due to the fact that in a depressed industry in a depressed economy, local businesses, particularly businesses in the affected industry, are

highly likely to not have loan repayment ability. The loan fund was later opened up to all four counties in the District without restriction to affected timber/lumber related industry in timber/lumber communities.

In the mid 1990,s, the timber/lumber industry experienced another tremendous economic blow as federal timber resources were no longer available for commercial harvesting as they became “protected” for endangered species. Private timber resources were significantly encumbered with a myriad of additional environmental regulating and permitting process. Today, only a handful of timber product manufacturers remain in the region. Within the district are: Timber Products Company in Yreka, Roseburg Forest Products Company in Weed, Trinity River Lumber Company in Weaverville, Sierra Pacific Industries in Anderson with plants in Anderson, Shasta Lake and Burney, and Shasta Green in Burney. An Interesting observation, each one of the surviving lumber milling companies is exclusively private family owned and operated. All of the public corporation owned timber and saw milling companies such as Champion, International Paper, Diamond National, Kimberly Clark and Weyerhaeuser sold out and left California by the end of the 1990's, the most recent being Louisiana Pacific.

Documented job losses due to closures since 1989 in just the timber, logging, and lumber industry sectors exceed 3,750. This does not include the hundreds of self employed or independent loggers (gypo loggers), including timber fallers, loggers, truckers, etc. In addition are the hundreds of jobs in support industries like welders (sawmill construction, refurb, etc.), truck tire shops, tractor sales and service, mobile equipment repair, log trailer manufacturing, custom sawmill machine shops and metal fabrication, and on and on. For example, in 1993 a study commissioned by the District, the City of



Anderson and the Economic Development Corporation of Shasta County concluded the effects of 328 job losses at the Roseburg plant located in Anderson. The study showed that an additional 860 jobs could be lost indirectly in related support industry and spin off retail. Shasta County would lose \$35 million in annual personal income and the City of Anderson would lose in excess of \$20,000 in sales tax revenues. Roseburg did cease operations and the property remains vacant to this day. This happened over and over throughout the district. Today there are far more vacant former sawmill sites than active operating sites.

The combined impact of timber and timber products industry remains significant, but the employment is no longer anywhere near what it was at the peak of the industry in the 1970's and early 1990's. In the past ten years, combined timber harvest volume for the four counties was up about 10.4% by 2006 but in 2010 was back down and about even with 2000. However, timber value, when adjusted for inflation (base 2011) was down 28% in 2006 over 2000, and down a total of 44% by 2011, still suffering the effect of the housing collapse. (*Wahlstrom - California Department of Forestry*)

It still makes sense to pursue “*maintain a strong, environmentally responsible, sustainable wood products industry in the region*” as a comprehensive goal for the region; however, “*that provides increasing employment opportunities for the residents*” may be impractical as an economic development pursuit as economic and regulatory impediments continue to mount limiting resource material supply and making it ever difficult for small business entry into the industry.

After a tremendous amount of economic development effort was put toward this goal in the 1980's and 1990's, very little effort has been expended since beyond local EDC attempts to assist individual companies with local site specific political environmental

hurdles. There have been a few attempts with financing the restart of a couple of specialty wood re-manufacturing operations (value added); however, ultimate success has been very limited. Quite honestly, with impossibly thin profit margins, volatile commodity markets, and monumental regulation, this industry is a dangerous place to be financially unless one is well established and very familiar with the industry. Further, to expect economic growth in the main stream of the industry may be impractical with limited timber resource supply reliant entirely on private timber land production while federal timber remains essentially out of production. Perhaps the best opportunity for small business remains in the specialty producer with niche markets.

It is important to educate the public on the importance of the timber industry in the region in terms of jobs and base industry economic impacts. The four county region enjoys approximately 34% of the state-wide total average annual timber harvest volume and harvest value. (*Wahlstrom - California Department of Forestry*)

Attention has been directed to the opportunity for more value-added wood product manufacturing. One plan for expanding value-added manufacturing was developed by the Siskiyou County Economic Development Council with an Economic Development Administration technical assistance grant in the late 1990's. This study proposed opportunities for the regional timber and lumber processing industry to integrate and recapture some of the primary industrial capability and economic benefit which was not being pursued at the time. An outgrowth of this effort was a project by College of the Siskiyous with a special EDA grant in mid 1990s to develop a Process Technology Training Center at their Yreka campus. This program addresses the industry's needs for trained workers in new automated processing and manufacturing technologies.

The California Timber Industry Revitalization Committee worked with private industry to support establishment of a viable hardwood lumber industry in the 1990's. This effort implemented several studies for the purpose of supporting start-up of a new hardwoods industry based on tanoak. For example, the Watershed Research and Training Center in Hayfork was researching hardwoods industry development and facilitation and opened a woodworking business incubator and shared use equipment facility. A California tan oak industry was ultimately unsuccessful due to several feasibility hurdles that could not be overcome in spite of efforts and investment by the state.

Although much effort was expended concerning hardwood market development, work also was conducted on the use of small diameter and distressed conifer timber as a product of commercial thinning of overgrown federal forest lands. The Watershed Center's Small Diameter Demonstration Project conducted several demonstration projects in the Hayfork area proving the quality, quantity and utilization of small diameter conifer timber. Those studies provided valuable information on the economic feasibility and wood available for primary and secondary manufacturing and value-added products. Not much came of this due in large part to the ultimate unwillingness of the federal forest management to cooperate with this type of resource harvest that would have provided not only economic impact, but forest health improvement and enhanced fire resilience.

**2. GOAL. To maintain a strong agricultural industry in the region which can provide a satisfying and financially rewarding living for area farmers, cattlemen, dairymen, and farm workers.**

For the most part, the agricultural sector has remained relatively stable

economically over the years, with expected cyclical market value for commodities produced as is typical of commodity markets and production dependant on the vagaries of nature and climate. Traditional ag production in the region is beef, hay and grain; however, new crops and specialty crops are increasing in importance as local industry diversifies production. Farm jobs decreased from 2660 in 1990 to 1860 in 2011. However, while employment in the ag sector is a relatively small percentage of the total private (non-government) jobs, 4.6% in 1990 as to 2.4% in 2011, it is a significant, and increasing, part of the combined industrial sector in the region, 17.5% in 1990 as to 22.6% in 2011 (*California Employment Development Department*). What this seems to say is that ag jobs have been decreasing at a slower rate than jobs in the combined industrial sector, which includes logging and wood product manufacturing (sawmilling).

There has been a dedicated effort over the years in developing specialty and alternative crops and products that could provide diversification and additional or enhance profitability for growers and producers in the region.

The first of these was not due to any organized institutional effort but an opportunity identified in the 1930's, that being the breeding and rearing of queen bees for the apiary industry. The science of genetic selection for improved health and productivity of honey bees and the development of methods and processes for rearing and marketing queen bees started in Palo Cedro, Shasta County. It is now a very well established industry in the region, still centered in Palo Cedro, and with collaboration from University of California, remains the leader in bee breeding for improvement of genetic traits and produces the majority of select queen bees for the North American apiary/honey production industry.

The other specialty crop that originated in Shasta County is strawberries. The

strawberry nursery stock industry originated in Shasta County with development of the first modern strawberry varieties by University of California researchers in the 1940's. Since then the crop has grown in importance in the region as it continues to be a very significant component of the ag sector with expanding acreage and dollar volume in Modoc, Shasta, and Siskiyou Counties. Most of the strawberry plant propagation for world-wide commercial strawberry fruit production comes from this region. While this is an important part of the overall ag sector in the region, economic development has had little influence in this very specialized industry as University of California and UC Cooperative Extension continues to play a major role in development of new and improved varieties and cultural methods. The northern California nursery strawberry industry ships planting stock world - wide.

Wild rice was introduced as a new crop in the intermountain region of the District in the 1980's. Acreage used for wild rice production expanded for several years but is now stabilized as the market for this special food product has saturated. It remains an important crop for the agricultural industry in the district. Development of several different products from this crop provides additional income and stability.

In the 1980's and 90's SCEDD cooperated in the formation and financing of the Fall River Wild Rice Co-operative, a cooperative processing and marketing plant in Fall River. The most recent effort was a Forest Service grant received by SCEDD in 1995 to help the cooperative complete development of new specialty store shelf ready-to-cook and ready-to-eat products to further expand their market for wild rice products.

Another newer specialty crop that received and still gets attention from University of California is mint which is grown in eastern Shasta County and the Klamath/Tulelake basin area of Siskiyou and Modoc Counties. Mint is a perennial crop grown to produce

mint oil extract for flavoring foods and health products (like toothpaste). Two broad categories of mint, peppermint and spearmint, are grown. The high elevation production is successful in part to the disease free status.

There is a limited amount of wine grape production throughout the District. In Trinity County there are several small vineyards and wineries with limited commercial production. Economic development interests gave some attention to this sector of the industry in the late 1990,s with limited results other that a couple of business development loans for winery equipment. The wine industry in the region would still be considered a fledgling industry today and for most producers is a side line business.

The southern portion of Trinity County had a number of herb farms that formed a farmers cooperative called High Mountain Herb Cooperative in 1995. The U.S. Forest Service funded a demonstration herb processing and warehousing project and resource library in Trinity County and Trinity County later was awarded a grant from the California Department of Housing and Community Developments CDBG program to fund construction of the facility in Mad River. The "High Mountain Herb" facility was eventually terminated in name due to the discontinuation of High Mountain Herbs as a business venture. The facility that was developed by Trinity County is now used for other purposes.

Historically, efforts in developing new high value specialty crops for north state agriculture, in particular high elevation ag, has been successful with technical support of University of California and UC Cooperative Ag Extension Service. However, this type of development tends to be very technical, expensive and high risk, and is best suited for university support and larger, better established commercial farming operations. Where local economic development comes in is in supporting the effort in general, and specifically

in assisting with grant or loan funding to help with product or market development or for financing processing infrastructure, as was done for the Fall River wild rice industry and attempted for High Mountain Herb Cooperative.

At present, in 2013, there is an emerging role for local and regional economic development in the emerging small farm specialty production for “direct to consumer” markets. This industry sub-segment is emerging country-wide and presently has support within the federal agencies and at the Universities. The potential economic impact of this “direct to market” agriculture is as yet unknown, it is assumed to be rather minor overall, but it is one of the things that local economic and business development interests can make some difference in with coordinated efforts for smaller independent businesses (farmers).

**3. GOAL. To utilize and protect the recreational resources of the District for the benefit of residents and tourists.**

The region has a rich history with an assortment of historical sites along with an abundance of natural scenic and recreation resources. As mentioned in the previous section, the region has an abundance of developed water resources with private recreation facilities including full service marinas and lodging. These resources serve as valuable attractions and provide incentives for other local non-tourism/recreation business development, further enhancing local and regional economic diversification. As the forest products industry has declined and now seems to have plateaued, the very limited and decreasing extent of mining activity, and the apparent economic plateau of the agriculture base industry in the district, increasing attention has been going to the possibilities of

economic growth in the recreation-tourism industry. The State of California has recognized for several years that tourism is an important industry in California and thus remains a key player in tourism promotion at the State level.

The Shasta-Cascade Wonderland Association (SCWA) serves all of the counties within the District with membership driven cooperative marketing and promotion on a state-wide, nation wide, and world wide basis. The major work of the association has been to: provide brochures, pamphlets, information, maps, etc., of recreation sites and opportunities in the region for visitors; to promote the region; and to assist national and international periodical writers in obtaining information for stories of the natural resources, recreation, resorts, etc., in the service area. In 1997, SCWA relocated from Redding to Anderson where it had constructed a highly visible regional visitors center at the Shasta Factory Outlet Center.

Some local communities are working to expand their tourism promotion efforts, usually independently, sometimes in cooperation with others. With the increasing interest in tourism/recreation as a potential growth industry in the region, there is new interest in upgrading and expanding tourism marketing at a semi-regional level, such as a Trinity Region or a Trinity-Siskiyou Region. This marketing expansion is actively underdevelopment at this time with SCED assistance and cooperation with stake holders in Trinity County, Siskiyou County EDC, and Shasta Cascade Wonderland Association.

New tourism marketing strategy projects are currently underway for Siskiyou and Trinity counties. In those studies by Carl Ribaldo, tourism economic profile study reflects a general increase in travel spending, but a slight decrease in employment (*based on Ribaldo - California Travel Impacts by County, California Travel and Tourism*



*Commission*). Tourism related jobs in the district increased 3.3% to 8600 jobs from 2000 to 2006, but by 2010 was back down to 7890, decrease of 8.2% since 2006, for a 5.1% decrease over the ten year period through 2010 (*based on Wahlstrom-California Travel Impacts by County*). However, when you look a little closer as Wahlstrom did recently, inflation adjusted travel spending in 2010 has less real value than 2000. This study reflects a nice overall increase in travel spending by 5.3% 2000 to 2006, but by 2010 had decreased 8% for a ten year decrease of 3.1% combined. Not good. But, when taken into consideration for the 2008 fires which devastated the entire summer tourist season, two years of no salmon fishing, and the great recession, which is still very much a factor in far northern California, maybe the decrease is actually the opportunity to up grade tourism offerings and marketing to recover sales and expand market share.

**4. GOAL. To promote more efficient utilization of energy resources in the region and to develop alternative energy sources to reduce reliance on foreign fossil fuels.**

There is a very diverse mix of electric power generation in the region from natural gas fired steam turbine, wind turbine to hydro turbine powered electric generation. The commercial hydro generation is all owned by major power companies or the federal government (Bureau of Reclamation), the one exception being Box Canyon Dam with related hydro generation owned by the County of Siskiyou.

All but one of the several wood chip fired generation plants in the region are associated with existing lumber milling operations wherein the waste wood from the milling and processing operation is burned in the generating plant with the generated electricity

being used to power the milling plant and excess power being sold to the power company. These “biofueled” co-generation plants produce excess steam, some of which is used in steam powered operations in the saw mill plant and for steam heat in the lumber drying kilns. The one independent plant (not associated with a sawmill), Shasta Wheelabrator in Anderson, Shasta County, is the largest of all the wood fueled power plants at 58 megawatt generating capacity, utilizing 750,000 tons of waste and residue wood per year (*wheelabratortechologies.com*). These plants eliminate the need for open burning of waste wood from milling operations and also have eliminated most open burning of waste wood from demolition and land clearing projects, significantly reducing associated air pollution since the late 1980's. Further, it has given the timber industry an outlet for material generated by “commercial” thinning of forests that are overgrown and in need of reducing tree density for optimum forest health and tree growth. In addition, the market for co-generation wood chips allows a cost reduction in removal of juniper that has overgrown much of the high desert range and forest lands, reducing both grazing and forest health, production and wildlife habitat.

The biomass co-generation industry continues to be threatened by both deregulation from the Public Utilities Commission which would allow lower prices to be paid for electricity generated. Additional threats are environmental restrictions limiting or prohibiting forest thinning activity. However, the most obvious opportunity for bio-fuel resource is on the federal forest lands, which at this time, are essentially un-managed for any purpose or use and in desperate need of wild fire fuels reduction and stand thinning to improve forest health and wildlife habitat. Leaving federal forest lands in such a state of over growth of trees and underbrush has led to a prevalence of cataclysmic uncontrollable wild fires

burning 100's of thousands of acres of federal and private forest land annually. The economic losses to private enterprise in destroyed timber stands, lost timber and grazing production, and lost tourism are in the billions of dollars.

Geothermal energy offers some opportunities for development, but not without considerable controversy. There is much potential for geothermal energy in the eastern part of the District, a highly-volcanic area. Private investors have continued attempts to plan and permit development of geothermal resources for electric plants in northern Modoc County and northeastern Siskiyou County (Medicine Lake), but none successful to date.

Alturas High School is presently heated by an existing geothermal hot water well and another was developed for the elementary school in the 1990's. The City of Alturas and the Modoc Unified School District had considered development of a community center and enclosed arena/event center that would utilize geothermal resource winter heat for year round use. That project was shelved due to brine waste water disposal issues with the geothermal hot water. There are several "hot spring" resorts and at least one commercial "hot spring" fish farm in the Modoc area.

The Pacific Northwest Intertie power line originates in Washington State and proceeds to southern California with a spur line connecting with the Pacific Gas and Electric Company east of Redding. It took several years to arrange for a continuous corridor for the line, obtain permits and solicit investors for construction to proceed, but the Intertie was completed in 2004 and now provides regional electric utilities access to optional, less-costly electric energy sources. The additional power source coming into California also provides additional reliability for uninterrupted power supply state-wide. While businesses and residents in the region do not necessarily benefit directly from

additional power supply, power reliability issues affecting the state-wide power supply can affect customers of PG&E in the region as a primary power shortage in the state can affect all in-state power suppliers, including PG&E, possibly resulting in rolling black outs such as what occurred in the summer of 2000.

Likewise, the reduced cost power from the Columbia River hydro generation facilities transmitted via the Pacific North-west Intertie does not directly benefit local businesses and residents because there is no direct delivery of power, but the reduced cost power is blended into all other sources available to PG&E, theoretically resulting in a cost lower than what might be available otherwise. However, PG&E power cost is still much higher than the cost of direct hydro power enjoyed by Redding Electric Utility and Shasta Lake Electric customers through WAPA. Surprise Valley Electric Coop power direct from the Bonneville unit on the Columbia River is among the lowest cost power in California. Power delivered to Siskiyou County and Modoc County by Pacific Power is similarly higher cost, like PG&E power.

There is a considerable amount of hydropower produced within the District. The larger hydro generation facilities are all owned by major power companies or the federal government (Bureau of Reclamation), the one exception being Box Canyon Dam with related hydro generation on the upper Sacramento River and owned by the County of Siskiyou. The Pacific Gas and Electric Company (PG&E) operates several hydro generators in Shasta County, the largest being a series of six dams and hydro generators on the Pit River between Fall River and Shasta Lake. The hydro plants on Battle Creek, operated by PG&E, are relatively small historical facilities which PG&E is presently in the process of decommissioning due, at least in part, to increasing pressure for elimination of salmon run barriers on prime spawning streams. PacifiCorp Energy (Pacific Power and

Light Company) operates Irongate and the Copco reservoirs (hydro power plants) on the Klamath River in Siskiyou County, all of which are embroiled in a controversy for dam removal to open up the Klamath River for spawning salmon.

The U.S. Bureau of Reclamation operates several major hydro generators as part of the Central Valley Project (Shasta and Trinity units) and transfers the power to the Western Area Power Administration (WAPA). Much of that power generation is used in the CVP system for pumping water into and through the California Aqueduct in the San Joaquin Valley and other irrigation canal facilities such as the Tehama-Colusa Canal in the Sacramento Valley and the Bella Vista Water District in Redding. WAPA markets and sells the excess power at wholesale to other utilities including City of Shasta Lake and City of Redding. Trinity County also enjoys low cost direct hydro power from the Lewiston Dam hydro plant on the Trinity River (Bureau of Reclamation - Central Valley Project) via their own Trinity Public Utility. These three utilities receive hydro generated power directly from these federally owned and operated facilities based on contracts negotiated concurrent with construction of the dam and hydro facilities years ago.

Large scale commercial wind turbine power generation is not as prevalent in the region, due in large part to the lack of sustainable wind velocities. Only one commercial scale installation has been completed to date, the Hatchet Ridge project near Burney, Shasta County. The Hatchet Ridge project was developed by a British investment group specializing in wind farm development. It is now owned and operated by a US based firm, Pattern Energy Group. Wind power projects such as Hatchet Ridge remain highly reliant on government subsidy to make the cost of installation feasible. Hatchet Ridge is rated at 101 megawatt capacity (44,000 homes).

To date there are no large scale commercial solar power generation installations,

possibly due to the lower percentage of sunny days as compared to southern California where most commercial solar installation in the state is located. Like wind turbine development, this alternate source is dependant on government subsidy to make the cost of installation economically feasible.

The goal of “*promoting more efficient utilization of energy resources in the region and develop alternative energy sources*” has made great strides since it was originally adopted in 1980 and it seems reasonable to retain that goal as the community continue to look for opportunities to further develop renewable energy resources, particularly in the area of bio fuels for power generation and potential geothermal sources in the Modoc area. There is tremendous volume of unutilized potential bio-fuel resource wherein additional and more complete harvesting, collection and utilization will have multiple benefits beyond just simply renewable energy production.

The additional goal, “*to reduce reliance on foreign fossil fuels,*” while still a noble intent, is a bit outdated and possibly outside practical purview of district economic development strategy.

The scope of development in this arena of alternate renewable resources is typically beyond the scale that the local and district economic development activity can feasibly promote or enhance with direct business assistance. However, additional utilization of local sources bio fuels can generate substantial local business and employment opportunity. Continued political pressure from local economic development operators and interests may be able to influence federal forest resource management to get back into actively managing forest lands for forest health, including reduction of fire fuel load buildup.

**5. GOAL. To develop an efficient multi-modal transportation system for the movement of people and commodities in the region.**

Concerning highway development, Highway 299, which proceeds from Alturas through Redding to the Pacific Coast (Eureka/Arcata), has been the subject of focused planning by the State Division of Highway for improvements that, if made, will help provide better access to Weaverville and Trinity County and the coast. Improvements are now underway on the Buckhorn Grade section of the highway between Redding and Weaverville. Interstate 5 north of Redding received considerable upgrade in several parts consisting of straightened curves, new overpasses and new bridges over the Sacramento River, etc. in the early 1990's.

Truck freighting remains an important industry in the District given the ideal location on Interstate-5 mid-way between Los Angeles and Portland, Oregon and Seattle, Washington. There are several large truck freight firms in Redding and Yreka. In addition, several regional freight delivery companies have terminals in the Redding area to serve the region for both in-coming and out-going freight. Package delivery is now available throughout the entire district with service from United Parcel Service and Federal Express, both with a shipping terminal in Redding providing overnight delivery in or out.

There have been no significant developments in air transportation services in recent years. Redding remains the only community in the District with scheduled air service; however, in spite of extended efforts by City of Redding and Shasta County Economic Development Corporation, service remains limited to one carrier and one destination, San Francisco. This limitation in scheduled commercial passenger airline service remains a detriment to attracting major industry expansion into the area.

There have been no significant developments in the commercial rail industry,

except the acquisition of Southern Pacific Rail Road by Union Pacific. When UPRR took over, they immediately started upgrades of all rail crossings in their system. Rail freight between Weed and Medford, Oregon via the Siskiyou route has become unreliable and problematic for timber product industry in the Weed and Yreka area shipping to Oregon. This has become an issue and could become a barrier to the existing wood product industry in the area. Siskiyou EDC and local jurisdictions have invested a considerable amount of effort in attempting to help the short-line, CORP Rail Road, get the route and rail facilities sufficiently upgraded for more reliable freight service over that route which is critical for the local industry with connections in Oregon.

Over the years there has been some conceptual discussion regarding rail transportation between the Northern California Coast (Eureka/Humboldt Bay) and the Northern Sacramento Valley (Redding or Red Bluff) to connect major routes of Interstate 5 and/or the UPRR. This idea has recently taken a new urgency. The Lake County, Oregon owned rail line between Lakeview and Alturas continues to experience financial difficulty with the rail operator as well as poor condition of the rail line facilities. The District has cooperated with Modoc County, Lake County and South Eastern Economic Development District in Klamath Falls in attempting to address the problem by locating grant funds to help with cost of upgrade to the rail facility, so far to no avail. This link with UPRR main line in Klamath Falls remains in operation today but with very questionable reliability and sustainability. It is critical for businesses in Lakeview shipping by rail; however, no businesses in Modoc County are known to be using rail freight at this time. The City of Alturas proposed development of a railcar repair facility on the old Alturas Mill Site as well as additional railroad-related operations several years ago but did not come to fruition.



While progress has been made on several elements of highway transportation, a number of factors within this goal remain critical and problematic at several levels; therefore, this goal remains relevant today. Transportation and transportation cost remains a critical factor to business success, particularly for industrial business with markets and/or major suppliers outside the area.

**6. GOAL. To maintain and improve communities in the region by providing a suitable and attractive place for residents to work, live, and recreate.**

This goal is more along the lines of community development. The goal is important from the stand point of being able to retain businesses in the region and to attract other business expansion to the area. This is equally important for retaining a quality work force. It all comes down to quality of life and amenities available to the local population.

There has been substantial progress made over the past twenty years in some parts of the region, while other communities more remote and suffering from loss of major industrial employment base have not done so well. A combination of municipal and non-profit efforts have made great strides in the general Redding area with the addition of an extensive hiking/biking trail system, Turtle Bay Park and Museum. This same combination of effort has worked tirelessly on neighborhood improvement and low income housing development. One of the biggest attributes to the north state heretofore has been the relatively low crime rate. That is changing rapidly these days as financial difficulty within local municipalities and county government has resulted in reduced law enforcement forces and inadequate jail space. Further undoing the low crime rate previously enjoyed is the state discontinuing full term incarceration of criminals and returning them to the local communities. This problem is on the verge of becoming a crisis.

For the smaller, more remote communities, continuing general community development and improvement has not been as easy from a resources standpoint, but with a combination of local municipal resources, outside grants, local foundation assistance and local non-profit community assistance, most have been able to do at least small improvements to make their downtown more attractive, develop park space, special street lighting, community theater, etc.

One of the most significant things to happen in the past twenty years is the advent of tribal gaming. There are differing opinions as to whether this has been advantageous or detrimental to the community(s) at large, or to the tribal communities specifically. However, what it has done is boosted local tribal communities economically, effectively giving them a legitimate place in the whole community economically and socially. With the economic impact to the tribes, they have become a key player in their respective communities in addition to being able to provide a wide range of services to their members. The level of impact due to gaming, as might be expected, has been more significant for tribes located in larger population communities while more remotely located tribes have not benefitted at the same level. And for tribes or tribal families not officially recognized, they have not been allowed to participate in this economic phenomenon, which is of regret to them.

While local and regional economic development generally do not get directly involved in planning or carrying this type of development, they always support it because it does indirectly enhance the economic fortune of a community. The goal of maintaining and improving communities for residents to work, live, and recreate is more important than ever in this depressed economy and continuing decline of rural communities in general.

SCEDD's executive officer periodically visits governmental agencies within each county in the District and works closely with local economic development organizations and chambers of commerce to stay acquainted with economic development issues in those areas. Needs and opportunities are evaluated on an on-going basis for the provision of assistance from Planning and Revolving Loan Fund Programs.

Not long after the formation of SCEDD in 1979, the McCloud area of Siskiyou County and the Burney area of Shasta County suffered lumber mill closures that severely damaged their local economies. The Economic Development Administration (EDA) provided a \$1 million Revolving Loan Fund to help finance new businesses and industry in the area. It is SCEDD's responsibility to administer this loan fund.

Technical assistance, business management advice and business loans were made available and have been a great help. It was eventually determined that these two small geographic areas were dependent upon a larger area and, subsequently, the geographic area for eligibility for the loan fund was enlarged to include the entire District with an additional \$500,000 Revolving Loan Fund capitalization from the Economic Development Administration.

Loans from the Revolving Loan Fund have been coupled with bank loans on a cooperative financing basis and many businesses have been started, expanded or retained as a result. Various loan proposals are always in the process of consideration by SCEDD. The following loans have been funded by SCEDD since 1980:

SCEDD Business Development Loan Funds have loaned over \$8.9 million, leveraged over \$27 million in additional companion or participation financing (usually commercial banks) and created and retained over 1,355 jobs in the District.

Other economic development financing in the area includes: Community Development Block Grants (CDBGs) for business loans; City of Anderson Revolving Loan Fund which was capitalized via pay back of a 1987 CDBG loan; Modoc Economic Development Corporation Revolving Loan Fund which is privately capitalized and remains active in Modoc County; and several CDBG Loan Funds at the County of Siskiyou and the cities in Siskiyou County.

## **PROGRESS EVALUATION**

The periodic evaluation of progress in implementing the CEDS Action Plan is an important element of the planning process and overall economic development program. Evaluation will help maintain attention and dedication to priority project momentum and will encourage timely responses to funding and other project opportunities. Further, periodic review will identify new opportunities or new initiatives beginning to take shape in the region.

Each year, SCEDD staff will evaluate progress in implementing the CEDS Action Plan. Monitoring of some projects or initiatives may require additional research, including contact with project managers and involved parties. It is during this process that new initiatives or development ideas will come up and can be listed for consideration by the stakeholders and CEDS Committee for inclusion in the updated CEDS document.

SCEDD will encourage the primary economic development organizations in each of the four counties in the District (Modoc, Shasta, Siskiyou and Trinity Counties) to evaluate progress and will cooperate on implementation of identified projects in their respective areas. These organizations include, but are not limited to: Modoc Economic Development Corporation (Modoc Economic Vitality Workgroup); Siskiyou County Economic

Development Council; Shasta County Economic Development Corporation; and Trinity County Economic Development Corporation. City/County agencies and Workforce Investment agencies are also key contacts in this economic planning assessment endeavor.

The following review covers activities listed on the previous implementation strategy, even though they may have been initiated years ago, that remain active or that influence development and planning efforts still active today.

## 1. Business and Industrial Development

The Trinity Alps Business/Industrial Park east of Weaverville was completed in the mid 1990's with SCEDD assistance with an EDA grant, a CDBG grant for infrastructure development, and a loan from SCEDD. The upper bench includes complete infrastructure development including paved street, sidewalks, phone, water, and sewer. All lots have been sold; however, only three out of seven of the upper and middle parcels are developed. Unfortunately, none are private for-profit industry. They are an office complex leased by the county for their health and human services department, a local non-profit theater group, and Shasta College class rooms. Three lots remain available for development. The middle level has a retail garden nursery and hydroponic supply business. The lower level does have one industrial business; a sand and gravel processing and stockpile operation. No additional marketing of the park has been put forth in recent years.

Three industrial parks have been developed in the greater Redding area of Shasta County with EDA funding assistance in the past two decades: The Redding Airport Park on Airport Road and Lockheed Drive: The Shasta Lake Business Park on District and Shasta Gateway Drives was developed in the late 1990's concurrent with incorporation of the city. Eight lots are developed and occupied with about six or seven lots remaining open and

available: the most recent to be completed is the City of Redding Stillwater Business Park at the end of Old Oregon Trail and Rancho Road east of the Redding Airport with all lots ranging in size from about five acre to 100 acres remaining available, about 700 acres in all.

In Siskiyou County, the City of Weed developed the South Weed area through a series of grants from EDA to develop a large freeway frontage complex of hotels, restaurants, gas stations and a truck stop. An extension of the development will allow additional commercial and industrial business to locate there. At the present time, City of Yreka and Siskiyou EDC are working on preliminary site development, contamination clean up, of a former sawmill site on Phillipe Lane.

The Siskiyou County Economic Development Council has cooperated with the College of the Siskiyous in the development of a Process Technology Training Center as a part of the Yreka Campus for diversification of wood products manufacturing through value-added processing technology operating skills training.

## 2. Business Incubator Facility

A 10,000 square foot small business incubator facility was developed in Hayfork, Trinity County with a CDBG program grant to assist with development of the facility and a Ford Family Foundation grant to support the initial operation of the incubator and to assist with business development. At one point, the facility was fully occupied by one specialty wood products manufacturing business with many jobs; however, that business eventually sold and moved out of state. Efforts have been underway for a while now to secure new incubator tenants in the facility.

The Shasta Lake owned business incubator facility at the Gateway Business Park remains rented out to start-up and emerging businesses. The facility does not provide any services to the tenants as would be typical of a genuine incubator operation. The Shasta Lake incubator facility was developed with funding assistance from EDA concurrent with development of the Shasta Gateway Business Park in the mid 1990's.

The Siskiyou County EDC incubator was set up in 1991 and continues to provide low cost space and services to start up and emerging businesses. The facility also houses the SCEDC Food Works and shared use food processing and canning/bottling kitchen as well as office space for the EDC.

### 3. Mill Site Reuse Planning Project

As a part of the "Spotted Owl Recovery Program" in the late 1990's, SCEDD conducted several extensive reuse planning projects on recently vacated sawmill sites. SCEDD received funding assistance from USDA Forest Service and EDA. A preliminary mill site redevelopment strategy was completed for six sites in the region, all privately owned at the time. The site in Yreka has had no further work done. The High Ridge Lumber site on Phillippe Lane had a second phase with SCED to map and plan clean up of contamination. Siskiyou EDC has since received funding from EPA to conduct preliminary clean up activity on a portion of the site in anticipation of making it available for industrial development. The former Roseburg site in Mount Shasta actually had three phases of planning including contamination mitigation and multi-use development. The city acquired the property and arranged funding for water and sewer infrastructure extension to the site, however, that fell through and no further work has been done on that site since. The mill site in Burney at the cross road of Highway 299 and 89 is now occupied by Hat Creek

Construction for their main office, storage yard, aggregate stock pile and concrete batch plant. The old Champion box factory site at Buenaventura Street in Redding had been mostly redeveloped for industrial and commercial use with the exception of the old log pond which had been filled in with wood debris and needed to be excavated, refilled and compacted before final redevelopment to roadside retail could be completed. That was completed with EDA and USFS financial assistance through SCED and now has a nice veterinary clinic, ARCO gas station-mini market, and a fast food restaurant.

The final site addressed in this project was the former Sierra Pacific Mill in Hayfork, Trinity County. A Forest Service grant to the SCEDD Northern California Mill Site Reuse Program funded cost of to prepare the Hayfork Mill Site Redevelopment Strategy, completed in June 2000. The subsequent owner at the time considered numerous ideas for reuse of the site, including a small specialty saw mill or gravel extraction; however, none came to fruition. The site remains essentially unutilized to this day.

#### 4. Business Training and Assistance

In 1994, SCEDD initiated, with EDA funding, demonstration of general small business development training and development program that lead directly to SCEDD founding the Cascade Small Business Development Center (SBDC) in 1995 via funding from Small Business Administration and the California Trade and Commerce Agency. SCEDD operated the SBDC until 2004 when Shasta College took over the SBDC when Trade and Commerce Agency was disbanded and no longer funding SBDC's in California. The program is still in operation today under Shasta College and remains a vital link in the portfolio of business development program services available.

Since 1997, SCED has been operating Microenterprise Development Programs in



Modoc, Shasta and Trinity Counties under CDBG funding through the respective county jurisdictions. In Siskiyou County, similar microenterprise development training and assistance has been conducted by Jefferson Economic Development Institute, also with CDBG funding. Several hundred businesses have started up or expanded as a result of these training and assistance programs to date. This program activity remains in place in each of the counties and is anticipated to continue subject to continued funding and effectiveness.

#### 5. Business Attraction and Expansion -

Efforts to advocate business attraction and expansion in Trinity County received a significant contribution of support in the year 2001 with approval of a \$100,000 grant application submitted to the "Jobs-Housing Balance Improvement Program". The County's grant application and program proposal made reference to the 1995 Trinity County Economic Development Action Plan and that plan's implementation provisions which proposed that the County, "Increase activity of a Business Attraction Program", and that it, "Coordinate with Superior California Economic Development District and Cascade Small Business Development Center." The funding, to be extended over a two-year period and to include a \$10,000 matching contribution from the County, enabled the County to implement a marketing strategy to recruit businesses to, and expand current businesses in, Trinity County. No new businesses were recruited to the County at the time, or since then, however, additional business training and assistance was provided to emerging and expanding businesses in the County at that time.

The City of Shasta Lake obtained financing from EDA in the amount of \$1,500,000 for a road extension for the Knauf Fiberglass Plant which began development in that area

in 1999 and went into production in 2001. That was the most significant business attraction to the region before or since with over \$80 million investment and employing over 100 workers.

Shasta County EDC and Siskiyou County EDC had and still have ongoing business recruitment campaigns. That activity is funded entirely locally, but in recent years, has not enjoyed much success.

## 6. Economic Strategy Planning

The Modoc Economic Vitality Workgroup and the Modoc Economic Development Corporation completed a five-year organizational strategy for economic development in Modoc County entitled the Modoc Economic Vitality Plan in 2004. The operation plan was formulated as an action-oriented plan with specific strategies, list of tasks and a budget to serve as a "blueprint for action" for a strong economic development program in the county. Funding for Modoc Vitality Group staffing was provided by the Alliance for Workforce Development. That funding is no longer in place and the Vitality Workgroup is no longer meeting.

The two Enterprise Zones, Shasta Metro and Siskiyou, develop their own strategy plans as well and those are taken into account in the development of this CEDS. Workforce Development Strategy is the strategy of the Workforce Investment Act providers serving the respective counties, particularly Shasta-Trinity SMART and Siskiyou Training and Employment Program (STEP), and Alliance for Workforce Development in Modoc County..

## 7. Enterprise Zone

Enterprise Zones provide incentives for local business expansion and attraction via

tax credits in exchange for new jobs and qualified equipment purchases.

As a result of a combined effort lead by Shasta County Economic Development Corporation, the Shasta Metro Enterprise Zone was designated November 1991 covering parts of Redding, Anderson, Shasta Lake and parts of Shasta County in between.. The Shasta Metro Enterprise Zone designation was renewed in 2006 and amended in 2013 to add in areas east of Redding including Palo Cedro and the Highway 299 corridor from Bella Vista through Burney and Fall River to McArthur in eastern Shasta County. The Shasta Metro.

Shortly after the Shasta Metro Enterprise Zone designation in 1991, Siskiyou EDC was successful in applying and obtaining designation for an Enterprise Zone covering the Interstate 5 corridor from Yreka through Weed to Mount Shasta. The Siskiyou Enterprise Zone was also later modified to expand to take in other communities including Dunsmuir, McCloud, Fort Jones and Tule Lake.

Both Enterprise Zones have been a significant asset in the region and remain active today. However, the state recently rescinded all authorizing regulation for Enterprise Zones and they will cease operation as of January 2014. The state is attempting to design a replacement enterprise incentive program that will be implemented state-wide rather than in designated rural communities. At the time of this publication, it is unknown what the new state program will look like or whether it will be of any benefit to rural economic development.

## 8. Tourism

SCEDD staff assisted the city of Anderson in developing financing for the visitors center located near the Factory Outlet Stores in Anderson. The visitor center and the managing

organization, Shasta Cascade Wonderland Association, continue as a vital link in the most recent efforts to enhance tourism marketing in the region.

## 9. Water Bottling

Water bottling has become an industry cluster of sorts, particularly in Siskiyou County, with the recruitment and development of spring water bottling facilities by Crystal Geysers Roxane in Weed and the Dannon International plant in Mt. Shasta. The Castle Rock Spring Water plant in Dunsmuir actually started locally with SCED and local CDBG financing assistance in phases as that company started up and grew. Castle Rock was acquired by Dannon and then Dannon was acquired by Coca Cola, and subsequently Coca Cola decided to get out of the water bottling business and shut down the plant in Dunsmuir and in Mount Shasta, displacing 50 workers. Mid 2000's, Nestle Corporation worked out a spring water purchase from the community of McCloud and had planned to set up a large water bottling plant there, employing up to 130 workers, but met with such strong political environmental opposition, most from outside the area, that they finally discontinued efforts in McCloud and took their interest to another location. Siskiyou County EDC and SCED are presently working with EDA in an effort to secure funding for waste water collection and treatment system upgrade and expansion in Mount Shasta to handle the added demand that will be placed by the proposed new bottling operation in the former Dannon facility.

In the mean time, the city of Dunsmuir is reapplying to have their spring water source re-certified so that they can market the spring water bottling opportunity in Dunsmuir.

There is interest by another bottling group, at the time of this report, in setting up a new operation in the former Dannon facility in Mount Shasta and another moving forward in setting up a plant in Redding.

## 10. Business Financing Assistance

In 1990 SCEDD started out with a small \$500,000 EDA revolving loan fund for business assistance gap financing. That fund has been built up over the years to \$5.0 million through several federal resources. Over the past thirty years, \$17 million has been loaned to businesses in the region, leveraging over \$30 million of private companion financing and private investment, and resulting in the creation over 2,460 jobs.

Beginning in 1995, SCEDD started packaging SBA 504 loans also, initially as a contract packager and in just Shasta County. SCEDD subsequently applied for and was certified by Small Business Administration as a “Certified Development Company” in 2004 and has been packaging loans throughout California since, but with a market emphasis on the district surrounding region. A few SBA 504 deals have been done in Siskiyou County; the majority of the volume has been in the Redding area of Shasta County. Total SBA loans both within and outside the District amounts to over \$46 million for 733 new jobs.

Several of the jurisdictions in Siskiyou County have received CDBG grant funds over the years to establish local business development loan funds. Most have contracted the grant and loan program management to a private non-profit firm in Siskiyou County. The CDBG program loans are limited to businesses that qualify as low to moderate income ownership or to businesses that will create jobs for low to moderate income residents of the jurisdiction. This activity has met with moderate success in a very difficult market area and an especially challenging grant program to administer per state guidelines.

## Economic and Community Development Goals/Objectives

### General District Program Goals:

1. Expand business and industrial development and job creation.
2. Maintain a strong, sustainable wood products industry in the region that continues to provide industrial employment opportunities in the District.
3. Maintain a strong agricultural industry in the region which can provide a satisfying and financially rewarding living for area farmers, cattlemen, dairymen, and farm workers.
4. Support the start-up, growth and continued prosperity of small businesses.
5. Utilize and protect the recreational resources of the District for the benefit of residents and tourists.
6. Promote efficient utilization of energy resources in the region and develop alternative energy sources including: biomass co-generation, biomass thermal, geothermal co-generation and thermal, solar, wind. .
7. Maintain an efficient multi-modal transportation system for the movement of people and commodities in the region.
8. Maintain and improve communities in the region by providing a suitable and attractive place for residents to work, live and recreate.

### Program Objectives

- A. Manufacturing and Business Facilitation
  - Concentrate on retaining and expanding the local manufacturing base through collaborative and cooperative efforts with local economic development corporations and workforce development providers.

- Support marketing efforts of agencies and jurisdictions in the recruitment of business and industry.
- Support local business/industrial park development and marketing.
- Continue to support local, state and federal policies that assist in streamlining permit processing and reducing/minimizing regulations that constrain economic growth/expansion.
- Support the extension of term limitations of state-sponsored enterprise zones and the expansion of the geographic areas of those zones.
- Support reuse projects and redevelopment planning for closed and underutilized industrial and commercial areas, including abandoned mill sites.

#### B. Small Business Development

- Provide direct small business development services with financing, counseling, marketing and export assistance.
- Sponsor workshops that assist small businesses with business planning, management and marketing.
- Support and assist with the marketing and management of existing business incubators and the planning and development of new incubators.
- Support the economic benefits to be gained by the establishment and administration of redevelopment areas and recycling zones.

#### C. Natural Resource and Development

- Support long-term utilization of forest lands on the basis of best management practices .
- Support policies for timber harvest, biomass utilization and forest and habitat restoration that will provide local opportunities for employment and the local procurement of state and federal contracts.
- Work with the U.S. Forest Service and USDA-Rural Development in the provision of rural economic planning and development services and forest-based economic adjustment strategies.

- Identify and promote new and non-traditional uses of forest materials including the manufacture of secondary, value-added forest products and utilization of materials resulting from fuel reduction, thinning and salvage, including development of businesses utilizing non-timber forest products.
- Support the expansion of agricultural business opportunities including the development and marketing of value-added products and specialty crops (e.g., vineyards and wineries, herbs, flowers, etc.).
- Support the planning and development of publicly owned recreation and tourism facilities as a means of stimulating related economic activity and job creation.

#### D. Economic Resource Information

- Provide economic data on labor trends, population characteristics and the economic base of the SCEDD service area in collaboration with the Center for Economic Development at CSU-Chico and Labor Market Service at California Employment Development Department.
- Provide referrals to local and state resources.
- Expand and upgrade the SCEDD website and links to other related sites.

#### E. Human Resource Development

- Support implementation of local workforce development plans.
- Continue to support and partner with workforce development programs (including private industry councils and community colleges) and economic development corporations to coordinate efforts for job training and job creation.
- Give high priority to the creation of job opportunities that use the skills of the local labor force.
- Promote business and school partnerships.

#### F. Community Development

- Provide technical assistance regarding funding and resources for infrastructure and program development and expansion.
- Support jurisdictions in developing business friendly attitudes and programs.



- Encourage and facilitate forums and workshops that will provide economic development strategies.

## COMMUNITY AND PRIVATE SECTOR INVOLVEMENT

The development of this CEDS document as a complete re-write included extended contact and input from stake holders throughout the community. The first phase of information collection involved facilitated sessions with key stake holders, by invitation and referral, in each county to receive input as to perceived economic strengths, weaknesses, opportunities, and threats . This included elected officials representing local jurisdictions and community service districts, local government officials, private business owners, non-profit managers, economic development staff and board members.

The second phase was reviewed by the SCEDD Board of Directors acting as the CEDS committee to provide initial review of goals and objectives for the District and then initial review of the implementation strategy.

Third phase will be to return to the stake holder groups in each county for final review and input regarding goals and implementation strategy. Then final review by the SCEDD Board / CEDS Committee, then final publication. The final phase will be presentation of the CEDS and economic profile information to local economic development organizations, specifically Modoc EDC, Shasta EDC, Siskiyou EDC and Trinity EDC, district member County Boards of Supervisors and member City Councils.

A copy of the stakeholder input is attached in a matrix format in Appendix A.

## STRATEGY IMPLEMENTATION

This section of the CEDS identifies individual initiatives and specific projects that will need to attract private investment; as well as public investment. The potential projects identified here will help start, strengthen, retain and expand local businesses, resulting in retention of jobs and creation of new, more stable and better paying jobs in local communities throughout the District. Many of the identified activities and initiatives are designated SCED as a probable responsible entity for implementation while other entities are designated as appropriate responsible entity for other proposed or planned projects, activities or initiatives. Further, several general or broader based initiatives indicate multiple entities in a coordinated effort to effectively implement a project or bring a broad initiative forward. The four county district served by SCED has been and remains fortunate to have a high degree of cooperation among agencies and interested organizations and institutions in economic and business development efforts.

## SCEDD DISTRICT-WIDE

### 1. MANUFACTURING AND BUSINESS FACILITATION

Activity	Time Frame	Responsibility
1-1. Assist local manufacturers in retention and expansion efforts by acting as a facilitator/coordinator for technical assistance, financing, regulatory advocacy, etc.	Ongoing	SCED, Chambers of Commerce, Local Governments, Local Economic Development Organizations, State CDBG
1-2. Continue to actively conduct business and industry attraction-recruitment	Ongoing	Local Governments, County Economic Development Organizations, Chambers of Commerce
1-3. Administer and promote business development revolving loan fund programs with funding through CDBG, US EDA, US SBA, USDA, other public, and private sources as appropriate	Ongoing	SCED, Local Economic Development Organizations, Local Governments
1-4. Provide support and technical assistance in funding infrastructure for business and industry expansion	Ongoing	SCED, Local Economic Development Organizations, Local Governments
1-5. Conduct and assist in planning redevelopment and reuse of closed and underutilized mill sites	In Progress Long Term	Local Governments, Local Economic Development Organizations, SCED

### 2. SMALL BUSINESS DEVELOPMENT

Activity	Time Frame	Responsibility
2-1. Continue Small Business Development Center Program for small business training and assistance	Ongoing	Shasta College, Small Business Administration, University Center for Economic Development (CSU-Chico)
2-2. Coordinate cooperative partnerships for the provision of business assistance and development services	Ongoing	SCED, Local EDC's, Colleges, Local Governments, Service Providers, Chambers of Commerce
2-3. Microenterprise Business Training and Assistance implementation with funding via CDBG, US SBA, USDA, and federal, state and local sources	Ongoing	SCED, Local Economic Development Organizations, Local Governments, State CDBG
2-4. Business Education	Ongoing	Local Colleges

### 3. NATURAL RESOURCE DEVELOPMENT

Activity	Time Frame	Responsibility
3-1. Support the development and marketing of value-added products utilizing agriculture, timber, non-timber forest resources, and other natural resource products	Ongoing	SCED, local EDC's, local Governments Watershed Center, Resource Conservation Districts (RCD)
3-2. Support initiatives that will open new markets for agriculture, timber, non-timber forest resources, and other natural resource products	Ongoing	SCED, local EDC's, Local Governments, RCD's
3-3. Work with land owners, industry, development organizations and agencies to promote the concept of sustained yield and multiple use for forest lands, including timber production, grazing and recreation	Ongoing	SCED, Local EDC's, Industry Advocacy Organizations, Local Governments, RCD's
3-4. Better utilize fire damaged resources on federal forest lands after wildfire	Near term Long term	Federal Government and Agencies, Local Governments, Industry Advocacy Organizations
3-5. Support cooperative efforts to develop and promote recreation resources and related tourism opportunities and facilities throughout the District	Ongoing	SCED, Shasta-Cascade Wonderland Association, Chambers of Commerce, Visitors Bureaus, Local EDC's, Local Governments

### 4. ECONOMIC RESOURCES AND INFORMATION

Activity	Time Frame	Responsibility
4-1. Collect, assemble and distribute pertinent economic development planning, economic profile and demographic information	Ongoing	SCED, CSU Chico-Center for Economic Development, California Employment Development Department, Local EDC's, Workforce Development Agencies
4-2. Update and distribute the District-wide Business Resource Guide	Near Term	SCED
4-3. Expand and upgrade the SCEDD website with improved links to related website's	Near Term	SCED
4-4. Support and actively participate as a member of the Center for Economic Development, California State University-Chico	Ongoing	SCED

4-5. Maintain contact/communication with government agencies and distribute information on legislation relative to business and rural economic development.	Ongoing	SCED, Local EDC's, Chambers of Commerce, California Association for Local Economic Development, National Association for Development Organizations
4-6. Liaison with federal and state agencies to coordinate economic planning and development funding efforts	Ongoing	SCED, Local EDC's, Local Governments, Federal and State Agencies

## 5. HUMAN RESOURCES

Activity	Time Frame	Responsibility
5-1. Promote workforce development and coordinate job training, entrepreneurial training and education efforts concerning economic development	Ongoing	Workforce Development Agencies, Local EDC's, Local Colleges, SCED, SBDC, JEDI
5-2. Provide vocational and technical training and education	Ongoing	Workforce Development Agencies, Local Colleges
5-3. Conduct periodic labor market and business surveys	Periodic	Workforce Development Agencies, EDCs,

## 6. COMMUNITY DEVELOPMENT

Activity	Time Frame	Responsibility
6-1. Promote and assist in the preparation of community action plans and economic development strategies	Ongoing	SCED, Local EDC's
6-2. Provide technical assistance in grantsmanship to communities and organizations for the preparation of economic development grant applications	Ongoing	SCED, EDC's
6-3. Support and facilitate community forums for economic planning	Ongoing	SCED, Local EDC's
6-4. Solid Waste disposal management and facilities expansion	Long Term	Local Governments
6.5 Modernize, upgrade and expand municipal water and waste water treatment facilities presently not up to standard or capacity	Long Term Short Term	Local Municipalities and Special Service Districts
6.6 Support Downtown Revitalization and Main Street Programs	Ongoing	Local Governments, Local EDC's, Chambers of Commerce, SCED

## MODOC COUNTY

### 1. MANUFACTURING AND BUSINESS FACILITATION

Activity	Time Frame	Responsibility
1-1. Improvements and reuse of the Alturas Saw Mill site including railcar facilities	Near Term Long Term	City of Alturas, Site Development Partners, Modoc EDC, SCED
1-2. Expand the capacity and role of the Modoc Economic Development Corporation in collaboration with other organizations and agencies	Long Term	Modoc EDC, Modoc Economic Vitality Group, Modoc County, City of Alturas, SCED
1-3. Develop a business retention/expansion program	Long Term	Modoc EDC, Modoc County, City of Alturas, SCED
1-4. Implement a training and assistance program for microenterprise and other small businesses, funded at least in-part by Cal HCD-CDBG	In Progress Ongoing	Modoc County, SCED, Shasta College SBDC, Alliance for Workforce Development, Cal HCD-CDBG
1-5. Expand cooperation/collaboration with Native American Economic Development Programs	Long Term	Local Tribal Organizations, Modoc County, City of Alturas, Modoc Economic Development Corporation
1-6. Improve promotion of county-wide tourism/recreation	Ongoing In Progress	Chambers of Commerce, Modoc County, City of Alturas, Resource Conservation and Development Organizations
1-7. Improve infrastructure serving industrial sites and commercial development	Long Term	City of Alturas, Modoc County
1-8. Provide natural gas service in Alturas	Long Term	City of Alturas, Modoc County
1-9. Develop truck/travel center for trucks and tourists	Long Term	City of Alturas, Modoc County
1-10. Improve marketing programs for local industrial, agricultural and crafts products	Long Term	Chambers of Commerce, Modoc Economic Development Corporation

### 2. NATURAL RESOURCE DEVELOPMENT

Activity	Time Frame	Responsibility
2-1. Expand juniper and small diameter timber utilization and related industries	In Progress Long Term	Northern Cal-Neva Resource Conservation and Development Council, U.S. Forest Service

2-2. Develop geothermal resources	In Progress Long Term	Modoc County
2-3. Develop biomass based heating district	In Progress Long Term	Modoc County, City of Alturas, Sierra Nevada Conservancy

### 3. COMMUNITY DEVELOPMENT

Activity	Time Frame	Responsibility
3-1. Expand the Alturas Community Theater	Long Term	Alturas Community Theater Association
3-2. Alturas wastewater treatment capacity expansion	Near-term	City of Alturas
3-3. Modoc Events Center	Long Term	Modoc County, City of Alturas

## SHASTA COUNTY

### 1. MANUFACTURING AND BUSINESS FACILITATION

Activity	Time Frame	Responsibility
1-1. Shasta Metro Enterprise Zone Expansion	In Progress	Shasta County EDC, local jurisdictions
1-2. Retain support for the business incubator	Ongoing	City of Shasta Lake
1-3. Microenterprise Development	Ongoing	SCED, Shasta County, Cities of Shasta Lake, Anderson and Redding
1-4. Market Business/Industrial Parks: City of Redding Airport and Stillwater, Shasta Lake Gateway Industrial Park	Ongoing	City of Redding, City of Shasta Lake, Shasta County EDC
1-5. Industrial/commercial development plan for southeastern area of the City of Anderson	In Progress	City of Anderson
1-6. Redding Stillwater Business Park development	Completed	City of Redding, Shasta EDC, SCEDD
1-7. Industrial water/sewer/drainage improvements to trunk line (Ox Yoke industrial area-Anderson)	Short Term	City of Anderson
1-8. Shasta Gateway Industrial Park expansion	Long Term	City of Shasta Lake
1-9. Develop Shasta Lake Commercial Center Project	Short Term	City of Shasta Lake



1-10. Promote business retention and expansion	Ongoing	City of Anderson, City of Redding, City of Shasta Lake, Shasta County, Shasta EDC, SCED
1-11. Infrastructure extension and re-zone of property along Pine Grove to increase commercial development potential	Completed	City of Shasta Lake
1-12. Infrastructure extension and development of Wonderland Boulevard Interchange for business and industry	Long Term	City of Shasta Lake, Shasta County, Shasta EDC, SCED individual property owners/developers,

## 2. HUMAN RESOURCE DEVELOPMENT

Activity	Time Frame	Responsibility
2-1. Cooperate with SMART to promote workforce development and coordinate job training and education efforts concerning economic and business development	Ongoing	SMART Resource Center
2-2. Four year college/university course availability	In Progress	Shasta College, Simpson University

## 3. COMMUNITY DEVELOPMENT

Activity	Time Frame	Responsibility
3-1. State Veterans Home infrastructure open up for veteran residents	In Progress	City of Redding, Shasta County
3-2. Update Redding Area Metro Report	Short Term	City of Redding, Shasta County EDC
3-3. Repair or rebuild city management and utility office buildings	Short Term	City of Shasta Lake
3-4. Repair Pine Grove Avenue, Ashby Road, and Cascade Blvd to enhance commercial and industrial access	Short Term	City of Shasta Lake
3-5. Knighton Road sewer project	Long Term	City of Redding, Shasta County
3-6. Tormay drain update	Long Term	City of Anderson
3-7. Stillwater sewer trunk line extension	Long Term	City of Redding
3-8. Freeway interchange upgrade (Deschutes Road)	In Progress	City of Anderson

3-9. Convention Center Site Analysis and Feasibility Study	Long Term	City of Redding
3-10. Construct Community Service Center for employment, social and medical services	Short Term	City of Shasta Lake, involved organizations and agencies
3-11. Redevelopment of existing highway commercial corridor along Cascade Boulevard	Long Term	City of Shasta Lake and individual property owners/developers
3-12. Develop additional regional tourism gateway facilities and programs	Ongoing	City of Shasta Lake, Shasta Lake Chamber of Commerce

## SISKIYOU COUNTY

### 1. MANUFACTURING AND BUSINESS FACILITATION

Activity	Time Frame	Responsibility
1-1. McCloud mill site development	Long Term	McCloud Community Services District, Siskiyou County, SCED
1-2. Shared-use food processing facility, "Siskiyou Harvest" Program	In Progress	Siskiyou County EDC, SCED, JEDI
1-3. Microenterprise Development Training, Technical Assistance and Financing Assistance with funding via CDBG, US-SBA, USDA, and other federal, state and local sources.	In Progress	Jefferson Economic Development Institute, Siskiyou County, local jurisdictions, SCED, Great Northern Corporation
1-4. Phillipe Lane industrial area enhancement	Long Term	City of Yreka, Siskiyou EDC
1-5. Roseburg mill site reuse development	Long Term	City of Mt. Shasta
1-6. Yreka Business Incubator enhancement	Short Term	Siskiyou County EDC
1-7. McCloud spring water bottling facility development	Short Term	McCloud Community Services District, Siskiyou County, Siskiyou EDC, SCED
1-8. Mt. Shasta wastewater collection system interceptor line replacement-upgrade	Short Term	City of Yreka of Mt. Shasta
1-9. Siskiyou Brownfields Development Program	On Going	Siskiyou EDC, Cities & Counties
1-10. Airport industrial/commercial development	Long Term	Siskiyou EDC, Siskiyou County & Cities
1-11. Enterprise Zone renewal/expansion	Short Term	Shasta Valley Enterprise Zone, Siskiyou County EDC

1-12. Short-line railroad reuse/upgrade	On Going	EDC & Cities
1-13. Improve infrastructure for local and regional business park development	On Going	Siskiyou County, Cities, EDC, SCED

## 2. NATURAL RESOURCE DEVELOPMENT

Activity	Time Frame	Responsibility
2-1. Recycling Marketing Development Zone	On Going	Siskiyou County Economic Development
2-2. Support economic development objectives with fire plan projects to reduce forest fuels and biomass	On Going	Siskiyou County, Fire Safe Council, partner organizations
2-3. Natural resource management on public lands	On Going	USFS, BLM

## 3. COMMUNITY DEVELOPMENT

Activity	Time Frame	Responsibility
3-1. Expand affordable housing supply	On Going	City of Dunsmuir, City of Mt. Shasta, City of Weed, Siskiyou County
3-2. Mt. Shasta underground business district utilities	Short Term	City of Mt. Shasta
3-3. North Mt. Shasta water capacity upgrade	Short Term	City of Mt. Shasta
3-4. Black Butte infrastructure extension	Short Term	City of Weed
3-5. Vista Drive Improvements/extensions for truck traffic	Short Term	City of Weed
3-6. Mt. Shasta Botanical Gardens	Long Term	Mt. Shasta Botanical Garden Foundation, City of Weed
3-7. Medical facility expansion, upgrade	Ongoing	Siskiyou County, Hospital
3-8. Happy Camp telecommunications facility	Long Term	Community of Happy Camp, Siskiyou County
3-9. Collier Welcome Center	Long Term Ongoing	Chamber, Cities, County

## TRINITY COUNTY

### 1. MANUFACTURING AND BUSINESS FACILITATION

Activity	Time Frame	Responsibility
1-1. Trinity Alps Business and Industrial Park marketing	Ongoing	Trinity County, SCED
1-2. Hardwood industry development	Short-Long Term	Watershed Research and Training Center, Trinity County, SCED
1-3. Wood products value-added incubator facility for light manufacturing	Ongoing	Watershed Research and Training Center, SCED, Trinity County
1-4. Small Business and Microenterprise Development Alternate Financial Assistance	In Progress	SCED, Trinity County, State CDBG
1-5. Develop business attraction and retention program	Long Term	Trinity County, Trinity County Economic Development Corporation, SCEDD
1-6. Reuse of abandoned mill sites	Long Term	Watershed Research and Training Center, Trinity County, SCED
1-7. Weaverville Business Incubator	Long Term	SCED, Trinity County
1-8. Forest salvage products industry development and product marketing ( <i>Trash to Treasure</i> )	Long Term	Humboldt-Trinity Recreation Alliance, U.S. Forest Service
1-9. Southern Trinity bed and breakfast Industry development	Long Term	Humboldt-Trinity Recreation Alliance

### 2. NATURAL RESOURCE DEVELOPMENT

Activity	Time Frame	Responsibility
2-1. Develop biomass co-generation and thermal energy facilities	Short - term Long - Term	Trinity County, Watershed Center, SCED
2-2. Support private land owners creation and development of in-forest and on-farm jobs	Short - term Long - term	Watershed Center, Small Business Development Center-Shasta College, UC Cooperative Extension, SCED

### 3. COMMUNITY DEVELOPMENT

Activity	Time Frame	Responsibility
3-1. Community arts development, expansion	Ongoing	All jurisdictions
3-2. Develop access to Trinity PUD electrical power in areas not presently served	Long - term	Trinity County, Trinity PUD
3-3. Health and family living services development	Ongoing	Trinity County
3-4. Airport redevelopment/relocation	Long Term	Trinity County
3-5. Industrial-commercial site/park development	Long Term	Trinity County, SCED
3-6. High speed communication systems development	Ongoing	Trinity County
3-7. VanDuzen Park restoration	Long Term	Humboldt-Trinity Recreation Alliance, U.S. Forest Service
3-8. Watts Lake restoration	Long Term	Humboldt-Trinity Recreation Alliance, U.S. Forest Service
3-9. Volunteer Fire Department training	Short/Long Term	Humboldt-Trinity Recreation Alliance, U.S. Forest Service
3-10. Set up Ruth Community Safety Center	Short/Long Term	Humboldt-Trinity Recreation Alliance, U.S. Forest Service
3-11. Public/private safety - security patrol	Short/Long Term	Humboldt-Trinity Recreation Alliance
3-12. Rehabilitation of Hayfork Community Center	Short Term	Hayfork Community Center, Inc., Trinity County
3-13. Construction of Hayfork Community Regional Forestry Center	Long Term	Watershed Research and Training Center, Trinity County, Shasta College, U.S. Forest Service, Trinity Resources Conservation District, University of California Extension, Trinity River Restoration Program, Trinity County Fair, Trinity Waterworks District 1, SCEDD
3-14. Development of Main Street Plan for Highway 299	In Progress	Weaverville Chamber of Commerce, Trinity County, Cal DOT (Cal Trans)

## **APPENDIX A: CEDS Stakeholder Input**

## CEDS Stakeholder Input Commercial and Industrial

	SHASTA	SISKIYOU	TRINITY	MODOC
<b>Industrial Development Opportunities:</b>	<b>Industrial Development Opportunities:</b>	<b>Industrial Development Opportunities:</b>	<b>Industrial Development Opportunities:</b>	<b>Industrial Development Opportunities:</b>
Availability of shovel-ready land	Former mills – redevelopment; brownfields Cost of real estate and fees are lower	Significant industrial land (Hayfork) is available but limited access primarily due to landowner resistance	Community ownership of land for development Creating a desire for those lands that are available (a marketing and communication A fairly uncomplicated local regulatory environment compared to other parts of the	Promote the productive reuse of closed and underutilized industrial and commercial properties in Modoc County (old mill sites) Create a comprehensive business resource guide Establish Business license requirements county-wide
Low cost of utilities; ample water	Clean water, cheap power, high quality of life (2)		Update Industrial Lands Survey	Develop renewable energy resources for heat and power generation
Quality of life, Attractiveness of area	Our clear skies in the county – possibility to promote aerospace science	Quality of life, low cost of living, some of the utility rates are lowest in state		
“Flattening” of the world; “place” is less important than it used to be		High unemployment plus high federal land equals a unique opportunity for us? (enterprise zone)		lowest power rates in California
Redding/Shasta continues to strengthen itself as a regional hub (retail and services)				
Growing entrepreneurial and young subset within the community unlike anything we’ve seen; generation “entrepreneur”; technology resources are readily available to this subset of the community	- Training and technical assistance for businesses – across different sectors and sizes; build upon what we have (3) - Economic gardening (2) - Focus on new industries - Incentives for business - Work w existing businesses to ID value added opp	Workforce training for businesses coming in (not necessarily unique to our county; other regions/state have access to same resources)		Enhance networking system for business development/assistance resources
Migration of 20-year-olds into the area				

## CEDS Stakeholder Input Commercial and Industrial

SHASTA	SISKIYOU	TRINITY	MODOC
<p>Natural resources of the area. Question: is there a natural resource opportunity within the area that we're simply not looking at close enough or differently? Gold? Timber?</p> <p>Regional vision and expectations; resistance to growth Local vs. global mindset</p>	<p>- "What do we have here? What can we add?" - Specialty manufacturing (art, health food, outdoor equipment, etc.) - Database of manufacturing cottage industries</p> <p>Biomass and green energy wood, water – value-added opportunities</p>	<p>Reignite our entrepreneurial spirit in the county</p>	<p>Expand business loan resources, including marketing and coordinated promotion</p> <p>Better utilize wealth of natural resources benefiting all industry sectors, including tourism</p>
<p>Challenges:</p> <p>Supply of capital</p> <p>High-tech infrastructure "not there" yet</p> <p>Loss of Redevelopment Area designations Geographic polarity within the county Lack of knowledge and planning regulations regarding "cutting edge" technology, green building practices, etc.</p>	<p>Challenges:</p> <p>Financing Availability of money, tools, and resources Overall financial markets in this economy; people are a little cautious to invest</p> <p>Lack of "ready" industrial space Lack of developed infrastructure (3) Lack of infrastructure – limited waste water treatment capacity in some communities</p> <p>Permitting process for niche manufacturing</p>	<p>Reignite entrepreneurial strategy and spirit</p> <p>Promote realistic business opportunities that are a good match for the c</p> <p>Challenges:</p> <p>Other states have incentives we don't have Availability of professional services Ownership and management of land; can't use federal land as collateral Access to capital</p> <p>Possibly insufficient internal demand Overall infrastructure and transportation challenges</p>	<p>Challenges:</p>



**CEDS Stakeholder Input  
Commercial and Industrial**

**SHASTA**

Regulatory process in CA

Regional vision and expectations; resist to growth

**SISKIYOU**

Environmental Regulations

Focus on new industries vs. legislating old industries

Municipality readiness  
NIMBYism

**TRINITY**

Realtor opportunities when provided with the right information

Create the right strategy: grow from within county (plus retention) plus bringing in companies from outside

**MODOC**

## CEDS Stakeholder Input Commercial and Industrial

### SHASTA

Local vs. global mindset

### SISKIYOU

Lack of an entrepreneurial mindset; not interested in going beyond a cottage industry  
Lack of market motivation regarding sales/rental of land

### TRINITY

Availability of professional services

### MODOC

#### Industrial - transportation Opportunities:

Strong transportation corridor; rail, freeway; half-way between Mexico and Canada; Good logistical access

Big enough airport

#### Industrial - transportation Opportunities:

Location on I-5

Better rail uses

Airports

Internet leads to opportunities

Telecommuting

#### Industrial - transportation Opportunities:

#### Industrial - transportation Opportunities:

#### Challenges:

Distance from large markets; increased cost of transportation – supplies in / product out  
Distribution; weather limiting road conditions, timing, reliability  
Airports

Limited scheduled service at regional airport in Redding, no scheduled service elsewhere

Limited or no FBO service at other airstrips outside of Redding.

Rail – unreliable route to Oregon

Broadband / internet – communication infrastructure/capacity limitations

#### Challenges:

Overall infrastructure and transportation challenges

#### Challenges:

Lack of access to high speed web infrastructure throughout county although it is improving

## CEDS Stakeholder Input Commercial and Industrial

	<b>SHASTA</b>	<b>SISKIYOU</b>	<b>TRINITY</b>	<b>MODOC</b>
<b>Industrial - work force Opportunities:</b>	<p>Technical programs at the college</p>	<p>Industrial - work force Opportunities:</p>	<p>Industrial - work force Opportunities:</p>	<p>Industrial - work force Opportunities:</p>
Ample work force			<p>Workforce training for businesses coming in (not necessarily unique to our county; other regions/state have access to same resources)</p>	
Educated/trained work force	<p>Can build upon what we already have, especially regarding the existing workforce</p> <p>Training opportunities</p>	<p>Specific training services and opportunities available; a trainable workforce</p>		
			<p>Identify talent pools we have and leverage/support them</p>	
<b>Challenges:</b>				
Educated/trained work force	<p><b>Challenges:</b></p> <p>Educational training/collaboration with industry</p>	<p><b>Challenges:</b></p> <p>Workforce infrastructure (3)</p> <p>Number with industrial and technical skills limited</p> <p>Lack of skilled workforce (4)</p> <p>Linking existing human assets</p>	<p><b>Challenges:</b></p> <p>Significant industrial land (Hayfork) is available but limited access primarily due to landowner resistance</p> <p>Breaking a workforce/unemployment cycle</p> <p>Workforce readiness – oldest county in the state</p> <p>Disconnect between “economic cluster” training and reality of employment available in Trinity County</p>	<p><b>Challenges:</b></p>
<b>Industrial - Community/Other Opportunities:</b>	<p>Medical getting better</p> <p>Communication across the county will strengthen existing strategies</p> <p>Jurisdictions are interested but they're overworked – an opportunity there</p> <p>Provide more info, data, and education regarding how to grow more value-added businesses</p>	<p><b>Industrial - Community/Other Opportunities:</b></p> <p>Ability to leverage other partners and counties</p>	<p><b>Industrial - Community/Other Opportunities:</b></p>	<p><b>Industrial - Community/Other Opportunities:</b></p>

**CEDS Stakeholder Input  
Commercial and Industrial**

**SHASTA**

Challenges:

**SISKIYOU**

Challenges:

- Medical getting better but still a challenge
- Collaborations across community /sectors
- Willing jurisdictions
- Losing 31-45 year-olds
- Technology – lack of uniform broadband access

**TRINITY**

Challenges:

- Maintaining local business after incubated
- Sufficient affordable housing for a large influx of people

**MODOC**

Challenges:



## CEDS Stakeholder Input

### Agriculture MODOC

<b>SHASTA</b>	Local foods movement Agritourism; events, weddings Permanent farmers market USDA Slaughter	<b>TRINITY</b>	Local foods Wineries Agritourism
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<b>SISKIYOU</b>	There's a new focus on this sector Community service agriculture (CSA) Organics (2) Farm-to-market Hands-on-tourism Potential wineries/breweries Dairy/beef "organics/premium" Open airs available Demonstration projects Need a fast-frozen facility Need a USDA inspected beef slaughter plant Linking producers to families more directly Marketing needs to be aligned across county-wide
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**Challenges:**  
USDA Slaughter

**Challenges:**  
Distribution (3)  
Lack of access to the sales and marketing channels  
Entrenched ag practices

**General Agriculture:**  
Opportunities:

**General Agriculture:**  
Opportunities:

International collaboration  
Need ability to penetrate markets  
Sales and service – ancillary businesses

Local foods  
Wineries  
Agritourism

There's an interest in ag among our youth, but their interests tend to be different than the ideas sometimes entrenched within the ag community

## CEDS Stakeholder Input

### Agriculture MODOC

SHASTA	SISKIYOU	TRINITY
<p><b>Challenges:</b></p>	<p><b>Challenges:</b> Weather – short growing season No fast-frozen facility No beef processing plant Limited ability to penetrate established institutional markets</p>	<p><b>Challenges:</b></p>
<p><b><u>Work Force:</u></b> <b>Opportunities:</b></p>	<p><b><u>Work Force:</u></b> <b>Opportunities:</b> Lots of experienced workers (also with timber) Professional development for teachers to update them on the latest . . .</p>	<p><b><u>Work Force:</u></b> <b>Opportunities:</b></p>
<p><b>Challenges:</b></p>	<p><b>Challenges:</b></p>	<p><b>Challenges:</b></p>
<p><b><u>Community / Other:</u></b> <b>Opportunities:</b></p>	<p><b><u>Community / Other:</u></b> <b>Opportunities:</b> Deep tradition in county; “We’ve Got Cows and Timber”  There’s an interest in ag among our youth, but their interests tend to be different than the ideas sometimes entrenched within the ag community</p>	<p><b><u>Community / Other:</u></b> <b>Opportunities:</b></p>
<p><b>Challenges:</b></p>	<p><b>Challenges:</b> Mindset regarding development, public readiness for open discussion Private owners not always interested in selling and/or developing Lack of existing knowledge base as people have moved on and sector changed</p>	<p><b>Challenges:</b></p>

## **CEDS Stakeholder Input**

**Agriculture**  
**MODOC**

**SHASTA**

**SISKIYOU**

Traditional thoughts toward ag (cattle and alfalfa, for example)

**TRINITY**



## CEDS Stakeholder Input

### TIMBER RESOURCES - WOOD PRODUCTS MFG

SHASTA	SISKIYOU	TRINITY	MODOC
<p><b>Opportunities</b></p> <p>PG&amp;E Bankruptcy and stewardship council</p> <p>Pine cones – other small businesses that we don't typically think about when we</p>	<p><b>Opportunities</b></p> <p>Lots of biomass available</p> <p>Lack of ability to penetrate markets</p> <p>Need to rethink the emphasis we place on timber as its own sector given that it has changed so significantly</p> <p>College of Siskiyou – Natural Resource program is a draw to the area</p> <p>Biomass opportunities?</p>	<p><b>Opportunities</b></p> <p>Federal land management and ownership</p>	<p><b>Opportunities</b></p> <p>Federal land management and ownership</p>

Challenges	Challenges	Challenges	Challenges
<p>Federal land management and ownership</p>	<p>New forest plan; regulations (2)</p> <p>Environmental challenges (2)</p> <p>Economy – poor market (housing)</p> <p>Mature market – second growth</p> <p>Primarily government-owned timber land</p> <p>Wages</p> <p>Industry is changing; how to know where it is going</p> <p>Sector strongly tied to state funding (harvest plans, fire?)</p>	<p>Federal land management and ownership</p>	<p>Federal land management and ownership</p>

## CEDS Stakeholder Input

### Retail/Service

SHASTA	SISKIYOU	TRINITY	MODOC
<p><b>Opportunities:</b> Local growth/development of small business/economy</p> <p>Freeway business access; strategic use of the hours that traffic flows through area</p>	<p><b>Opportunities:</b> Ag support businesses</p> <p>Marketing of current businesses</p> <p>Business Improvement District (BID)</p> <p>Financial services and other businesses that can support telecommuting options</p> <p>Internet-based businesses</p> <p>Internet can impact this sector; podcasts for small business</p> <p>Health services</p> <p>Work / life living situations</p>	<p><b>Opportunities:</b> Business retention including training on customer service and hospitality</p> <p>Shop local attitude coupled with a can-do spirit</p>	<p><b>Opportunities:</b> Downtown revitalization - Alturas, then Adin and Cedarville</p>
<b>Challenges:</b>	<p>Greater variety outside Siskiyou</p> <p>Lack of discretionary income</p> <p>Site location challenges</p> <p>Size of population</p> <p>Not enough customers</p> <p>Cash flow</p> <p>Labor force</p> <p>Trained workforce that is job-ready</p> <p>Sales tax leakage to Oregon (2)</p>	<b>Challenges:</b>	

## CEDS Stakeholder Input TOURISM - RECREATION

SHASTA	SISKIYOU	TRINITY	MODOC
<p><b>Opportunities:</b></p> <p>River opportunities and development</p> <p>Shasta Lake; houseboat; better activities for development</p> <p>Bicycle trail infrastructure</p> <p>Key item: view and market our community as a destination area and not some place to drive through</p>	<p><b>Opportunities:</b></p> <p>Treat it as its own sector/industry</p> <p>A general plan regarding tourism</p> <p>Tule Lake – clean / birding</p> <p>Tourism advocates want more outreach re: county (2)</p>	<p><b>Opportunities:</b></p> <p>Ruth Lake – Seasonal employment and business</p> <p>Off-season opportunities and places to stay; Caltrans support</p> <p>Marketing to the rest of the world</p>	<p><b>Opportunities:</b></p> <p>Enhance and revitalize visual appearance of community downtowns to stimulate commerce and tourism activity</p> <p>Increase TOT in the county - dedicated to tourism mktg and ec development</p> <p>Develop a marketing strategy for state-wide and western US.</p> <p>Develop a specific marketing strategy for each type of tourism/recreation, ie: birding, start gazing, wilderness packing, hunting, etc.</p>
<p>Sundial Bridge</p> <p>Govt.-run tourist destinations (the dam, Whiskeytown) could use better marketing and not just signs on the freeway</p> <p>Using technology (such as QR codes) to market our selves better</p> <p>Specialized river lodging opportunities</p>	<p>Ecotourism</p> <p>"Big Fish" types of tourism marketing: need to market the "whole package" of the county</p> <p>Pacific Crest Trail</p> <p>Tourism Business Improvement Dist</p> <p>Wilderness Guide companies</p> <p>Wilderness experiences</p> <p>"We've Got it All"</p> <p>Welcome Center possibility</p>	<p>Cross-country</p> <p>Federal land management and ownership</p> <p>Agritourism</p> <p>Fishing (off-season especially)</p>	<p>Improve parking for trucks, buses and RVs in town (traveler friendly down town)</p> <p>Better utilize wealth of natural resources benefiting all industry sectors, including tourism</p>

Challenges:	Challenges:	Challenges:	Challenges:
<p>What if we're too successful?</p> <p>Finding the right balance between promoting tourism and retaining the special qualities that the county has</p>	<p>Federal land management and ownership</p> <p>Marketing to the rest of the world</p>	<p>How to increase utilization of resources with out damaging or losing environment qualities, community character and other resource values</p>	

## CEDS Stakeholder Input LEADERSHIP

SHASTA Opportunities:	SISKIYOU Opportunities:	TRINITY Opportunities:	MODOC Opportunities:
Vested interest of local people; they've been here a long time	Ford Family Foundation – asset to county	Federal land management and ownership	Enhance networking system for business development/assistance resources
New youth leadership in local government	Shasta Regional and McConnell	Transition to new/younger leaders and systems for mentoring	Create a new chapter of SCORE
Leadership Academy (existing)	Alignment	Build on what's successful and why; who's successful (La Grange)	Expand cooperation/collaboration with Native American Economic Development Programs
Reinvigoration of the Shasta Biz Group	Coops / Collaboration	County and regional collaboration done right	
Collaboration across the county		Build upon our relationships	
Tax sharing across the area	Crafting of a long-range, multiple-year plan that sustains political change	Clarified identity for the county (image and brand)	
Greater interest in collaboration now due to the challenging economic climate; there is a re-focus on regional resources	Facilitated/stronger group forums for discourse; pull from those people that aren't always participating		
	Redistricting of supervisor districts?		
	Willing to use technology in the processes		
	Regular economic development "training" that is consistent for all local leaders		
	<b>Challenges:</b>	<b>Challenges:</b>	<b>Challenges:</b>
	Limited pool of leadership across county	mentoring	
Collaboration across the county	Strong desire to NOT work together (territorial? personality?)	Build on what's successful and why; who's successful (La Grange)	
	Staff turnover		
	Mentioned in the other sections: leaders need to promote strong, collaborative discourse over a long period of time; change the culture of leadership and collaboration	Clarified identity for the county (image and brand)	
	Lack of clarity re: roles / responsibilities of council/staff	Fragmented economic sectors; duplication of services	

**CEDS Stakeholder Input  
COMMUNITY - GOVERNMENT**

SHASTA	SISKIYOU	TRINITY	MODOC
<p><b>Opportunities:</b> Coordinate efforts of the nonprofit community; there is a large number of nonprofits within the community</p>	<p><b>Opportunities:</b> Gap between microenterprise support and a more established business</p>	<p><b>Opportunities:</b> Federal land management and ownership</p>	<p><b>Opportunities:</b> Create a data base and website listing and web link for all businesses in Modoc County</p>
<p>Coordination of loan programs</p>	<p>Fragmented economic sectors; duplication of services</p>	<p>Improve/expand medical services</p>	<p>Explore developing a Modoc County Community Foundation or partnering with a regional foundation (Shasta Regional Community Foundation; Friends of the Library).</p>

Challenges:	Challenges:	Challenges:	Challenges:
<p>Little follow-up or follow through within community</p>	<p>Federal land management and ownership</p>	<p>Federal land management and ownership</p>	<p>Challenges:</p>
<p>Small staffs</p>	<p>Fragmented economic sectors; duplication of services</p>	<p>County and regional collaboration done right</p>	<p>Challenges:</p>
<p>Turnover of politicians and staff</p>	<p>County and regional collaboration done right</p>	<p>Challenges:</p>	<p>Challenges:</p>

## **CEDS Stakeholder Input PARKED IDEAS**

### **Shasta:**

### **Siskiyou:**

1. Consider reformatting the CEDS with different sectors such as placing timber into “natural resources”
2. Create regional economic development metrics that are reflective of overall state of economy
3. Review the Prosperity Network in Humboldt as a possible example of long-range economic planning
4. Touch base with Mike Matheson at Siskiyou Union High School District to get additional youth/educational insights (530-926-3006)

### **Trinity:**

Leverage new/appropriate market opportunities (such as local food and developing a renewable energy development plan (regional))

Funding for marketing Trinity County

Customer service training

Incentivize performance on the plan, whatever the plan looks like

Put simple framework for accountability and performance in place regarding the plan (identify who is responsible, due dates, use of MOUs, etc.)

## **APPENDIX B: Economic Profiles**

# Regional Economic and Demographic Profile

Modoc, Shasta, Siskiyou,  
and Trinity Counties



Center for Economic Development  
California State University, Chico  
Chico, CA 95929-0765  
Phone: (530) 898-4598  
Fax: (530) 898-4734  
[www.cedcal.com](http://www.cedcal.com)



### Population

Year	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
2000	9,445	162,889	44,281	13,031	229,646
2001	9,473	165,590	44,331	12,961	232,355
2002	9,417	168,304	44,331	13,061	235,113
2003	9,456	170,782	44,491	13,273	238,002
2004	9,556	172,729	44,691	13,453	240,429
2005	9,595	173,862	44,865	13,654	241,976
2006	9,614	174,747	44,918	13,806	243,085
2007	9,615	175,546	44,877	13,806	243,844
2008	9,607	176,240	44,952	13,759	244,558
2009	9,628	176,756	44,996	13,750	245,130
2010	9,666	177,248	44,962	13,811	245,687
2011	9,599	177,516	44,839	13,738	245,692
2012	9,566	177,823	44,639	13,722	245,750

Source: California Department of Finance, Demographic Research Unit

121 14,934 358 691 16,100 growth  
 1.3% 9.2% 8.0% 5.3% 7.0% growth

### Population by Age, 2010

Age Range	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
Under 5 years	545	10,268	2,473	618	13,904
5 to 17 years	1,579	29,384	6,852	1,902	39,717
18 to 24 year:	613	15,989	3,219	815	20,636
25 to 39 year:	1,410	29,155	6,416	1,935	38,916
40 to 54 year:	2,000	36,954	9,307	3,050	51,311
55 to 64 year:	1,634	25,506	7,851	2,697	37,688
65 to 74 year:	1,108	16,551	4,941	1,674	24,274
75 to 84 year:	570	9,446	2,689	837	13,542
85 years and +	227	3,970	1,152	258	5,607

Source: U.S. Census Bureau, Census 2010

### Population by Race/Ethnicity, 2010

	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
White	7,649	146,044	35,683	11,518	200,894
Hispanic or Latino	1,342	14,878	4,615	959	21,794
American Indian	293	4,162	1,549	558	6,562
Black or African American	77	1,438	552	45	2,112
Asian	70	4,297	528	93	4,988
Native Hawaiian and Pacific Islander	21	232	69	16	338

Source: U.S. Census Bureau, Census 2000 and Census 2010

### Labor Force

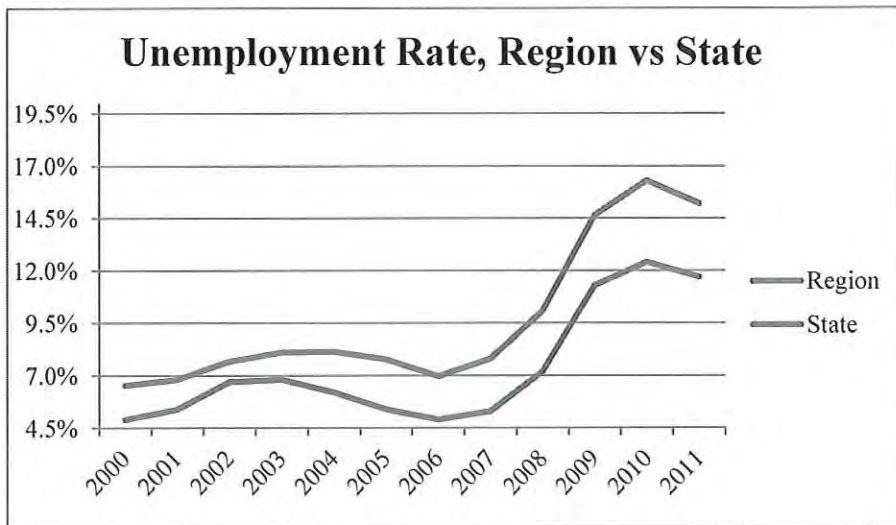
Year	Modoc County	Shasta County	Siskiyou County	Trinity County	Region	State
2000	3,750	74,800	19,140	5,110	102,800	16,857,600
2001	3,910	77,600	18,980	5,390	105,880	17,152,100
2002	4,120	81,700	19,100	5,420	110,340	17,343,600
2003	4,230	83,000	19,360	5,420	112,010	17,390,700
2004	4,070	82,800	19,050	5,260	111,180	17,444,400
2005	4,010	81,900	18,690	5,180	109,780	17,544,800
2006	3,990	82,700	18,640	5,070	110,400	17,686,700
2007	3,900	82,700	18,820	5,030	110,450	17,928,700
2008	3,940	82,600	19,210	4,850	110,600	18,191,000
2009	4,050	84,100	19,650	4,990	112,790	18,204,200
2010	4,150	83,900	18,970	5,070	112,090	18,176,200
2011	3,910	83,500	19,830	5,060	112,300	18,384,900

Source: California Employment Development Department, Labor Market Information Division

### Unemployment Rate

Year	Modoc County	Shasta County	Siskiyou County	Trinity County	Region	State
2000	7.5%	6.1%	7.5%	9.8%	6.5%	4.9%
2001	6.9%	6.3%	8.1%	9.3%	6.8%	5.4%
2002	7.9%	7.2%	8.9%	10.1%	7.7%	6.7%
2003	8.7%	7.6%	9.5%	10.5%	8.1%	6.8%
2004	8.8%	7.6%	9.5%	11.0%	8.1%	6.2%
2005	8.0%	7.3%	9.1%	10.3%	7.8%	5.4%
2006	7.7%	6.6%	8.0%	9.9%	7.0%	4.9%
2007	8.0%	7.5%	8.5%	10.4%	7.8%	5.3%
2008	9.6%	10.0%	10.1%	12.7%	10.1%	7.2%
2009	12.4%	14.7%	14.6%	17.1%	14.6%	11.3%
2010	14.1%	16.0%	17.6%	18.7%	16.3%	12.4%
2011	14.9%	14.7%	16.6%	17.8%	15.2%	11.7%

Source: California Employment Development Department, Labor Market Information Division



### Median Household Income (Nominal)

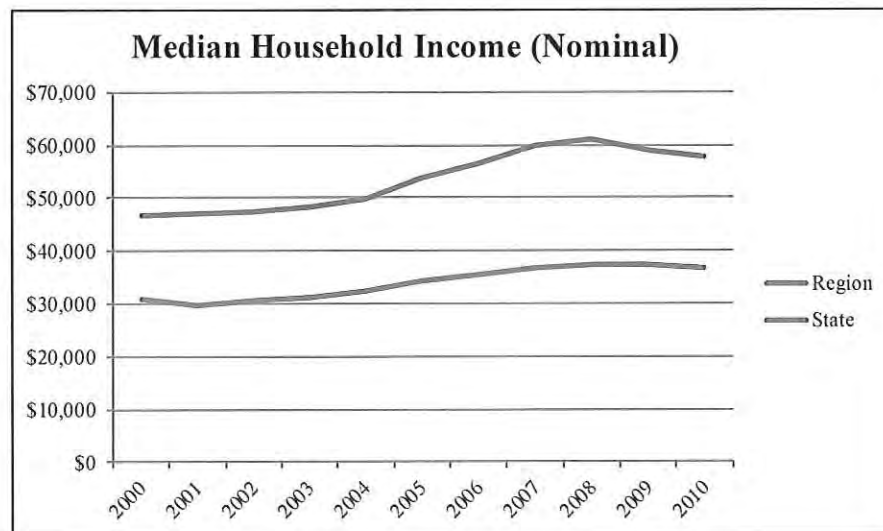
Year	Modoc County	Shasta County	Siskiyou County	Trinity County	Region	State
2000	\$28,859	\$34,991	\$30,589	\$28,752	\$30,798	\$46,836
2001	\$27,893	\$34,235	\$29,720	\$27,464	\$29,828	\$47,064
2002	\$28,072	\$35,374	\$30,285	\$28,170	\$30,475	\$47,323
2003	\$28,533	\$36,478	\$31,165	\$29,063	\$31,310	\$48,440
2004	\$29,526	\$37,696	\$32,531	\$30,307	\$32,515	\$49,894
2005	\$29,506	\$41,254	\$35,039	\$31,434	\$34,308	\$53,627
2006	\$31,610	\$42,813	\$34,329	\$33,070	\$35,456	\$56,646
2007	\$33,713	\$41,980	\$35,692	\$35,439	\$36,706	\$59,928
2008	\$35,319	\$42,362	\$36,823	\$34,726	\$37,308	\$61,017
2009	\$34,290	\$42,552	\$39,218	\$33,546	\$37,402	\$58,925
2010	\$34,579	\$41,058	\$36,001	\$35,207	\$36,711	\$57,664

Source: U.S. Department of Commerce, Bureau of the Census, Small Area Income and Poverty Estimates

### Fair Market Rent, 2012

Year	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
0-Bedroom	\$404	\$595	\$469	\$512	\$495
1-Bedroom	\$446	\$693	\$563	\$537	\$560
2-Bedroom	\$584	\$843	\$720	\$705	\$713
3-Bedroom	\$832	\$1,230	\$1,025	\$967	\$1,014
4-Bedroom	\$864	\$1,482	\$1,056	\$1,073	\$1,119

Source: U.S. Department of Housing and Urban Development



### Educational Attainment, Average from 2006-2010

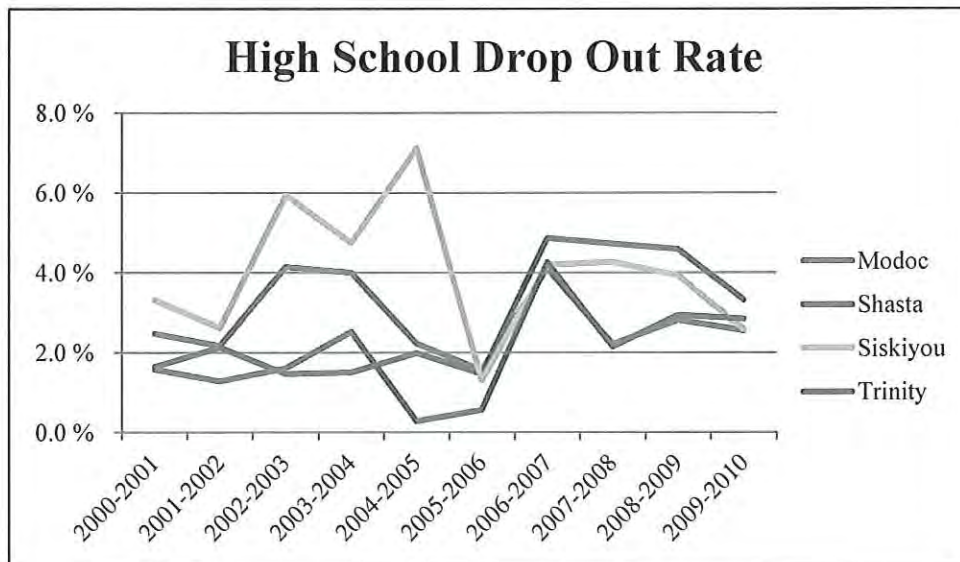
	Modoc County	Shasta County	Siskiyou County	Trinity County	Region	State
Less than 9th grade	411	3,549	1,222	282	5,464	2,573,757
9th to 12th grade, no diploma	760	12,864	2,979	869	17,472	2,652,542
High school graduate or equivalent	2,217	37,741	9,829	3,313	53,100	6,201,405
Some college, no degree	2,327	43,899	10,741	3,517	60,484	6,522,874
Associate's degree	646	13,347	3,239	1,073	18,305	1,987,408
Bachelor's degree	882	17,028	5,075	1,624	24,609	4,805,945
Graduate or professional degree	233	7,772	2,390	415	10,810	2,568,030

Source: U.S. Bureau of the Census, 2006-2010 ACS

### High School Drop Out Rate

Year	Modoc County	Shasta County	Siskiyou County	Trinity County	State
2000-2001	2.5 %	1.7 %	3.3 %	1.6 %	2.8 %
2001-2002	2.2 %	2.1 %	2.6 %	1.3 %	2.7 %
2002-2003	4.2 %	1.5 %	5.9 %	1.6 %	3.1 %
2003-2004	4.0 %	1.5 %	4.8 %	2.5 %	3.2 %
2004-2005	2.2 %	2.0 %	7.1 %	0.3 %	3.0 %
2005-2006	1.6 %	1.5 %	1.3 %	0.6 %	3.3 %
2006-2007	4.1 %	4.9 %	4.2 %	4.3 %	5.5 %
2007-2008	2.2 %	4.7 %	4.3 %	2.1 %	4.9 %
2008-2009	2.8 %	4.6 %	3.9 %	2.9 %	5.7 %
2009-2010	2.6 %	3.3 %	2.6 %	2.8 %	4.6 %

Source: California Department of Education



**Cause of Death as a Percentage of Total Deaths, 2009**

Year	Modoc County	Shasta County	Siskiyou County	Trinity County	State
Heart Disease	18.3 %	24.3 %	24.5 %	23.0 %	25.4 %
Cancer	20.0 %	24.6 %	24.1 %	32.9 %	24.1 %
Stroke	5.0 %	5.3 %	4.9 %	1.9 %	5.8 %
Pulmonary Disease	10.0 %	7.8 %	6.2 %	5.6 %	5.6 %
Accidents	6.7 %	7.0 %	6.7 %	6.8 %	4.6 %
Alzheimers	2.5 %	3.3 %	2.5 %	1.2 %	4.3 %
Diabetes	0.8 %	1.4 %	3.1 %	0.6 %	3.0 %
Pneumonia & Influenza	2.5 %	1.4 %	1.5 %	3.1 %	2.7 %
Cirrhosis	3.3 %	1.4 %	2.2 %	2.5 %	1.8 %
Suicide	1.7 %	1.9 %	2.5 %	1.9 %	1.6 %
All other causes	29.2 %	21.5 %	21.8 %	20.5 %	21.2 %

Source: California Department of Public Health

**Total Harvested Acreage by County**

Year	Modoc		Shasta		Siskiyou		Trinity	
	Total Acres Harvested	Percent of Land Area	Total Acres Harvested	Percent of Land Area	Total Acres Harvested	Percent of Land Area	Total Acres Harvested	Percent of Land Area
2000	733,716	29.1 %	485,721	20.1 %	778,879	19.4 %	106,976	5.3 %
2001	445,618	17.7 %	487,575	20.1 %	770,474	19.1 %	106,976	5.3 %
2002	455,401	18.0 %	487,547	20.1 %	778,723	19.4 %	106,976	5.3 %
2003	456,306	18.1 %	488,118	20.1 %	782,000	19.4 %	108,758	5.3 %
2004	459,069	18.2 %	488,859	20.2 %	786,412	19.5 %	108,758	5.3 %
2005	459,248	18.2 %	488,950	20.2 %	758,680	18.9 %	108,758	5.3 %
2006	459,175	18.2 %	488,743	20.2 %	774,726	19.3 %	108,777	5.3 %
2007	457,473	18.1 %	489,474	20.2 %	763,042	19.0 %	108,758	5.3 %
2008	456,465	18.1 %	489,428	20.2 %	769,791	19.1 %	108,758	5.3 %
2009	456,465	18.1 %	489,720	20.2 %	796,312	19.8 %	108,758	5.3 %
2010	456,419	18.1 %	487,410	20.1 %	780,441	19.4 %	109,324	5.4 %

Source: California Agricultural Statistics Service, California Department of Finance

inhs / industries

**County Earnings by Industry, 2009 (in Millions)**

Industry Sector	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
Farm earnings	\$ 39.0	\$ 27.7	\$ 46.4	\$ 1.0	\$ 114.2
Forestry, fishing, and related activities	\$ 6.3	\$ 0	\$ 0	\$ 0	\$ 6.3
Mining	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Utilities	\$ 0	\$ 54.7	\$ 0	\$ 0.2	\$ 54.9
Construction	\$ 0	\$ 243.9	\$ 41.6	\$ 6.8	\$ 292.3
Manufacturing	\$ 0	\$ 137.6	\$ 46.1	\$ 8.6	\$ 192.4
Wholesale trade	\$ 4.8	\$ 102.3	\$ 19.0	\$ 0	\$ 126.1
Retail trade	\$ 10.3	\$ 357.8	\$ 57.8	\$ 11.9	\$ 437.8
Transportation and warehousing	\$ 0	\$ 169.0	\$ 0	\$ 0	\$ 169.0
Information	\$ 0	\$ 44.7	\$ 19.2	\$ 1.3	\$ 65.2
Finance and insurance	\$ 2.2	\$ 127.6	\$ 14.3	\$ 2.2	\$ 146.3
Real estate and rental and leasing	\$ 1.3	\$ 29.2	\$ 8.5	\$ 1.7	\$ 40.7
Professional, scientific, and tech services	\$ 0	\$ 183.6	\$ 24.3	\$ 5.7	\$ 213.5
Management of companies & enterprises	\$ 0	\$ 34.2	\$ 5.3	\$ 0	\$ 39.4
Administrative and waste services	\$ 0	\$ 112.3	\$ 15.4	\$ 1.1	\$ 128.8
Educational services	\$ 0	\$ 27.4	\$ 2.2	\$ 0	\$ 29.6
Health care and social assistance	\$ 0	\$ 688.7	\$ 97.9	\$ 0	\$ 786.6
Arts, entertainment, and recreation	\$ 0	\$ 32.2	\$ 6.0	\$ 1.6	\$ 39.8
Accommodation and food services	\$ 0	\$ 124.6	\$ 33.9	\$ 5.8	\$ 164.2
Other services, except public admin	\$ 8.4	\$ 184.7	\$ 37.6	\$ 11.9	\$ 242.5
Government and government enterprises	\$ 71.8	\$ 806.7	\$ 242.1	\$ 75.1	\$ 1,195.7
Value of withheld "(D)" employment	\$ 32.1	\$ 48.8	\$ 56.1	\$ 13.1	\$ 150.2
<b>Total Earnings by Place of Work</b>	<b>\$176.2</b>	<b>\$3,537.7</b>	<b>\$773.7</b>	<b>\$148.0</b>	<b>\$4,635.6</b>

Source: U.S. Department of Commerce, Bureau of Economic Analysis

### County Government Revenue

Year	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
2001-02	\$ 29,501,372	\$ 214,330,355	\$ 81,511,817	\$ 34,592,902	\$ 359,936,446
2002-03	\$ 24,208,482	\$ 260,954,956	\$ 77,890,751	\$ 34,680,304	\$ 397,734,493
2003-04	\$ 21,963,799	\$ 212,876,661	\$ 75,280,988	\$ 36,537,918	\$ 346,659,366
2004-05	\$ 24,202,155	\$ 229,675,452	\$ 85,620,957	\$ 40,753,198	\$ 380,251,762
2005-06	\$ 25,528,869	\$ 248,346,734	\$ 84,567,518	\$ 39,120,146	\$ 397,563,267
2006-07	\$ 24,817,645	\$ 254,522,330	\$ 88,817,575	\$ 41,516,562	\$ 409,674,112
2007-08	\$ 25,887,517	\$ 271,196,633	\$ 93,931,736	\$ 47,570,086	\$ 438,585,972
2008-09	\$ 32,742,700	\$ 261,382,273	\$ 104,683,773	\$ 44,025,974	\$ 442,834,720

Source: California State Controllers Office, County Annual Reports

### County Government Revenue, Fiscal Year 2008-2009

Revenue Source	Modoc County	Shasta County	Siskiyou County	Trinity County	Region
State Funding	\$ 16,817,135	\$ 112,567,989	\$ 47,212,391	\$ 17,765,659	\$ 194,363,174
Property Taxes	\$ 3,828,517	\$ 40,599,741	\$ 15,341,495	\$ 5,082,538	\$ 64,852,291
Federal Funding	\$ 7,472,636	\$ 64,575,830	\$ 26,820,413	\$ 13,139,872	\$ 112,008,751
Charges for Current Services	\$ 1,662,938	\$ 21,173,276	\$ 6,892,318	\$ 1,721,490	\$ 31,450,022
Taxes, Other than Property	\$ 328,992	\$ 5,967,969	\$ 2,110,760	\$ 1,210,923	\$ 9,618,644
Fines Forfeitures and Penalties	\$ 374,757	\$ 3,223,109	\$ 2,396,592	\$ 455,064	\$ 6,449,522
Liscenses Permits and Franchises	\$ 162,122	\$ 3,072,448	\$ 1,115,155	\$ 556,957	\$ 4,906,682
Govt. Other than State or Federal	\$ 27,159	\$ 710,740	\$ 33,501	\$ 221,319	\$ 992,719
Misc. and Other Financing Sources	\$ 1,577,601	\$ 5,995,271	\$ 1,150,862	\$ 3,490,619	\$ 12,214,353
From Use of Money and Property	\$ 120,611	\$ 3,030,031	\$ 1,588,291	\$ 381,533	\$ 5,120,466
Special Benefit Assesments	\$ 355,351	\$ 184,598	\$ 0	\$ 0	\$ 539,949
Transfers In	\$ 14,881	\$ 281,271	\$ 21,995	\$ 0	\$ 318,147
Total Funding	\$ 32,742,700	\$ 261,382,273	\$ 104,683,773	\$ 44,025,974	\$ 442,834,720

Source: California State Controllers Office, County Annual Reports

The data published in this document is the most recent and current data available as of July 31, 2012. For data updates beyond that date, please contact the CED at (530) 898-4598 or the sources listed under each table.

The data were collected directly from the official federal, state, and local government sources indicated. Accuracy of the data is the sole responsibility of the source organizations, and the CED accepts no liability for the actions taken based on the data published in this document. CED staff would be happy to discuss data accuracy and inclusion with you - please call Warren Jensen at (530) 898-4598.



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## Memorandum

**To:** Chris Williges and Dan Wayne  
**From:** Stephen Wahlstrom  
**Date:** September 21, 2012  
**Re:** North State Demographics

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This memorandum includes 20 tables that describe demographic and economic conditions within California, the North State Region, and the 16 individual counties that comprise the region. The data is organized to measure growth trends between 2000 and 2006, and then between 2006 to the most recent year with available data. This organization highlights the regional economic impacts of the recession, which officially started in late 2007, and the financial crises initiated by the Lehman Brothers collapse in September 2008. Individual spreadsheets with the calculations and data sources can be provided upon request.

The narrative below is not intended to be comprehensive, but simply describes a few key highlights that are summarized below.

### Demographics

The North State's population expanded at a 1.0 percent rate of growth between 1990 and 2000 compared to California's 1.3 percent annual growth rate. Growth rates slowed down between 2000 and 2006 with the North State expanding at a 0.9 percent annual growth rate and California expanding at a 1.1 percent annual growth rate. However, population growth in the North State has declined to a 0.2 percent annual growth rate since 2006 with seven counties experiencing an actual population decline (see Table 1).

Births, deaths and migration patterns provide further insight into the North State's demographic shifts. The North State's population growth was fueled by in-migration during periods of relatively strong growth (2000-2006). Domestic migration accounted for nearly 80 percent of the growth, with seven counties experiencing more deaths than births (see Table 2).

Population growth rates within the North State region stagnated after 2006 due to people migrating out of the region. Eleven of the 16 North State Counties experienced an out-migration of people. International migration comprised 13 percent of the North State's in-migration (see Table 3).

The North State region's median age is 41 years old compared to California's 34 year old median age. During the past decade California's median age expanded from 33 to 34 years

old, consistent with the general aging of the population. North State's population increased from 38 to 41 years old. Six North State counties have a median age of 45 years or older. Sierra County's median age is 50 years old (see Table 4).

North State demographics are dominated by Caucasians, who account for 75.1 percent of the population compared to only 40.1 percent of California's population. Hispanics comprise 14.7 percent of the North State's population compared to 37.6 percent of California's demographic mix. Other demographic groups collectively comprise less than 10 percent of the North State's population mix compared to 22.2 percent of California's population mix (see Table 5).

However, the North State is experiencing a significant ethnic demographic shift with no growth in the Caucasian population during the past decade. In contrast, Hispanics expanded at a 3.9 percent annual growth rate during the past decade, which exceeded California's 2.5 percent annual growth rate among Hispanics. Other ethnic groups (Asians, African Americans, American Indians, etc.) expanded within the North State region at a 1.6 percent annual growth rate consistent with California growth rates (see Table 6).

The North State region remains less diverse than California despite the changing demographics. Nearly 90 percent of North State households speak English as their primary in-home language compared to 57 percent of California households. Only 8 percent of North State households speak Spanish as their primary language compared to 29 percent of California households (see Table 7).

Education attainment is lower in the North State than in the California overall. Only 18 percent of North State adults have earned a College Degree or an advanced degree compared to 30 percent of California adults. Sixty-three (63) percent of North State residents have completed High School or attended some College compared to 51 percent of California residents. Nearly 20 percent of North State adults have not completed high school, which is very similar to the percent of California residents overall (see Table 8).

### **Employment, Income, and Housing Prices**

The most recent employment data indicates that the North State region has a 12.5 percent unemployment rate, which is higher than California's 10.9 percent unemployment rate. Nearly 60,000 people in the region are unemployed and seeking work. More significantly, the North State region has a 56 percent labor market participation rate, which lags far behind California's 65 percent labor market participation rate. This means that a larger percentage of people in the North State are students, homemakers, retired, disabled, incarcerated or discouraged workers. Counties with relatively high unemployment rates include Colusa (17.3 percent), Trinity (15.7 percent), Tehama (15.3 percent), Lake (14.7 percent) and Siskiyou (14.4 percent). Moreover, all sixteen North State counties have labor force participation rates well below California's 65 percent labor force participation rate (see Table 9).

Only 61 percent of North State workers receive wage and salary earnings compared to 75 percent of California's labor force. Self-employment accounts for 10 percent of earnings among North State's labor force. More significantly, 14 percent of North State's potential workforce relies on government transfer payments such as social security, disability, public

assistance and other transfer payments for their source of income. The relatively large percentage of people collecting government transfer payments accounts for the North State's low labor force participation rates. Individual counties that are very dependent on government transfer payments include Trinity (18 percent) as well as Del Norte, Modoc and Siskiyou at 16 percent (see Table 10).

Inflation-adjusted household incomes in the North State region declined from \$73,200 to \$64,600 between 2000 and 2006, compared to a \$5,900 expansion in California during the same period. North State incomes have collapsed since 2006, falling at an 8.6 percent annual rate to \$45,000 per household by 2012. California incomes also declined at an annual rate of 3.9 percent between 2000 and 2006 to \$79,500 per household, which is 75 percent higher than the North State's average household income (see Table 11).

Income distribution data provides additional insight into the decline of incomes within the North State region. Approximately 44 percent of North State households earned less than \$35,000 per year back in 2000, which was considerably higher than the percentage of California households that earned less than \$35,000 (see Table 12). However, households that earn less than \$35,000 expanded to 52 percent of all North State households by 2012. At the same time, the percentage of low-income households declined in California from 34 percent in 2000 to 28 percent in 2012. In addition, North State households earning more than \$100,000 declined from 12 percent in 2000 to 7 percent by 2012 (see Table 13).

Approximately 17 percent of North State households fall below federal poverty standards, compared to 14 percent of California households. Poverty rates expanded from 13 percent of households in 2000 to 17 percent of households in 2012. Poverty rates actually declined Sierra, Trinity and Siskiyou Counties between 2000 and 2010, and poverty rates remained stable in Nevada and Modoc Counties. In contrast, poverty rates in the Counties of Lake, Glenn, Mendocino, Tehama and Humboldt expanded more rapidly than the region's 4 percent average (see Table 14).

Housing prices are also an indicator of the North State's economic conditions as the North State's housing values more than doubled between 2000 and 2006, which allowed homeowners to borrow against rising values to offset the falling incomes. Conversely, housing prices fell by 50 percent between 2006 and 2012, which left many homeowners under water, and unable to borrow to offset falling household incomes since 2006. This phenomenon had a huge impact consumer spending and retail sales. North State housing values have held steady at about 60 percent of California's housing values (see Table 15).

### **Natural Resources**

The growth in the value of agricultural crops produced in the North State region has exceeded that of California overall. Fruits, vegetables and other ground crops expanded at a 2.6 percent annual growth rate between 2000 and 2006. Production value expanded at a 6.0 percent annual growth rate between 2006 and 2012. The value of livestock produced in the North State declined by an annual rate of 1.4 percent between 2000 and 2006. The decline accelerated to 2.6 percent between 2006 and 2009. The declines of livestock production were larger in the North State, but similar to California's trends, which also experienced a decline in livestock production (see Table 16).

Timber production continued to decline within the North State region over the past decade. The 2000 production level of 1.6 million board feet declined to 1.1 million board feet by 2011. The inflation adjusted value of the timber harvests declined even more rapidly, from \$995 million in 2000 to \$229 million by 2011. Currently North State accounts for 84 percent of California's timber production with production centered in the Counties of Humboldt, Siskiyou and Shasta (see Table 17).

The value of the North State's commercial fish catch expanded by a 4.4 percent annual growth rate between 2000 and 2006 while the annual value of California's fish catch declined by 3.8 percent. Patterns reversed between 2006 and 2011, as the California fish catch value expanded at an annual rate of 4.8 percent and the North State fish catch value declined at an annual rate of 9.0 percent. Moreover, fish landings declined from 43.8 million pounds caught in 2006 to 32.2 million pounds by 2011. North State ports account for 16.7 percent of California's fish landings with the fish catch centered in Del Norte, Humboldt and Mendocino Counties (see Table 18).

### **Taxable Sales**

Taxable sales receipts in California and the North State significantly declined following the 2007 recession and the 2008 financial crises. California's inflation adjusted taxable sales receipts declined at an average annual rate of -4.9 percent between 2006 and 2010, from \$420.8 billion in 2006 to \$326.8 billion in 2010. Taxable retail sales receipts in the North State were hit less hard, with a -4.2 percent annual of decline between 2006 and 2010. Areas hit especially hard by the economic downturn include the Counties of Modoc, Sierra, Plumas, Lassen, Siskiyou, Tehama, Shasta, Nevada and Butte. In contrast, the Counties of Glenn, Del Norte, Colusa, Lake and Trinity expanded their taxable retail sales, with Glenn County experiencing more than a 10 percent annual growth rate (see Table 19).

### **Tourism Industry**

Tourism accounts for nearly 900,000 jobs in California and nearly 33,300 jobs in the North State region. The significant trend factors are quantified in Table 20 and summarized below.

- Employment generated by tourism spending within the North State region held steady between 2000 and 2006 unlike California, which lost nearly 20,000 tourism jobs. Moreover, nearly 4,000 visitor-serving jobs were lost since 2006, which translates into a 2.7 percent annual rate of decline between 2006 and 2010. California's tourism industry was hit less hard by the recession with a 1.1 percent annual rate of employment decline.
- Total visitor spending suffered a similar \$200 million decline within the North State region between 2006 and 2010. This decline occurred in every County of the region except for Del Norte.
- Tourism businesses within the North State region lost \$55 million of industry earnings between 2006 and 2010. The decline occurred in 12 of the 16 individual counties, with the most dramatic declines in the Counties of Lassen and Lake.

**Table 1**  
**Population Growth Trends in North State: 1990 - 2012**

Geographic Area	1990	2000	2006	2012	Annual Growth Rate 1990-2000	Annual Growth Rate 2000-06	Annual Growth Rate 2006-12
California	29,760,021	33,873,086	36,116,200	37,678,600	1.3%	1.1%	0.7%
North State Region	888,845	983,350	1,035,700	1,048,100	1.0%	0.9%	0.2%
Counties							
Butte	182,120	203,171	214,700	221,300	1.1%	0.9%	0.5%
Colusa	16,275	18,804	20,700	21,700	1.5%	1.6%	0.8%
Del Norte	23,460	27,507	28,300	28,400	1.6%	0.5%	0.1%
Glenn	24,798	26,453	27,600	28,100	0.6%	0.7%	0.3%
Humboldt	119,118	126,518	132,000	134,600	0.6%	0.7%	0.3%
Lake	50,631	58,325	63,400	63,300	1.4%	1.4%	0.0%
Lassen	27,598	33,828	34,770	34,300	2.1%	0.5%	-0.3%
Mendocino	80,345	86,265	87,800	87,600	0.7%	0.3%	0.0%
Modoc	9,678	9,449	9,600	9,600	-0.2%	0.3%	-0.1%
Nevada	78,510	92,033	98,100	97,200	1.6%	1.1%	-0.2%
Plumas	19,739	20,824	20,800	19,700	0.5%	0.0%	-0.9%
Shasta	147,036	163,256	174,700	177,800	1.1%	1.1%	0.3%
Sierra	3,318	3,555	3,400	3,200	0.7%	-0.6%	-1.4%
Siskiyou	43,531	44,301	44,900	44,640	0.2%	0.2%	-0.1%
Tehama	49,625	56,039	61,000	63,200	1.2%	1.4%	0.6%
Trinity	13,063	13,022	13,800	13,700	0.0%	1.0%	-0.1%

Data Sources: California Department of Finance and the US Census

Analysis: Wahlstrom & Associates

Note: Red numbers represent negative values.

Table 2  
 Characteristics of Demographic Growth in the North State Region: 2000 - 2006

	1 July 2000	1 July 2006	Pop Increase 2000-06	Births 2000-06	Deaths 2000-06	Net Natural Increase 2000-06	Annual Rate of Natural Population Gains 2000-06	International Migration 2000-06	Domestic Migration 2000-06	Annual Rate of Domestic Migration 2000-06	Annual Rate of Int'l and Domestic Migration 2000-06	International Migration as a % of Net Migration 2000-06
California	34,000,840	36,246,820	2,245,990	3,233,120	1,407,390	1,825,730	0.9%	1,015,960	-595,710	-0.3%	0.5%	100%
North State Region	984,820	1,038,800	53,970	68,170	62,040	6,120	0.1%	6,030	41,820	0.7%	0.1%	13%
Counties												
Butte	203,450	215,680	12,240	14,180	13,290	880	0.1%	1,160	10,190	0.8%	0.1%	10%
Colusa	18,880	20,890	2,010	2,080	850	1,220	1.1%	600	190	0.2%	0.5%	76%
Del Norte	27,450	28,280	830	1,820	1,620	190	0.1%	120	520	0.3%	0.1%	19%
Glenn	26,560	27,730	1,180	2,500	1,410	1,090	0.7%	430	-340	-0.2%	0.3%	100%
Humboldt	126,660	132,230	5,560	8,980	7,400	1,580	0.2%	560	3,420	0.4%	0.1%	14%
Lake	58,480	63,790	5,310	3,970	4,760	-790	-0.2%	470	5,630	1.5%	0.1%	8%
Lassen	33,870	35,010	1,140	1,690	1,250	440	0.2%	70	630	0.3%	0.0%	10%
Mendocino	86,510	87,580	1,080	6,550	4,960	1,590	0.3%	770	-1,280	-0.2%	0.1%	100%
Modoc	9,510	9,640	130	470	620	-160	-0.3%	60	220	0.4%	0.1%	23%
Nevada	91,870	98,330	6,460	4,910	5,610	-700	-0.1%	360	6,800	1.2%	0.1%	5%
Plumas	20,650	20,710	60	1,020	1,280	-270	-0.2%	80	240	0.2%	0.1%	26%
Shasta	164,150	175,240	11,090	12,090	11,120	970	0.1%	750	9,370	0.9%	0.1%	7%
Sierra	3,620	3,420	-190	140	210	-70	-0.3%	20	-140	-0.6%	0.1%	100%
Siskiyou	44,380	44,890	510	2,670	3,090	-420	-0.2%	270	650	0.2%	0.1%	29%
Tehama	55,830	61,540	5,710	4,450	3,670	780	0.2%	280	4,650	1.3%	0.1%	6%
Trinity	12,960	13,820	860	650	880	-220	-0.3%	20	1,070	1.3%	0.0%	2%

Data Sources: California Department of Finance and US Census  
 Analysis: Wahlstrom & Associates  
 Note: Red numbers represent negative values.

Table 3  
 Characteristics of Demographic Growth in the North State Region: 2006 - 2011

	1 July 2006	1 July 2011	Pop Increase 2006-11	Births 2006-11	Deaths 2008-11	Net Natural Increase 2006-11	Annual Rate of Natural Population Gains 2006-11	International Migration 2006-11	Domestic Migration 2006-11	Annual Rate of Domestic Migration 2006-11	Annual Rate of International Migration 2006-11	International Migration as a % of Net Migration 2006-11
California	36,246,820	37,578,620	1,331,790	2,646,090	1,149,260	1,496,840	0.8%	734,060	-963,530	-0.5%	0.4%	100.0%
North State Region	1,038,800	1,049,400	10,600	59,630	51,460	8,170	0.2%	2,940	-3,560	-0.1%	0.1%	93.0%
Counties												
Butte	215,680	220,570	4,890	12,380	11,060	1,320	0.1%	660	1,730	0.2%	0.1%	30.8%
Colusa	20,890	21,560	670	1,760	660	1,090	1.0%	250	-980	-1.0%	0.5%	100.0%
Del Norte	28,280	28,520	240	1,730	1,290	440	0.3%	50	-480	-0.3%	0.1%	100.0%
Glenn	27,730	28,200	470	2,190	1,040	1,150	0.8%	180	-1,150	-0.8%	0.2%	100.0%
Humboldt	132,230	134,480	2,260	7,790	6,290	1,500	0.2%	200	780	0.1%	0.1%	19.7%
Lake	63,790	63,700	-90	3,580	4,000	-420	-0.1%	210	-160	-0.1%	0.1%	27.9%
Lassen	35,010	34,280	-730	1,600	1,030	570	0.3%	30	-2,140	-1.3%	0.0%	100.0%
Mendocino	87,580	87,670	80	5,550	4,060	1,490	0.3%	470	-1,920	-0.4%	0.2%	100.0%
Modoc	9,640	9,520	-120	570	340	220	0.5%	30	-100	-0.2%	0.1%	35.9%
Nevada	98,330	98,160	-180	4,010	4,400	-390	-0.1%	160	-160	0.0%	0.1%	71.5%
Plumas	20,710	19,770	-940	830	990	-160	-0.2%	20	-760	-0.7%	0.0%	100.0%
Shasta	175,240	177,680	2,440	10,650	9,830	810	0.1%	320	1,080	0.1%	0.1%	26.2%
Sierra	3,420	3,180	-240	120	140	-20	-0.1%	10	-170	-1.0%	0.1%	100.0%
Siskiyou	44,890	44,750	-140	2,310	2,590	-280	-0.1%	130	-50	0.0%	0.1%	53.4%
Tehama	61,540	63,800	2,260	4,000	2,940	1,070	0.3%	220	850	0.3%	0.1%	21.6%
Trinity	13,820	13,560	-270	580	780	-210	-0.3%	10	60	0.1%	0.0%	5.5%

Data Sources: California Department of Finance and the US Census

Analysis: Wahlstrom & Associates

Note: Red numbers represent negative values.

**Table 4**  
**Median Age Trends in California and the North State Counties: 2000-10**

Geographic Area	Median Age 2000	Median Age 2010	Percent Above State Median Age 2010	Change of Median Age 2000-10
California	33	34	n/a	1
North State Region	38	41	20.6%	3
<b>Counties</b>				
Butte	36	36	5.9%	0
Colusa	30	34	0.0%	4
Del Norte	36	38	11.8%	2
Glenn	33	34	0.0%	1
Humboldt	37	36	5.9%	-1
Lake	43	44	29.4%	1
Lassen	35	36	5.9%	1
Mendocino	39	41	20.6%	2
Modoc	42	45	32.4%	3
Nevada	43	47	38.2%	4
Plumas	44	49	44.1%	5
Shasta	37	41	20.6%	4
Sierra	44	50	47.1%	6
Siskiyou	43	46	35.3%	3
Tehama	38	39	14.7%	1
Trinity	45	48	41.2%	3

Data Sources: US Census 2000 and 2010

Analysis: Wahlstrom & Associates

Note: Negative number represents negative value.



Table 5  
Demographic Characteristics in California and the North State Region: 2010

Geographic Area	Total Population	Hispanic or Latino of Any Race	Percent Total Hispanic	Caucasian	Percent Total Caucasian	African-American	Percent Total African-American	American Indian	Percent Total American Indian	Asian	Percent Total Asian	Other*	Percent Total Other
California	37,254,000	14,013,700	37.6%	14,956,300	40.1%	2,163,800	5.8%	162,200	0.4%	4,775,100	12.8%	1,182,900	3.2%
North State Region	1,051,200	154,500	14.7%	795,400	75.7%	13,400	1.3%	28,100	2.7%	23,000	2.2%	36,900	3.5%
Counties													
Butte	220,000	31,100	14.1%	165,400	75.2%	3,100	1.4%	3,400	1.5%	8,900	4.1%	8,000	3.6%
Colusa	21,400	11,800	55.1%	8,500	39.8%	200	0.8%	300	1.4%	300	1.2%	400	1.7%
Del Norte	28,600	5,100	17.8%	18,500	64.7%	1,000	3.4%	1,900	6.8%	900	3.3%	1,200	4.1%
Glenn	28,100	10,500	37.5%	15,700	55.9%	200	0.7%	500	1.7%	700	2.4%	500	1.9%
Humboldt	134,600	13,200	9.8%	104,000	77.2%	1,400	1.0%	7,000	5.2%	2,900	2.1%	6,200	4.6%
Lake	64,700	11,100	17.1%	47,900	74.1%	1,200	1.8%	1,500	2.4%	700	1.1%	2,200	3.4%
Lassen	34,900	6,100	17.5%	23,300	66.7%	2,800	8.0%	1,000	2.9%	300	1.0%	1,400	4.0%
Mendocino	87,800	19,500	22.2%	60,200	68.6%	500	0.6%	3,500	4.0%	1,400	1.6%	2,700	3.0%
Modoc	9,700	1,300	13.9%	7,600	79.0%	100	0.8%	300	3.0%	100	0.7%	300	2.6%
Nevada	98,800	8,400	8.5%	85,500	86.5%	300	0.3%	800	0.8%	1,100	1.1%	2,600	2.6%
Plumas	20,000	1,600	8.0%	17,000	85.0%	200	0.9%	500	2.3%	100	0.6%	600	3.1%
Shasta	177,000	14,900	8.4%	146,000	82.4%	1,400	0.8%	4,200	2.3%	4,300	2.4%	6,400	3.6%
Sierra	3,000	300	8.3%	2,900	88.1%	0	0.0%	0	0.0%	0	0.0%	100	1.8%
Siskiyou	44,000	4,600	10.3%	35,700	79.5%	600	1.2%	1,500	3.4%	500	1.2%	2,000	4.4%
Tehama	63,500	13,900	21.9%	45,600	71.9%	300	0.5%	1,200	1.9%	600	1.0%	1,800	2.8%
Trinity	13,800	1,000	7.0%	11,600	83.5%	0	0.0%	600	4.0%	100	0.7%	600	4.4%

Data Sources: U.S. Census 2010

Analysis: Wahistrom & Associates

\* Other = Native Hawaiian, other race and biracial

Table 6  
Population Growth Rates by Ethnicities in California and the North State Region, 2000-10

Geographic Area	Total	Population Growth 2000-10	Caucasian	Hispanic or Latino	Other	Annual Growth Rates 2000-10	Caucasian	Hispanic or Latino	Other*
California	37,253,960	3,382,310	-860,540	3,047,160	1,195,680	1.0%	-0.6%	2.5%	1.6%
North State Region	1,051,240	67,910	3,670	49,570	14,670	0.7%	0.0%	3.9%	1.6%
Counties									
Butte	220,000	16,830	2,850	9,780	4,200	0.8%	0.2%	3.8%	2.0%
Colusa	21,420	2,620	-490	3,050	60	1.3%	-0.6%	3.0%	0.5%
Del Norte	28,610	1,100	-780	1,260	620	0.4%	-0.4%	2.9%	1.3%
Glenn	28,120	1,670	-830	2,700	-200	0.6%	-0.5%	3.0%	-1.0%
Humboldt	134,620	8,100	730	5,000	2,380	0.6%	0.1%	4.9%	1.5%
Lake	64,660	6,360	1,000	4,450	900	1.0%	0.2%	5.3%	1.8%
Lassen	34,900	1,070	-620	1,440	250	0.3%	-0.3%	2.7%	0.5%
Mendocino	87,840	1,580	-4,330	5,290	620	0.2%	-0.7%	3.2%	0.8%
Modoc	9,690	240	-10	250	-0	0.2%	0.0%	2.1%	0.0%
Nevada	98,760	6,730	2,380	3,240	1,110	0.7%	0.3%	5.0%	2.6%
Plumas	20,010	-820	-1,460	430	210	-0.4%	-0.8%	3.2%	1.7%
Shasta	177,220	13,970	4,950	5,880	3,140	0.8%	0.3%	5.2%	2.2%
Sierra	3,240	-320	-360	60	-20	-0.9%	-1.2%	2.4%	-1.3%
Siskiyou	44,900	600	-1,230	1,260	560	0.1%	-0.3%	3.2%	1.3%
Tehama	63,460	7,420	1,630	5,040	760	1.3%	0.4%	4.6%	2.2%
Trinity	13,790	760	250	440	80	0.6%	0.2%	6.4%	0.6%

Data Sources: U.S. Census 2000 and 2010

Analysis: Wahlstrom & Associates

\* Other = Asian, African American, American Indian, Native Hawaiian, other race and biracial

Note: Red numbers represent negative values.

**Table 7**  
**Primary Language Spoken at Home Among Age 5+ Persons: 2012**

Geographic Area	English	Spanish	Asian	Other
California	19,938,000	9,960,300	3,172,500	1,824,700
North State Region	823,600	73,200	12,700	18,300
<b>Counties</b>				
Butte	167,600	14,900	5,000	4,000
Colusa	10,000	6,900	100	300
Del Norte	23,500	1,600	400	500
Glenn	16,800	6,500	700	400
Humboldt	109,500	5,400	1,300	3,200
Lake	49,600	4,300	300	1,000
Lassen	27,700	3,200	700	500
Mendocino	68,000	10,700	500	1,900
Modoc	7,900	800	0	200
Nevada	82,200	3,700	300	1,700
Plumas	18,800	700	100	300
Shasta	143,600	5,100	2,600	2,300
Sierra	3,200	100	0	100
Siskiyou	38,300	2,400	500	900
Tehama	44,900	6,800	200	600
Trinity	12,000	200	0	300
<b>Percent Totals</b>				
California	57%	29%	9%	5%
North State Region	89%	8%	1%	2%
<b>County</b>				
Butte	88%	8%	3%	2%
Colusa	58%	40%	0%	2%
Del Norte	90%	6%	2%	2%
Glenn	69%	27%	3%	2%
Humboldt	92%	5%	1%	3%
Lake	90%	8%	1%	2%
Lassen	86%	10%	2%	2%
Mendocino	84%	13%	1%	2%
Modoc	89%	9%	0%	2%
Nevada	94%	4%	0%	2%
Plumas	95%	4%	0%	2%
Shasta	93%	3%	2%	1%
Sierra	94%	3%	0%	3%
Siskiyou	91%	6%	1%	2%
Tehama	86%	13%	0%	1%
Trinity	96%	2%	0%	2%

Data Source: Claritas and the US Census American Community Survey  
 Analysis: Wahlstrom & Associates

**Table 8**  
**Educational Attainment in California and the North State Region Among Adults Age 25 and Older: 2012**

Geographic Location	Not High School Graduate	High School Graduate Some College or Associates Degree	Bachelor's Degree	Professional or Advanced Degree
California	4,711,527	12,285,618	4,642,313	2,603,269
North State Region	117,332	409,673	80,597	39,257
<b>Counties</b>				
Butte	22,477	76,585	18,826	8,848
Colusa	3,927	5,823	858	304
Del Norte	5,235	11,196	1,474	554
Glenn	5,077	9,299	1,261	462
Humboldt	12,298	50,448	12,720	6,035
Lake	9,256	26,547	3,065	1,849
Lassen	4,673	15,834	1,764	692
Mendocino	10,906	34,475	6,979	4,526
Modoc	1,483	4,182	568	231
Nevada	6,309	41,836	11,285	5,718
Plumas	1,770	10,427	1,737	852
Shasta	17,952	71,512	12,118	5,690
Sierra	375	1,729	289	147
Siskiyou	4,978	20,259	3,630	1,815
Tehama	8,826	23,342	3,024	1,069
Trinity	1,790	6,179	999	465
<b>Percent Totals</b>				
California	19%	51%	19%	11%
North State Region	18%	63%	12%	6%
<b>Counties</b>				
Butte	18%	60%	15%	7%
Colusa	36%	53%	8%	3%
Del Norte	28%	61%	8%	3%
Glenn	32%	58%	8%	3%
Humboldt	15%	62%	16%	7%
Lake	23%	65%	8%	5%
Lassen	20%	69%	8%	3%
Mendocino	19%	61%	12%	8%
Modoc	23%	65%	9%	4%
Nevada	10%	64%	17%	9%
Plumas	12%	71%	12%	6%
Shasta	17%	67%	11%	5%
Sierra	15%	68%	11%	6%
Siskiyou	16%	66%	12%	6%
Tehama	24%	64%	8%	3%
Trinity	19%	66%	11%	5%

Data Source: Claritas and the US Census American Community Service

Analysis: Wahlstrom & Associates

**Table 9**  
**Labor Force Characteristics in California and North State: 2012**

Geographic Location	Labor Force	Employed	Unemployed	Unemployment Rate	Not in Labor Force	Labor Force Participation Rate
California	18,486,100	16,475,000	2,011,000	10.9%	9,936,390	65%
North State Region	474,110	415,270	59,300	12.5%	367,110	56%
<b>Counties</b>						
Butte	101,800	88,800	13,000	12.8%	77,520	57%
Colusa	11,990	9,920	2,070	17.3%	8,180	59%
Del Norte	11,170	9,620	1,540	13.8%	12,860	46%
Glenn	12,690	10,760	1,930	15.2%	8,450	60%
Humboldt	59,200	52,800	6,400	10.8%	38,960	60%
Lake	25,550	21,790	3,760	14.7%	25,430	50%
Lassen	12,820	11,190	1,630	12.7%	18,430	41%
Mendocino	41,660	37,950	4,070	9.8%	25,500	62%
Modoc	3,760	3,250	500	13.3%	2,910	56%
Nevada	51,120	46,250	4,870	9.5%	35,320	59%
Plumas	9,550	8,300	1,260	13.2%	7,460	56%
Shasta	83,100	72,300	10,900	13.1%	61,890	57%
Sierra	1,760	1,560	200	11.5%	1,230	59%
Siskiyou	19,300	16,530	2,770	14.4%	16,270	54%
Tehama	23,740	20,110	3,630	15.3%	23,390	50%
Trinity	4,900	4,140	770	15.7%	3,300	60%

Data Sources: California Employment Development Department and Claritas

Analysis: Wahlstrom & Associates

Note: "Not in the Labor Force" includes Students, Homemakers, Prisoners, Disabled, Retired and others.

Table 10  
Sources of Income in California and the North State Region: 2012

	Wage and Salary	Self-Employment	Interest/ Dividends/ Rents	Retirement	Government Transfer Payments	Total Income
California	\$754,575,230,000	\$78,059,723,000	\$62,741,043,000	\$45,816,148,000	\$71,660,375,000	\$1,012,852,520,000
North State Region	\$14,191,545,000	\$2,392,465,000	\$1,643,648,000	\$1,851,894,000	\$3,150,689,000	\$23,230,242,500
Counties						
Butte	\$2,888,877,000	\$404,688,000	\$391,918,000	\$390,415,000	\$708,983,900	\$4,784,882,500
Colusa	\$283,324,000	\$40,472,000	\$29,355,000	\$23,539,000	\$45,955,000	\$422,645,000
Del Norte	\$304,014,000	\$31,774,000	\$27,316,000	\$38,817,000	\$78,579,000	\$480,500,000
Glenn	\$305,209,000	\$73,211,000	\$23,513,000	\$21,052,000	\$72,332,000	\$495,317,500
Humboldt	\$1,737,238,000	\$351,549,000	\$187,719,000	\$215,597,000	\$338,946,000	\$2,831,050,000
Lake	\$803,383,000	\$159,798,000	\$81,018,000	\$125,939,000	\$209,144,000	\$1,379,282,500
Lassen	\$398,673,000	\$48,197,000	\$22,589,000	\$51,338,000	\$58,848,000	\$579,645,000
Mendocino	\$1,182,992,000	\$277,588,000	\$148,408,000	\$140,949,000	\$250,558,000	\$2,000,495,000
Modoc	\$109,001,000	\$23,183,000	\$10,726,000	\$18,311,000	\$30,102,000	\$191,322,500
Nevada	\$1,910,664,000	\$341,114,000	\$272,956,000	\$257,080,000	\$335,904,000	\$3,117,720,000
Plumas	\$292,526,000	\$56,486,000	\$38,269,000	\$46,644,000	\$72,886,000	\$506,810,000
Shasta	\$2,558,197,000	\$287,929,000	\$209,034,000	\$307,463,000	\$558,191,000	\$3,920,815,000
Sierra	\$44,511,000	\$14,016,000	\$4,838,000	\$8,394,000	\$10,398,000	\$82,157,500
Siskiyou	\$514,840,000	\$111,236,000	\$92,345,000	\$88,989,000	\$158,495,000	\$965,905,000
Tehama	\$726,916,000	\$137,597,000	\$77,831,000	\$78,700,000	\$172,083,000	\$1,193,127,500
Trinity	\$131,181,000	\$33,629,000	\$25,811,000	\$38,664,000	\$49,283,000	\$278,567,500

	Percent Totals				
California	75%	8%	6%	5%	7% = 100%
North State Region	61%	10%	7%	8%	14% = 100%
Counties					
Butte	60%	8%	8%	8%	15%
Colusa	67%	10%	7%	6%	11%
Del Norte	63%	7%	6%	8%	16%
Glenn	62%	15%	5%	4%	15%
Humboldt	61%	12%	7%	8%	12%
Lake	58%	12%	6%	9%	15%
Lassen	69%	8%	4%	9%	10%
Mendocino	59%	14%	7%	7%	13%
Modoc	57%	12%	6%	10%	16%
Nevada	61%	11%	9%	8%	11%
Plumas	58%	11%	8%	9%	14%
Shasta	65%	7%	5%	8%	14%
Sierra	54%	17%	6%	10%	13%
Siskiyou	53%	12%	10%	9%	16%
Tehama	61%	12%	7%	7%	14%
Trinity	47%	12%	9%	14%	18%

Data Sources: Claritas, US Bureau of Economic Analysis

Analysis: Wahlstrom & Associates

Note: Government Transfer Payments includes Social Security, Disability, Public Assistance and others.

**Table 11**  
**Average Real Household Income Trends: 2000 - 2012**  
**North State Region and California**

	Real Income (2012\$)			Real Income Change 2000 - 2006	Real Income Change 2006 - 2012	Avg. Rate of Income Change 2000 - 2006	Avg. Rate of Income Change 2006 - 2012
	2000	2006	2012				
California	\$87,500	\$93,400	\$79,500	\$5,900	-\$13,900	1.1%	-3.9%
North State Region	\$73,200	\$64,600	\$45,000	-\$8,600	-\$19,600	-2.1%	-8.6%
<b>Counties</b>							
Butte	\$72,000	\$63,700	\$44,100	-\$8,300	-\$19,600	-2.0%	-8.8%
Colusa	\$78,000	\$69,700	\$45,000	-\$8,300	-\$24,700	-1.9%	-10.4%
Del Norte	\$64,200	\$56,500	\$39,100	-\$7,700	-\$17,400	-2.1%	-8.8%
Glenn	\$66,700	\$59,000	\$39,800	-\$7,700	-\$19,200	-2.0%	-9.4%
Humboldt	\$66,600	\$58,400	\$41,700	-\$8,200	-\$16,700	-2.2%	-8.1%
Lake	\$68,000	\$60,500	\$39,800	-\$7,500	-\$20,700	-1.9%	-9.9%
Lassen	\$76,200	\$67,900	\$44,400	-\$8,300	-\$23,500	-1.9%	-10.1%
Mendocino	\$75,900	\$66,500	\$49,500	-\$9,400	-\$17,000	-2.2%	-7.1%
Modoc	\$62,200	\$54,400	\$42,300	-\$7,800	-\$12,100	-2.2%	-6.1%
Nevada	\$98,500	\$86,900	\$59,400	-\$11,600	-\$27,500	-2.1%	-9.1%
Plumas	\$75,500	\$66,900	\$44,600	-\$8,600	-\$22,300	-2.0%	-9.6%
Shasta	\$73,200	\$64,500	\$45,200	-\$8,700	-\$19,300	-2.1%	-8.5%
Sierra	\$74,300	\$65,800	\$43,800	-\$8,500	-\$22,000	-2.0%	-9.7%
Siskiyou	\$65,500	\$57,600	\$41,500	-\$7,900	-\$16,100	-2.1%	-7.9%
Tehama	\$65,900	\$57,800	\$41,400	-\$8,100	-\$16,400	-2.2%	-8.0%
Trinity	\$60,600	\$53,000	\$38,400	-\$7,600	-\$14,600	-2.2%	-7.7%

Data Sources: Claritas and the US Census American Community Survey

Analysis: Wahlstrom & Associates

Notes: (1) Data is adjusted for inflation and rounded to the nearest \$100 in 2012 dollars.

(2) Negative numbers represent negative values.

**Table 12**  
**Household Income Distribution in North State Region and California: 2000**

Geographic Region	Number of Households in each income bracket					Total Households
	< \$35k	\$35 to \$50K	\$50 to \$100K	\$100 to \$150K	> \$150k	
California	4,249,200	1,746,000	3,529,400	1,192,600	794,800	11,512,000
North State Totals	184,400	67,900	118,800	23,500	26,900	421,500
<b>Counties</b>						
Butte	40,000	13,600	24,400	4,800	5,400	88,200
Colusa	2,700	1,200	2,300	500	500	7,200
Del Norte	5,000	1,400	2,500	500	500	9,900
Glenn	4,400	1,800	2,700	500	400	9,800
Humboldt	27,200	9,300	14,700	2,600	2,700	56,500
Lake	12,700	4,400	6,900	1,600	1,500	27,100
Lassen	3,900	1,600	3,300	700	700	10,200
Mendocino	14,600	6,000	10,000	2,000	2,400	35,000
Modoc	2,200	600	1,000	200	200	4,200
Nevada	12,400	6,400	14,500	3,500	5,100	41,900
Plumas	3,600	1,300	2,900	500	600	8,900
Shasta	30,600	11,800	20,400	3,900	4,500	71,200
Sierra	600	300	500	100	100	1,600
Siskiyou	9,700	3,100	5,000	800	1,000	19,600
Tehama	11,500	4,100	6,400	1,100	1,000	24,100
Trinity	3,300	1,000	1,300	200	300	6,100
<b>Percent Totals</b>						
California	37%	15%	31%	10%	7%	
North State Totals	44%	16%	28%	6%	6%	
<b>Counties</b>						
Butte	45%	15%	28%	5%	6%	
Colusa	38%	17%	32%	7%	7%	
Del Norte	51%	14%	25%	5%	5%	
Glenn	45%	18%	28%	5%	4%	
Humboldt	48%	16%	26%	5%	5%	
Lake	47%	16%	25%	6%	6%	
Lassen	38%	16%	32%	7%	7%	
Mendocino	42%	17%	29%	6%	7%	
Modoc	52%	14%	24%	5%	5%	
Nevada	30%	15%	35%	8%	12%	
Plumas	40%	15%	33%	6%	7%	
Shasta	43%	17%	29%	5%	6%	
Sierra	38%	19%	31%	6%	6%	
Siskiyou	49%	16%	26%	4%	5%	
Tehama	48%	17%	27%	5%	4%	
Trinity	54%	16%	21%	3%	5%	

Data Sources: Claritas, US Census and the American Community Survey Estimates

Analysis: Wahlstrom & Associates



**Table 13**  
**Household Income Distribution in North State Region and California: 2012**

Geographic Area	Number of Households in Each Income Bracket					Total Households
	< \$35k	\$35 to \$50K	\$50 to \$100K	\$100 to \$150K	> \$150k	
California	3,520,270	1,658,780	3,832,340	1,109,420	2,600,040	12,720,900
North State Totals	215,320	69,630	101,620	19,480	10,400	416,400
<b>Counties</b>						
Butte	47,240	14,400	20,550	3,810	2,130	88,100
Colusa	3,570	1,280	1,850	290	160	7,100
Del Norte	5,560	1,480	2,240	420	150	9,800
Glenn	5,340	1,860	2,120	340	130	9,800
Humboldt	30,850	9,200	12,710	2,090	1,170	56,000
Lake	14,970	4,090	5,490	1,000	410	26,000
Lassen	4,720	1,780	2,700	510	140	9,800
Mendocino	16,950	5,870	9,060	1,910	1,050	34,800
Modoc	2,380	540	900	130	70	4,000
Nevada	15,220	6,970	13,170	3,350	2,150	40,900
Plumas	4,310	1,430	2,460	480	170	8,800
Shasta	35,850	12,090	17,560	3,380	1,710	70,600
Sierra	700	280	370	60	30	1,400
Siskiyou	11,060	3,270	3,950	710	400	19,400
Tehama	12,910	4,140	5,420	760	440	23,700
Trinity	3,690	960	1,080	240	90	6,100
<b>Percent Totals</b>						
California	28%	13%	30%	9%	20%	
North State Total	52%	17%	24%	5%	2%	
<b>County</b>						
Butte	54%	16%	23%	4%	2%	
Colusa	50%	18%	26%	4%	2%	
Del Norte	56%	15%	23%	4%	1%	
Glenn	55%	19%	22%	3%	1%	
Humboldt	55%	16%	23%	4%	2%	
Lake	58%	16%	21%	4%	2%	
Lassen	48%	18%	27%	5%	1%	
Mendocino	49%	17%	26%	5%	3%	
Modoc	59%	13%	22%	3%	2%	
Nevada	37%	17%	32%	8%	5%	
Plumas	49%	16%	28%	5%	2%	
Shasta	51%	17%	25%	5%	2%	
Sierra	49%	20%	26%	4%	2%	
Siskiyou	57%	17%	20%	4%	2%	
Tehama	55%	17%	23%	3%	2%	
Trinity	61%	16%	18%	4%	1%	

Data Sources: Claritas, US Census and the American Community Survey Estimates

Analysis: Wahlstrom & Associates

**Table 14**  
**Poverty Rates Trends in California and North State: 2000 - 2010**

	Households 2000	Households Below Poverty 2000	Percent Households Below Poverty 2000	Households 2010	Households Below Poverty 2010	Percent Households Below Poverty 2010
California	11,502,870	1,363,030	12%	12,577,500	1,720,370	14%
North State Region	381,890	50,580	13%	417,710	71,330	17%
Counties						
Butte	79,570	11,040	14%	87,620	15,180	17%
Colusa	6,100	920	15%	7,060	1,260	18%
Del Norte	9,170	1,800	20%	9,910	2,380	24%
Glenn	9,170	1,310	14%	9,800	2,090	21%
Humboldt	51,240	7,590	15%	56,030	11,170	20%
Lake	23,970	3,550	15%	26,550	7,020	26%
Lassen	9,620	1,200	12%	10,060	1,340	13%
Mendocino	33,270	4,060	12%	34,940	6,500	19%
Modoc	3,780	740	20%	4,060	810	20%
Nevada	36,890	2,160	6%	41,530	2,660	6%
Plumas	9,000	890	10%	8,980	950	11%
Shasta	63,430	8,120	13%	70,350	11,050	16%
Sierra	1,520	150	10%	1,480	50	3%
Siskiyou	18,560	3,020	16%	19,500	2,890	15%
Tehama	21,010	3,130	15%	23,770	5,250	22%
Trinity	5,590	910	16%	6,080	710	12%

Data Sources: Claritas, US Census American Community Survey, California Department of Finance

Analysis: Wahlstrom & Associates

Notes: (1) Federal Poverty Rates are determined by income and family size.

(2) Families of 4 persons with annual incomes less than \$23,050 are considered impoverished.

**Table 15**  
**Home Value Trends (inflation adjusted)**  
**North State Region and California**

Geographic Region	Average Housing Value (2012\$)			Percent Change	
	2000	2006	2012	2000-06	2006-12
California	\$283,000	\$597,400	\$295,900	111%	-50%
North State Region	\$164,000	\$350,700	\$182,600	114%	-48%
<b>Counties</b>					
Butte	\$156,500	\$327,700	\$171,000	109%	-48%
Colusa	\$146,500	\$342,200	\$127,100	134%	-63%
Del Norte	\$140,700	\$267,600	\$136,800	90%	-49%
Glenn	\$106,700	\$278,800	\$173,000	161%	-38%
Humboldt	\$156,600	\$354,700	\$254,300	127%	-28%
Lake	\$147,000	\$340,400	\$113,800	132%	-67%
Lassen	\$118,000	\$340,400	\$112,800	188%	-67%
Mendocino	\$212,300	\$485,800	\$236,700	129%	-51%
Modoc (3)	\$76,600	\$83,700	\$128,300	9%	53%
Nevada	\$286,000	\$549,100	\$266,300	92%	-52%
Plumas	\$188,700	\$379,700	\$177,700	101%	-53%
Shasta	\$138,500	\$308,400	\$148,200	123%	-52%
Sierra	n/a	n/a	\$186,300	N/A	N/A
Siskiyou	\$127,300	\$240,000	\$166,700	89%	-31%
Tehama	\$126,300	\$247,200	\$105,000	96%	-58%
Trinity	\$126,300	\$217,400	\$171,900	72%	-21%
Percent California Housing Value	58%	59%	62%		

Data Source: Zillow.com

Analysis: Wahlstrom & Associates

Notes: (1) Data adjusted for inflation measured in 2012 dollars.

(2) Red numbers represent negative values.

(3) Modoc County housing values are based on a handful of transactions due to lack of data and/or real estate transactions.

Table 16  
Value of Agricultural Production (inflation adjusted)  
North State Region and California: 2000 - 2009

Geographic Region	Value of Fruits, Vegetables, Nursery Products and Field Crops (2009\$)			Value of Livestock and Poultry Products (2009\$)			Annual Change in Production		Annual Decline of Production Value	
	2000	2006	2009	2000	2006	2009	2000-06	2006-09	2000-06	2006-09
California	24,353,761,000	25,362,474,000	27,030,000,000	\$8,277,583,000	\$8,137,514,000	\$7,810,000,000	0.7%	2.1%	-0.3%	-1.4%
North State Region	1,573,933,000	1,838,494,000	2,192,019,000	\$356,577,000	\$327,028,000	\$302,326,000	2.6%	6.0%	-1.4%	-2.6%
Counties										
Butte	352,233,000	449,785,000	530,675,000	\$11,199,000	\$12,571,000	\$8,904,000	4.2%	5.7%	1.9%	-10.9%
Colusa	378,999,000	435,791,000	590,839,000	\$14,889,000	\$13,958,000	\$7,935,000	2.4%	10.7%	-1.1%	-17.2%
Del Norte	21,900,000	20,215,000	15,331,000	\$18,439,000	\$28,579,000	\$21,851,000	-1.3%	-8.8%	7.6%	-8.6%
Glenn	287,359,000	324,690,000	416,557,000	\$65,723,000	\$67,792,000	\$60,806,000	2.1%	8.7%	0.5%	-3.6%
Humboldt	52,412,000	65,536,000	56,397,000	\$71,396,000	\$68,717,000	\$55,418,000	3.8%	-4.9%	-3.2%	-1.9%
Lake	76,541,000	70,221,000	63,081,000	\$3,214,000	\$2,585,000	\$2,073,000	-1.4%	-3.5%	-3.6%	-7.1%
Lassen	52,302,000	48,132,000	52,352,000	\$13,948,000	\$14,801,000	\$13,679,000	-1.4%	2.8%	1.0%	-2.6%
Mendocino	145,434,000	137,340,000	104,946,000	\$15,438,000	\$14,730,000	\$13,203,000	-0.9%	-8.6%	-0.8%	-3.6%
Modoc	N/A	N/A	63,134,000	N/A	N/A	\$18,894,000	N/A	N/A	N/A	N/A
Nevada	4,737,000	5,544,000	5,542,000	\$4,508,000	\$3,966,000	\$4,109,000	2.7%	0.0%	-2.1%	1.2%
Plumas	7,442,000	8,158,000	5,965,000	\$15,601,000	\$13,441,000	\$13,794,000	1.5%	-9.9%	-2.5%	0.9%
Shasta	41,536,000	46,953,000	49,247,000	\$23,965,000	\$23,529,000	\$19,922,000	2.1%	1.6%	-0.3%	-5.4%
Sierra	2,888,000	2,617,000	1,797,000	\$5,998,000	\$4,213,000	\$3,835,000	-1.6%	-11.8%	-5.7%	-3.1%
Siskiyou	52,096,000	89,869,000	85,149,000	\$47,337,000	\$27,050,000	\$26,583,000	9.5%	-1.8%	-8.9%	-0.6%
Tehama	96,480,000	132,187,000	150,256,000	\$43,433,000	\$40,097,000	\$30,355,000	5.4%	4.4%	-1.3%	-8.9%
Trinity	1,574,000	1,456,000	751,000	\$1,489,000	\$999,000	\$965,000	-1.3%	-19.8%	-6.4%	-1.1%

Data Sources: Department of Agriculture Crop Report: 2000, 2006 and 2009  
Analysis: Wahlstrom & Associates

Notes: (1) Value of Production is adjusted for inflation and measured in 2009 dollars.

(2) Data does not include timber harvest.

(3) Red numbers represent negative values.

Table 17  
Timber Harvest Trends  
North State Region and California: 2000 – 2011

Geographic Region	Million Board Feet (MBF)		Annual Growth Rates		Annual Production Value Change (2011\$)			Annual Decline of Production Value		Percent of State Total 2011	
	2000	2006	2000-06	2006-11	2000	2006	2011	2000-06	2006-11	MBF	Value
California	1,966,000	1,631,000	-3.1%	-4.6%	\$1,187,483,000	\$595,937,000	\$272,490,000	-10.9%	-14.5%		
North State	1,556,000	1,306,000	-2.9%	-4.2%	\$995,891,000	\$500,656,000	\$228,940,000	-10.8%	-14.5%	81.9%	84.0%
Counties											
Butte	86,000	63,000	-5.1%	-7.5%	\$43,739,000	\$21,928,000	\$9,459,000	-10.9%	-15.5%	3.3%	3.5%
Colusa	0	0	0.0%	n/a	\$0	\$0	\$157,000	0.0%	100.0%	0.1%	0.1%
Del Norte	46,000	17,000	-15.5%	-10.9%	\$50,401,000	\$8,310,000	\$2,789,000	-25.9%	-19.6%	0.7%	1.0%
Glenn	17,000	0	-100.0%	n/a	\$7,359,000	\$0	\$66,000	-100.0%	100.0%	0.0%	0.0%
Humboldt	389,000	337,000	-2.4%	-8.5%	\$372,587,000	\$191,497,000	\$65,778,000	-10.5%	-19.2%	16.8%	24.1%
Lake	6,000	1,000	-27.0%	-17.2%	\$2,894,000	\$378,000	\$46,000	-28.8%	-34.4%	0.0%	0.0%
Lassen	61,000	60,000	-0.1%	5.5%	\$26,979,000	\$14,880,000	\$12,173,000	-9.4%	-3.9%	6.1%	4.5%
Mendocino	156,000	110,000	-5.6%	-4.0%	\$149,745,000	\$59,558,000	\$25,762,000	-14.2%	-15.4%	7.0%	9.5%
Modoc	42,000	25,000	-8.2%	-0.8%	\$15,716,000	\$6,018,000	\$4,551,000	-14.8%	-5.4%	1.9%	1.7%
Nevada	47,000	28,000	-8.4%	-10.3%	\$19,814,000	\$8,169,000	\$3,249,000	-13.7%	-16.8%	1.3%	1.2%
Plumas	154,000	119,000	-4.2%	-9.0%	\$64,300,000	\$32,148,000	\$5,254,000	-10.9%	-30.4%	5.8%	1.9%
Shasta	144,000	190,000	4.6%	-0.3%	\$64,014,000	\$56,302,000	\$40,381,000	-2.1%	-6.4%	14.5%	14.8%
Sierra	41,000	22,000	-9.8%	0.0%	\$16,145,000	\$5,848,000	\$3,840,000	-15.6%	-8.1%	1.7%	1.4%
Siskiyou	193,000	199,000	0.5%	-0.4%	\$83,337,000	\$53,473,000	\$39,212,000	-7.1%	-6.0%	15.1%	14.4%
Tehama	101,000	51,000	-10.7%	2.1%	\$46,449,000	\$16,567,000	\$10,635,000	-15.8%	-8.5%	4.4%	3.9%
Trinity	73,000	85,000	2.6%	-13.9%	\$32,412,000	\$25,580,000	\$5,589,000	-3.9%	-26.2%	3.1%	2.1%

Data Sources: California Department of Forestry  
 Analysis: Wahlstrom & Associates  
 Notes: (1) Red numbers represent negative values.  
 (2) Note: Value of Production is adjusted for inflation and measured in 2011 dollars.

457,000  
 449,000  
 119,900  
 146,000  
 -1.0%  
 144,373  
 -28%  
 89,733  
 -48.1%

Table 18  
Commercial Fishing Harvest Trends  
North State Region and California: 2000 - 2011

Geographic Region	Total Pounds		Annual Change in Production		Harvest Value (2011\$)			Annual Decline of Production Value		Percent State Total	
	2000	2006	2000-06	2006-11	2000	2006	2011	2000-06	2006-11	Production 2011	Value 2011
California	553,461,000	334,176,000	-8.1%	5.6%	\$178,071,000	\$141,358,000	\$179,105,000	-3.8%	4.8%		
North State	39,590,000	43,637,000	1.7%	-6.0%	\$36,879,000	\$47,745,000	\$29,870,000	4.4%	-9.0%	7.3%	16.7%
Counties											
Butte	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Colusa	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Del Norte	15,613,000	17,792,000	2.2%	-5.6%	\$13,711,000	\$24,674,000	\$10,588,000	10.3%	-15.6%	3.0%	5.9%
Glen	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Humboldt	14,338,000	20,620,000	6.2%	-11.7%	\$11,414,000	\$16,849,000	\$11,588,000	6.7%	-7.2%	2.5%	6.5%
Lake	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Lassen	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Mendocino	9,638,000	5,425,000	-9.1%	7.5%	\$11,754,000	\$6,222,000	\$7,694,000	-10.1%	4.3%	1.8%	4.3%
Modoc	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Nevada	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Plumas	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Shasta	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Sierra	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Siskiyou	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Tehama	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%
Trinity	0	0	0.0%	0.0%	\$0	\$0	\$0	0.0%	0.0%	0.0%	0.0%

Data Sources: California Department of Fish and Game  
Analysis: Wahlstrom & Associates  
Notes: (1) Value of Production is adjusted for inflation and measured in 2011 dollars.  
(2) Red numbers represent negative values.

Table 19  
Taxable Retail Sales Trends  
North State Region and California: 2000 - 2010

Geographic Region	Number of Retail Outlets			Annual Change in Number of Outlets			Taxable Retail Sales			Annual Gain of Taxable Sales		Annual Decline of Taxable Sales	
	2000	2006	2010	2000 - 06	2006 - 10	2006 - 10	2000	2006	2010	2000 - 06	2006 - 10		
<b>California</b>	<b>380,414</b>	<b>488,998</b>	<b>649,119</b>	<b>4.3%</b>	<b>5.8%</b>	<b>5.8%</b>	<b>\$363,512,391,000</b>	<b>\$420,824,903,000</b>	<b>\$326,777,717,000</b>	<b>2.5%</b>	<b>-4.9%</b>		
<b>North State Region</b>	<b>13,066</b>	<b>15,763</b>	<b>22,553</b>	<b>3.2%</b>	<b>7.4%</b>	<b>7.4%</b>	<b>\$8,550,687,000</b>	<b>\$10,387,857,000</b>	<b>\$8,402,536,000</b>	<b>3.3%</b>	<b>-4.2%</b>		
<b>Counties</b>													
Butte	2,377	2,942	4,078	3.6%	6.7%	6.7%	\$1,924,480,000	\$2,325,741,000	\$1,773,107,000	3.2%	-5.3%		
Colusa	283	243	201	-2.5%	-3.7%	-3.7%	\$118,732,000	\$190,038,000	\$201,968,000	8.2%	1.2%		
Del Norte	258	290	381	2.0%	5.6%	5.6%	\$145,007,000	\$160,096,000	\$204,311,000	1.7%	5.0%		
Glen	297	391	685	4.7%	11.9%	11.9%	\$159,389,000	\$153,997,000	\$277,683,000	-0.6%	12.5%		
Humboldt	1,721	2,074	3,302	3.2%	9.7%	9.7%	\$1,179,993,000	\$1,356,274,000	\$1,177,739,000	2.3%	-2.8%		
Lake	639	747	1,759	2.6%	18.7%	18.7%	\$369,687,000	\$440,186,000	\$464,277,000	3.0%	1.1%		
Lassen	279	302	369	1.3%	4.1%	4.1%	\$178,318,000	\$206,721,000	\$149,827,000	2.5%	-6.2%		
Mendocino	1,383	1,593	2,539	2.4%	9.8%	9.8%	\$893,200,000	\$1,000,467,000	\$824,006,000	1.9%	-3.8%		
Modoc	137	146	124	1.1%	-3.2%	-3.2%	\$52,617,000	\$59,555,000	\$34,228,000	2.1%	-10.5%		
Nevada	1,283	1,746	2,654	5.3%	8.7%	8.7%	\$838,571,000	\$949,134,000	\$702,470,000	2.1%	-5.8%		
Plumas	431	498	300	2.4%	-9.6%	-9.6%	\$140,305,000	\$152,645,000	\$104,835,000	1.4%	-7.2%		
Shasta	2,341	2,870	3,506	3.5%	4.1%	4.1%	\$1,777,968,000	\$2,283,445,000	\$1,675,578,000	4.3%	-6.0%		
Sierra	70	69	90	-0.2%	5.5%	5.5%	\$14,688,000	\$14,027,000	\$8,978,000	-0.8%	-8.5%		
Siskiyou	741	881	1,203	2.9%	6.4%	6.4%	\$285,843,000	\$411,614,000	\$292,311,000	6.3%	-6.6%		
Tehama	617	719	969	2.6%	6.1%	6.1%	\$424,310,000	\$633,222,000	\$459,432,000	6.9%	-6.2%		
Trinity	209	252	393	3.2%	9.3%	9.3%	\$47,579,000	\$50,695,000	\$51,786,000	1.1%	0.4%		

Data Sources: California Board of Equalization

Analysis: Wahlstrom & Associates

Note: (1) Taxable Sales Values are Adjusted for Inflation and measured in \$2011

(2) Red numbers represent negative values

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# Potential Measures of Need

The next few pages list several potential measure of need in the following categories:

- Economic Need
- Transportation Need
  - Market Access
  - Transportation Network Access
  - Transportation Network Characteristics.

## Economic Need

### Household Income

Average household income indicates the relative prosperity of residents in a region. Lower household income means less money available for retail purchases. As shown in the exhibit below, inflation-adjusted household income has declined further in the North State than in California as a whole over the last decade.

#### *Trends in Average Real Household Income (in 2012 Dollars)*

	Real Income (2012\$)			Avg. Rate of Income Change 2000 - 2006	Avg. Rate of Income Change 2006 - 2012
	2000	2006	2012		
California	\$87,500	\$93,400	\$79,500	1.1%	-3.9%
North State Region	\$73,200	\$64,600	\$45,000	-2.1%	-8.6%
Counties					
Butte	\$72,000	\$63,700	\$44,100	-2.0%	-8.8%
Colusa	\$78,000	\$69,700	\$45,000	-1.9%	-10.4%
Del Norte	\$64,200	\$56,500	\$39,100	-2.1%	-8.8%
Glenn	\$66,700	\$59,000	\$39,800	-2.0%	-9.4%
Humboldt	\$66,600	\$58,400	\$41,700	-2.2%	-8.1%
Lake	\$68,000	\$60,500	\$39,800	-1.9%	-9.9%
Lassen	\$76,200	\$67,900	\$44,400	-1.9%	-10.1%
Mendocino	\$75,900	\$66,500	\$49,500	-2.2%	-7.1%
Modoc	\$62,200	\$54,400	\$42,300	-2.2%	-6.1%
Nevada	\$98,500	\$86,900	\$59,400	-2.1%	-9.1%
Plumas	\$75,500	\$66,900	\$44,600	-2.0%	-9.6%
Shasta	\$73,200	\$64,500	\$45,200	-2.1%	-8.5%
Sierra	\$74,300	\$65,800	\$43,800	-2.0%	-9.7%
Siskiyou	\$65,500	\$57,600	\$41,500	-2.1%	-7.9%
Tehama	\$65,900	\$57,800	\$41,400	-2.2%	-8.0%
Trinity	\$60,600	\$53,000	\$38,400	-2.2%	-7.7%

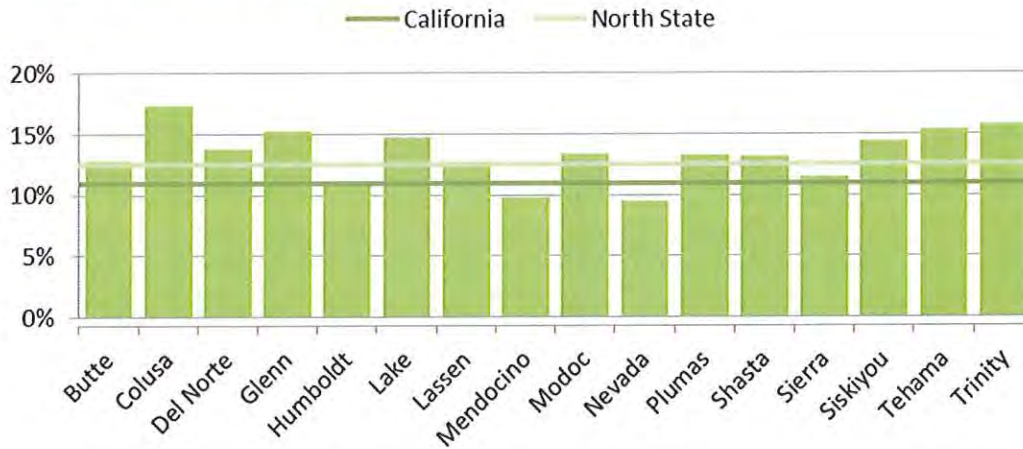
Sources: Claritas and the US Census American Community Survey



## Unemployment

Unemployment rates help measure the relative economic health of the region. As shown in the exhibit below, most of the North State has unemployment rates higher than the statewide average.

### Unemployment Rate in 2012

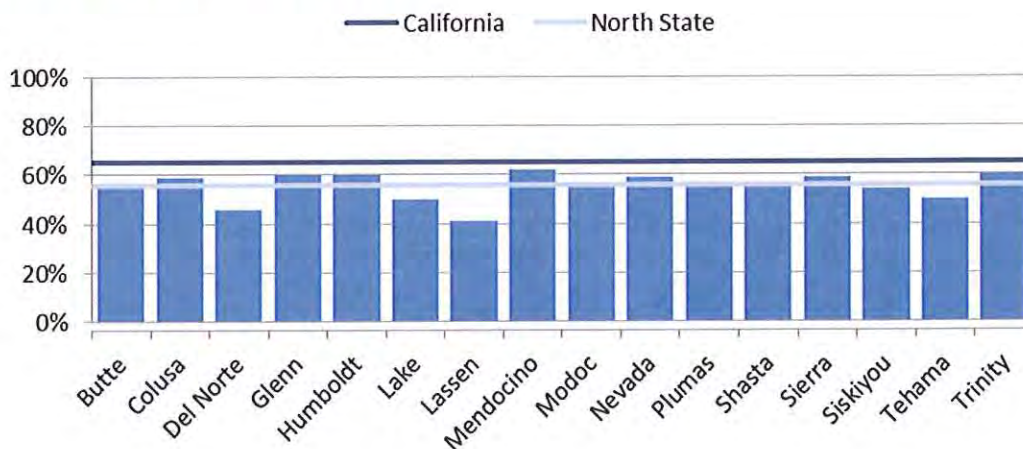


Sources: California Employment Development Department and Claritas

## Labor Force Participation

The labor force participation rate shows the percentage of the population that is currently employed or seeking work. A low labor force participation rate may indicate a larger proportion of retirees or people receiving government transfer payments. As shown in the exhibit below, all counties in the North State have labor force participation rates below the statewide average.

### Labor Force Participation Rate in 2012

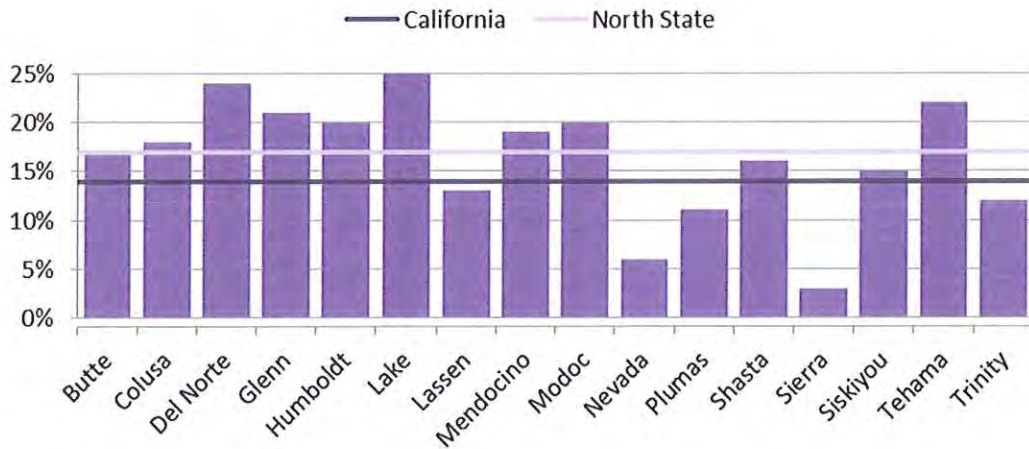


Sources: California Employment Development Department and Claritas

## Poverty

A high poverty rate indicates the need for economic. As shown in the exhibit below, the North State has a higher average poverty rate than California as a whole. Many North State counties have poverty rates above the statewide average.

### Percent of Households below Poverty Line in 2010

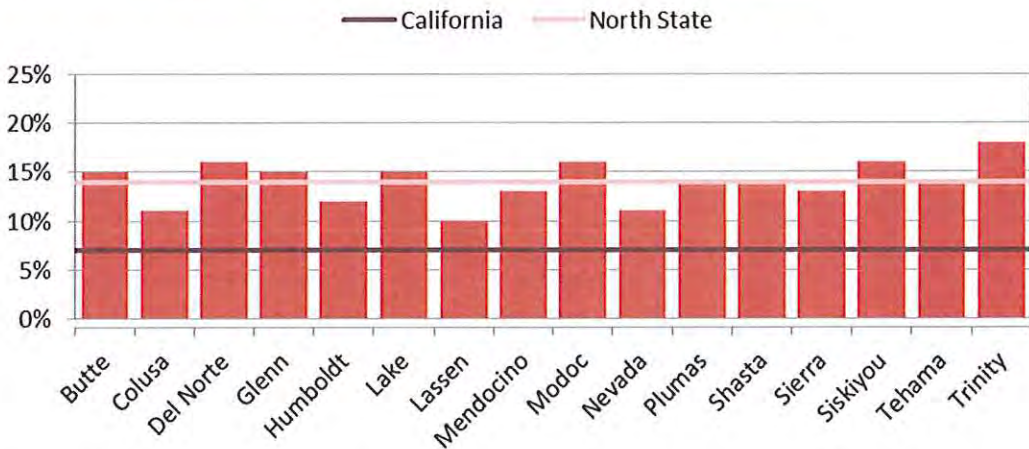


Sources: Claritas, US Census American Community Survey, and California Department of Finance

### Government Transfer Payments

A large percentage of income derived from government transfer payments indicates a high level of government support through unemployment, disability, or retirement programs. As shown in the exhibit below, North State residents receive a larger portion of their income from government transfer payments than does the average California resident.

### Government Transfer Payments as a Percent of Total Income in 2012

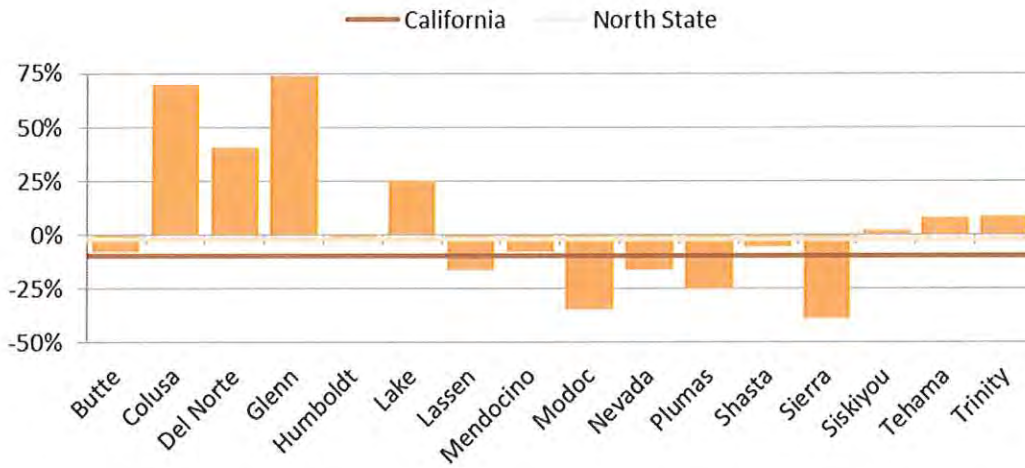


Sources: Claritas and US Bureau of Economic Analysis

### Taxable Sales

A change in taxable sales shows the relative health of retail establishments. As shown in the exhibit below, retail taxable sales declined in most North State counties from 2000 to 2010. However, the decline in the Super Region was less than in California overall.

### Percent Change in Taxable Retail Sales, 2000 to 2010

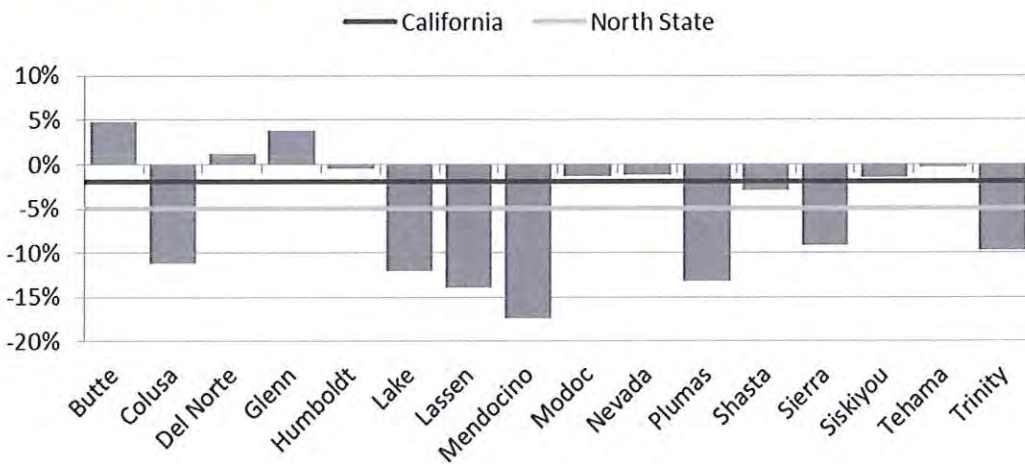


Source: California Board of Equalization

### Visitor Spending

Visitor spending can be an important part of a local economy, particularly in a rural area dependent on tourism and recreation. As shown in the exhibit below, visitor spending declined more in the North State than in California as a whole from 2000 to 2010.

### Percent Change in Visitor Spending, 2000 to 2010



Sources: California Travel Impacts by: 1992 - 2010

## Transportation Need

### Market Access

The transportation network provides businesses with access to labor and customers.

### Labor Market Size

The size of the labor market within a reasonable drive determines the labor pool available to employers. Larger labor pools promote better job matching and higher labor productivity. The population within a 40-minute travel provides an approximation of the labor market size.

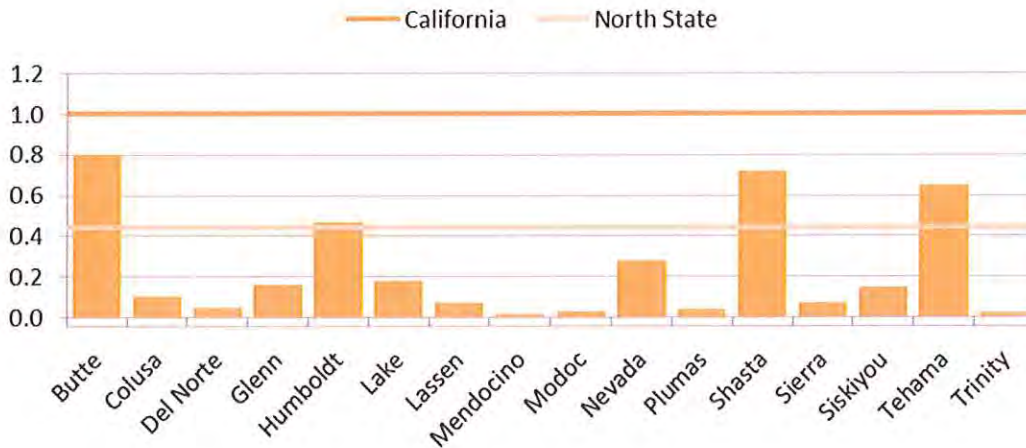
The table below estimates the labor market with 40-minute accessibility to the centroid of each county in the North State. As can be seen in the exhibit that follows, labor market accessibility varies widely across the North State and is less than in the average California county.

### Approximate Labor Market Access in North State

Counties	Population within 40-Minute Drive of County Centroid
California	85,418
North State Region	37,747
Counties	
Butte	68,198
Colusa	9,120
Del Norte	3,924
Glenn	13,689
Humboldt	40,104
Lake	15,394
Lassen	6,142
Mendocino	1,331
Modoc	2,404
Nevada	24,183
Plumas	3,567
Shasta	61,198
Sierra	6,304
Siskiyou	12,852
Tehama	55,535
Trinity	1,725

Sources: US Census Bureau, ESRI, and NAVTEQ.

### Relative Access to Labor Market in North State



Sources: US Census Bureau, ESRI, and NAVTEQ

### Delivery Market Size

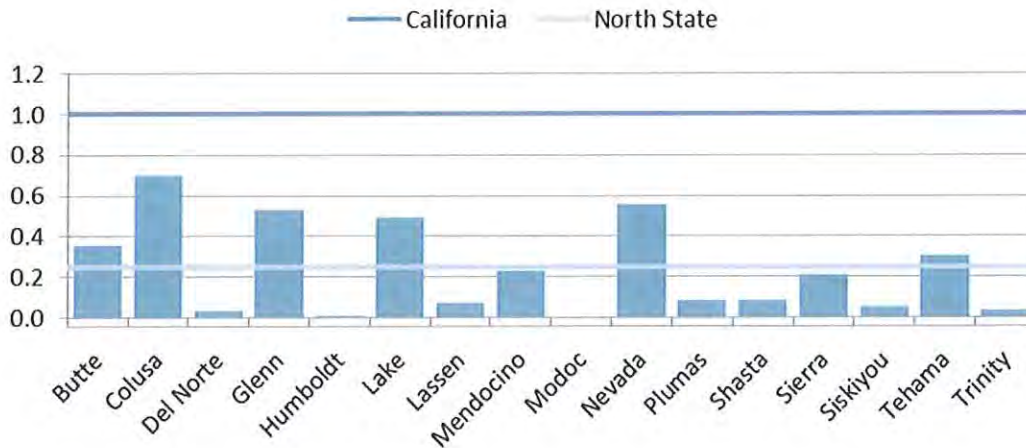
Access to customers is a critical factor for companies deciding where to locate. Employment within a 180-minute drive approximates the size of the same-day delivery market. As shown in the table and exhibit below, the North State has a much smaller delivery market than California as a whole.

### Approximate Delivery Market Access in North State

Counties	Employment within 180-Minute Drive of County Centroid
California	9,540,836
North State Region	2,364,354
Counties	
Butte	3,392,627
Colusa	6,671,667
Del Norte	355,653
Glenn	5,095,389
Humboldt	88,570
Lake	4,709,235
Lassen	681,406
Mendocino	2,219,674
Modoc	57,270
Nevada	5,316,956
Plumas	839,017
Shasta	801,416
Sierra	2,017,559
Siskiyou	516,264
Tehama	2,917,851
Trinity	339,099

Sources: US Census Bureau, ESRI, and NAVTEQ

### Relative Access to Delivery Market in North State



Sources: US Census Bureau, ESRI, and NAVTEQ

## Transportation Network Access

### Commercial Airport Access

Access to airports is a critical issue for residents and business. There are four commercial airports in the North State. All four are non-hub airports and relatively remote – only Redding Municipal Airport is near an Interstate. Each airport is served by only one carrier (i.e., SkyWest operating as United Express) and all offer limited service:

- Arcata/Eureka (ACV) to Crescent City, Sacramento, and San Francisco
- Chico Municipal (CIC) to San Francisco
- Jack McNamara Field (CEC) to Arcata/Eureka and San Francisco
- Redding Municipal (RDD) to San Francisco.

There are three non-hub airports near the North State: Charles M. Schulz - Sonoma County Airport (STS), Klamath Falls (LMT), and Rogue Valley International/Medford (MFR). There are no major hub airports in North State counties. As the table below shows, the drive time to the nearest commercial airport is long in the North State.

### North State Airport Access

Counties	Nearest Commercial Airport	Avg. Drive Time to Airport (min.)	Driving Distance to Airport
Butte	Chico Municipal (CIC)	57	27
Colusa	Sacramento Int'l. (SMF)	61	55
Del Norte	Jack McNamara Field (CEC)	14	6
Glenn	Chico Municipal (CIC)	64	37
Humboldt	Arcata/Eureka (ACV)	44	24
Lake	Sacramento Int'l. (SMF)	149	109
Lassen	Reno/Tahoe Int'l. (RNO)	116	98
Mendocino	Chico Municipal (CIC)	283	178
Modoc	Klamath Falls (LMT)	173	99
Nevada	Sacramento Int'l. (SMF)	83	70
Plumas	Chico Municipal (CIC)	176	99
Shasta	Redding Municipal (RDD)	14	7
Sierra	Reno/Tahoe Int'l. (RNO)	83	64
Siskiyou	Klamath Falls (LMT)	103	89
Tehama	Redding Municipal (RDD)	39	36
Trinity	Redding Municipal (RDD)	123	72

Sources: Federal Aviation Administration, ESRI, and NAVTEQ

### Major Airport Access

A better measure of airport access is drive time to major hub airports. There are four medium or large hub airports near the North State Super Region: Oakland International (OAK), Reno/Tahoe International (RNO), Sacramento International (SMF), and San Francisco International (SFO). Drive time to these airports has not yet been calculated for the North State counties.

### Airport Enplanements

Airport enplanements measure the relative amount of passenger service available at nearby commercial airports. As shown in the exhibit below, the commercial airports in the North State carry very few people compared to the medium and large hubs outside the Super Region. Enplanements for most nearby commercial airports declined in double-digit percentages from 2010 to 2011.

### Total Enplanements at North State and Neighboring Airports

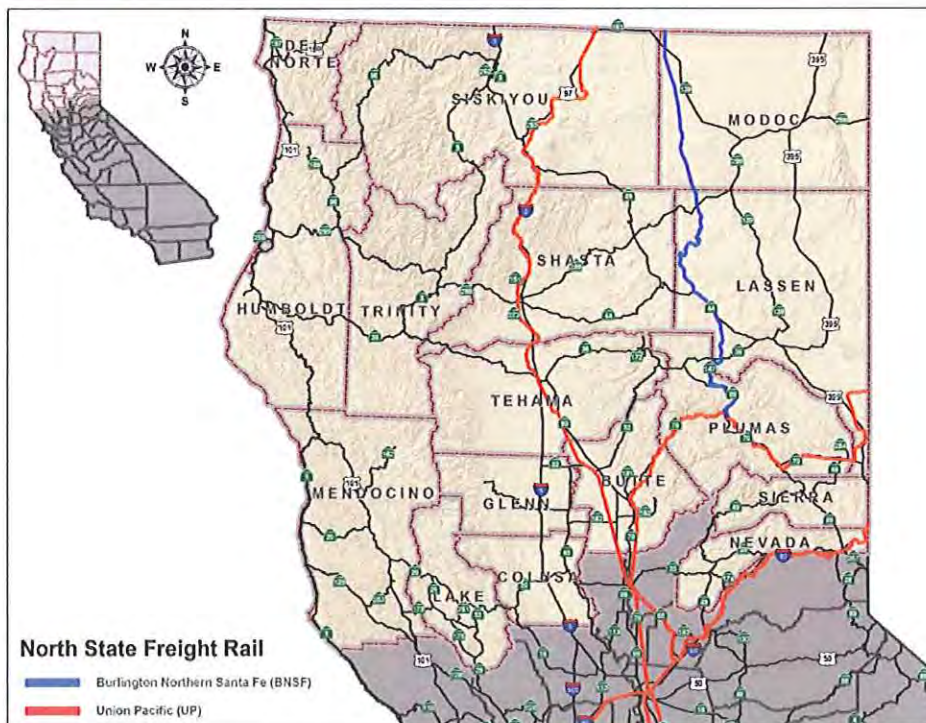
City	Airport Name	Hub Size	2011 Enplanements	2010 Enplanements	% Change
<b>North State Airports</b>					
Arcata	Arcata	Non-Hub	70,455	93,402	-24.57%
Chico	Chico Municipal	Non-Hub	20,881	23,272	-10.27%
Crescent City	Jack McNamara Field	Non-Hub	14,887	14,341	3.81%
Redding	Redding Municipal	Non-Hub	38,290	54,420	-29.64%
<b>Smaller Airports Outside Super Region</b>					
Santa Rosa	Charles M. Schulz - Sonoma Co.	Non-Hub	102,414	92,778	10.39%
Klamath Falls	Klamath Falls	Non-Hub	15,856	21,353	-25.74%
Medford	Rogue Valley Int'l - Medford	Non-Hub	301,742	310,824	-2.92%
<b>Medium/Large Hub Airports Outside Super Region</b>					
Oakland	Metropolitan Oakland International	Medium Hub	4,550,526	4,673,417	-2.63%
Reno	Reno/Tahoe International	Medium Hub	1,821,051	1,857,488	-1.96%
Sacramento	Sacramento International	Medium Hub	4,370,895	4,424,279	-1.21%
San Francisco	San Francisco International	Large Hub	20,056,568	19,359,003	3.60%

Source: Federal Aviation Administration

### Rail Access

Many businesses rely on rail for accessing materials and shipping final products. As shown in the map below, two Class I railroads serve the North State: Burlington Northern Santa Fe Railway (BNSF) and the Union Pacific Railroad (UP). The counties along the North Coast have no rail access.

### Class I Freight Railroad Service in North State



Source: Caltrans Office of Goods Movement and System Planning, August 2010



The average travel time in minutes from the county centroid to nearest rail intermodal loading terminal can serve as a proxy of the relative rail access. This measure has not been calculated yet for North State counties.

### **Port Access**

Many businesses need access to marine gateways, which provide connections to international trade.

The closest marine ports to the North State are:

- Port of Humboldt Bay, a bulk port formerly specializing in wood products
- Port of Oakland, a major container port
- Port of Stockton, an inland port for both bulk and containerized cargo
- Port of West Sacramento, an inland port.

The average travel time in minutes from the county centroid to the nearest marine terminal can serve as a proxy of the relative port access. This measure has not been calculated yet for North State counties.

## **Transportation Network Characteristics**

### **Availability of Multiple-Lane Roads**

High-capacity roadways are necessary for easy movement of goods and people. Multiple lane roadways also generally have higher safety and perceived better ease of use by travelers. The exhibit below shows that the North State has a high percentage of two-lane roads and very little roadway mileage with more than four lanes.

### Distribution of Roadway Mileage by Number of Lanes

District	County	Percent of Mileage		
		Lanes		
		2	4	6
1	Del Norte	83.2%	16.8%	0.0%
1	Humboldt	65.2%	34.2%	0.5%
1	Lake	92.3%	7.7%	0.0%
1	Mendocino	83.2%	16.8%	0.0%
2	Lassen	99.4%	0.6%	0.0%
2	Modoc	100.0%	0.0%	0.0%
2	Plumas	99.3%	0.7%	0.0%
2	Shasta	70.9%	29.1%	0.0%
2	Siskiyou	80.3%	17.8%	1.9%
2	Tehama	78.4%	20.8%	0.8%
2	Trinity	100.0%	0.0%	0.0%
3	Butte	81.3%	18.7%	0.0%
3	Colusa	69.5%	30.5%	0.0%
3	Glenn	73.8%	26.2%	0.0%
3	Nevada	63.4%	36.6%	0.0%
3	Sierra	95.3%	4.7%	0.0%
	<b>Total</b>	<b>82.8%</b>	<b>16.9%</b>	<b>0.3%</b>

Source: Caltrans

### Roadway Topography

Roadways in rolling and mountainous terrain are more difficult to traverse, more difficult to maintain, and can impede travel. The exhibit below shows that nearly two-thirds of the State Highways in the North State cross rolling hills or mountainous terrain.

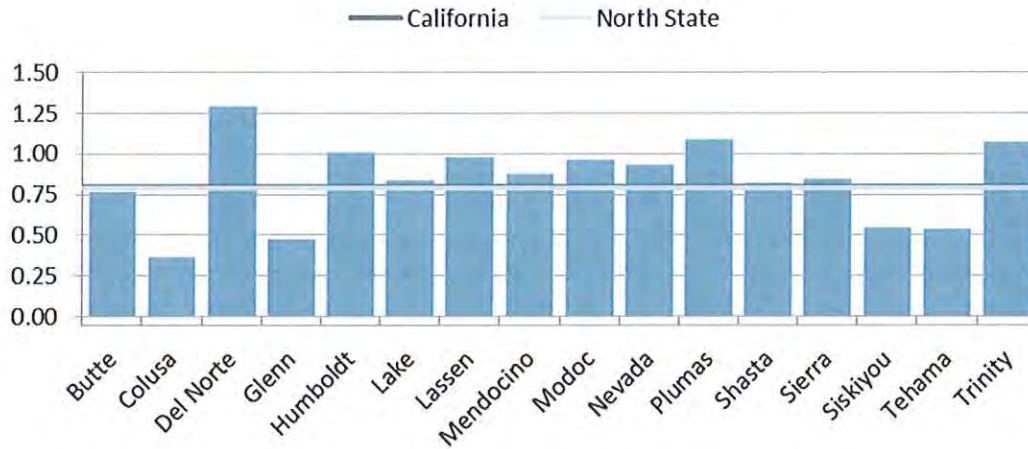
### Distribution of Roadway Mileage by Terrain Type

District	County	Percent of Mileage		
		Terrain		
		Level	Rolling	Mountain
1	Del Norte	31.1%	36.3%	32.6%
1	Humboldt	19.4%	54.3%	26.3%
1	Lake	33.1%	39.7%	27.2%
1	Mendocino	9.6%	47.3%	43.1%
2	Lassen	57.9%	35.8%	6.3%
2	Modoc	68.1%	10.2%	21.7%
2	Plumas	17.8%	59.1%	23.0%
2	Shasta	38.0%	27.3%	34.7%
2	Siskiyou	40.1%	12.6%	47.3%
2	Tehama	40.1%	9.0%	50.8%
2	Trinity	0.9%	2.7%	96.4%
3	Butte	75.5%	6.3%	18.2%
3	Colusa	75.8%	24.2%	0.0%
3	Glenn	76.3%	23.7%	0.0%
3	Nevada	6.4%	45.1%	48.5%
3	Sierra	17.9%	16.9%	65.2%
	<b>Total</b>	<b>35.5%</b>	<b>29.8%</b>	<b>34.7%</b>

Source: Caltrans



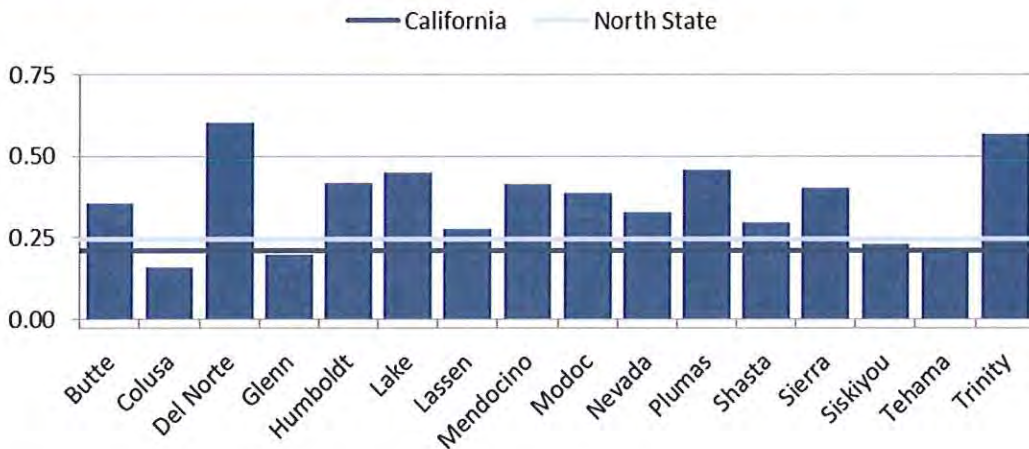
### Collisions per Million Vehicle Miles Traveled (MVM)



Source: Caltrans, 2009 Collision Data on California Highways

Collisions in the North State tend to be more severe than those in California overall. As shown in the exhibit below, nearly every county in the North State has a fatal plus injury collision rate above the statewide average. The only counties with lower fatal plus injury collision rates are located along I-5, which has higher design standards than other North State roadways.

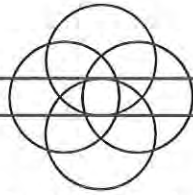
### Fatality and Injury Collisions per Million Vehicle Miles Traveled (MVM)



Source: Caltrans, 2009 Collision Data on California Highways

### STAA Truck Access

The Surface Transportation Assistance Act of 1982 allows large trucks, referred to as STAA trucks, to operate on routes that are part of the National Network. If an area does not have STAA truck access, shipments must be transferred from STAA trucks to smaller trucks, which can lead to higher shipping costs. Areas without STAA truck access are at an economic disadvantage. Several locations in the North State (e.g., Eureka, Arcata, and Trinity County) currently do not have STAA truck access.



## Crossroads Resource Center

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***Tools for Community Self-determination***

### Mount Shasta Region (California) Local Farm & Food Economy

by Ken Meter, Crossroads Resource Center (Minneapolis)<sup>1</sup>  
for  
The California Center for Cooperative Development  
April 30, 2012

*Covers Lassen, Modoc, Shasta, Siskiyou, Tehama, & Trinity Counties in California*

#### **Mount Shasta Region (Bureau of Economic Analysis, 2010)**

344,116 residents receive \$11.1 billion of income annually. Personal income for the region's residents tripled from 1969 to 2010, after adjusting for inflation, but also peaked at \$11.3 billion in 2007. The largest source of personal income is transfer payments (from government programs such as pensions), which account for \$3.4 billion of personal income [see below]. Capital income (from interest, rent or dividends) brings in \$2.1 billion of personal income. Government jobs rank third, with \$1.9 billion. Retail jobs rank fourth, with \$0.5 billion. Note that income from public sources makes up 47% of all personal income in the region.

Income earned from transfer payments includes \$1 billion of retirement and disability insurance benefits; \$1.4 billion of medical benefits; \$52 million of income maintenance benefits; and \$69 million of unemployment insurance. Veteran's benefits were not reported for two counties, so an accurate total cannot be compiled.

Government income includes \$444 million of income earned by federal workers; \$316 million for state government workers, and \$1.08 billion earned by local government staff. Military personnel earn \$27 million of personal income.

Although the region's population has doubled since 1969, there has been only limited public planning to assure a secure and stable food supply.

#### **Issues affecting low-income residents of the Shasta region:**

Over 100,000 residents (29%) earn less than 185% of federal poverty guidelines. At this level of income, children qualify for free or reduced-price lunch at school. These lower-income residents spend \$200 million each year buying food, including \$37 million of SNAP benefits (formerly known as food stamps) and additional WIC coupons. The region's 5,159 farmers receive an annual combined total of \$13 million in subsidies (22-year average, 1989-2010), mostly to raise crops such

<sup>1</sup> Considerable research assistance provided by Nick Wojciak.

as corn or soybeans that are sold as commodities, not to feed local residents. *Data from Federal Census of 2000, Bureau of Labor Statistics, & Bureau of Economic Analysis.*

7% percent of the region's households (over 25,000 residents) earn less than \$10,000 per year. *Source: Federal Census American Community Survey 2006-2010.*

21% of all adults aged 18-64 in California carry no health insurance. *Source: Centers for Disease Control, 2010.*

### **Food-related health conditions:**

28% of California residents report that they eat five or more servings of fruit or vegetables each day. 72% do not. The rate of adequate fruit and vegetable consumption declined from 32% in 1996. This is a key indicator of health, since proper fruit and vegetable consumption has been connected to better health outcomes. *Source: Centers for Disease Control, 2009.*

51% of the state's adults report they have at least 30 minutes of moderate physical activity five or more days per week, or vigorous physical activity for 20 or more minutes three or more days per week. This is an improvement from the 46% rate in 2001. *Source: Centers for Disease Control, 2009.*

9% of California residents have been diagnosed with diabetes, up from 7% in 2004. *Source: Centers for Disease Control, 2010.* Medical costs for treating diabetes and related conditions in the Shasta region are estimated at \$200 million per year. Costs for the state of California as a whole total \$21.6 billion. *Source: American Diabetes Association cost calculator.* This is two-thirds the value of all farm commodities produced in the state.

62% of the state's residents are overweight (37%) or obese (25%). The rate of obesity has increased dramatically from 15% in 1995. *Source: Centers for Disease Control, 2010.*

### **The region's farms (Agricultural Census, 2007)**

*Agriculture Census data for 2007 were released February 4, 2009*

*The Census of Agriculture defines a "farm" as "an operation that produces, or would normally produce and sell, \$1,000 or more of agricultural products per year."*

#### *Land:*

- 5,159 farms. This is 6% of California farms. *over 11% of land base.*
- The Shasta region had 15% more farms in 2007 than in 2002. Some of this may be due to census takers making better contact with small farms.
- 463 (9%) of these are 1,000 acres or more in size.
- 2,786 (54%) farms are less than 50 acres.
- Average farm size is 524 acres, significantly more than the state average of 313 acres.
- The region has 2.7 million acres of land in farms.
- This amounts to 11% of the state's farmland.
- The Shasta region holds 337,000 acres of harvested cropland.
- 473,000 of these acres are irrigated.

?

- Average value of land and buildings per farm was \$1.2 million. This was almost half the 2007 state average of \$2 million.

*Sales:*

*With the exception of foods sold directly to consumers (see below), farmers typically sell commodities to wholesalers, brokers or manufacturers that require further processing or handling to become consumer items. The word “commodities” is used in this report to mean the crops and livestock sold by farmers through these wholesale channels. The term “products” encompasses commodity sales, direct sales, and any other sales.*

- The region’s farmers sold \$454 million of crops and livestock in 2007.
- Farm product sales increased by 40% from 2002 to 2007.
- At least \$293 million of crops were sold. *Note that data for sales of crops in Shasta County were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- Over \$116 million of livestock and products were sold. *Note that data for sales of livestock in Shasta County were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- 3,245 (63%) of the region’s farms sold less than \$10,000 of products in 2007.
- Total sales from these small farms were \$6.9 million, 2% of the region’s farm product sales.
- 587 (11%) of the region’s farms sold more than \$100,000 of products.
- Total sales from these larger farms were at least \$401 million, over 88% of the region’s farm product sales. *Note that data for sales of over \$100,000 in Trinity County were suppressed by the USDA in an effort to protect confidentiality, so this total and percentage are incomplete.*
- 68% of the region’s farms (3,523 of 5,159) reported net losses in 2007. This is more than the California state average of 57%.
- 494 (10%) of the region’s farmers collected a combined total of \$4.8 million of federal subsidies in 2007. *Note that the Bureau of Economic Analysis reports government payments to farmers of more than \$7 million for 2007.*

**Top farm products of Shasta region (2007).** *Note: \*\* denotes sales data has been suppressed.*

Product	\$ millions
Cattle and calves	105
Fruits, tree nuts, and berries	104**
Forage crops (hay, etc.)	58**
Ornamentals	49**
Vegetables	32**
Milk	14
Wheat	11**

*Production Expenses:*

- Hired farm labor was the largest single expense for Shasta region farmers in 2007, totaling \$85 million (20% of production expenses).
- Farmers charged \$45 million to depreciation (10%).
- Supplies, repairs, and maintenance cost farmers \$37 million (8%).
- Feed purchases totaled \$35 million (8%).

- Gasoline, fuels, and oil costs totaled \$32 million (7%).
- Land and building rental cost farmers \$30 million (7%).
- Interest expenses were \$29 million (7%).
- Fertilizer, lime, and soil conditioners totaled \$28 million (6%).

*Cattle & Dairy:*

- 2,219 farms hold an inventory of 262,000 cattle.
- 154,000 cattle were sold by farmers in 2007 for total sales of \$105 million.
- 1,824 farms raise beef cows.
- 122 farms raise milk cows.
- 17 farms produced corn for silage.
- 1,083 farms produced 855,000 tons of forage crops (hay, etc.) on 235,000 acres.
- 746 farms sold at least \$58 million of forage. *Note that data for sales of forage in Lassen, Shasta, and Trinity counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*

*Other Livestock & Animal Products:*

- 188 farms hold an inventory of 1,712 hogs and pigs.
- 177 farms sold 2,452 hogs and pigs in 2007.
- 446 farms hold an inventory of 22,000 sheep and lambs.
- 535 farms sold \$1.9 million worth of sheep, goats, and lambs in 2007.
- 600 farms hold an inventory of 11,000 laying hens.
- 30 farms raise broiler chickens.
- 31 farms engage in aquaculture.
- 462 farms raise horses and ponies.

*Grains, Oil Seeds, & Edible Beans:*

- 165 farms produced \$26 million of grains, oil seeds, and edible beans.
- 17 farms produced 119,000 bushels of corn on 602 acres. *Note that data for sales of corn were suppressed in 3 of 4 corn producing counties.*
- 84 farms produced at least 1.8 million bushels of wheat on over 20,000 acres, worth more than \$11 million. *Note that data for bushels, acreage, and sales of wheat in Shasta County were suppressed by the USDA in an effort to protect confidentiality, so these totals are incomplete.*

6 tons per acre.  
— 5,400<sup>th</sup>/ac

*Vegetables & Melons (some farmers state that Ag Census data does not fully represent vegetable production):*

- 156 farms worked 12,000 acres to produce vegetables, worth at least \$32 million. *Note that data for sales of vegetables in Tehama and Trinity counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- This represents a decrease of 12 in the number of farms (from 169) since 2002 levels.
- 32 farms raised potatoes.



*Fruits (some farmers state that Ag Census data does not fully represent fruit production):*

- 1,023 farms in the region hold 40,000 acres of orchards.
- 1,002 farms sold at least \$104 million of fruits, nuts, and berries. *Note that data for sales of fruits, nuts, and berries in Modoc County were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*

*Nursery & Greenhouse Plants:*

- 75 farms sold at least \$49 million worth of ornamentals in 2007. *Note that data for sales of ornamentals in Lassen, Modoc, and Shasta counties were suppressed by the USDA in an effort to protect confidentiality, so this total is incomplete.*
- This represents a decrease of 27% in the number of farms (from 103) since 2002.
- 10 farms sold Christmas trees.

*Direct & Organic Sales:*

- 614 farms sell \$2.2 million of food products directly to consumers. This is a 33% increase of number of farms (462 in 2002) selling direct, and a 9% increase in direct sales over 2002 sales of \$2 million.
- This amounts to 0.5% of farm product sales, more than the national average of 0.4%.
- Tehama County leads the region in direct sales, with \$923,000.
- 97 farms in the region sold \$13 million of organic products, accounting for 2% of California's organic sales.
- For comparison, 3,235 farms in California sold \$657 million of organic food products.
- 53 farms market through community supported agriculture (CSA).
- 338 farms produce and sell value-added products.

*Conservation Practices:*

- 1,073 farms use conservation methods such as no-till, limited tilling, filtering field runoff to remove chemicals, fencing animals to prevent them from entering streams, etc.
- 1,299 farms practice rotational or management intensive grazing.
- 195 farms generate energy or electricity on the farm.

*Other Crops:*

- 12 farms produced oats.
- 44 farms produced at least 820,000 bushels of barley on over 9,669 acres, worth more than \$3.1 million. *Note that data for bushels and acreage of barley in Shasta County, and data for sales of barley in Shasta and Tehama counties were suppressed by the USDA in an effort to protect confidentiality, so these totals are incomplete.*
- 6 farms produced 2,950 tons of rice on 915 acres.

— 3,560\$/acre

**Limited-resource farms and others in the Shasta region  
(Census of Agriculture, 2007)**

	Farms	Percent	Acres	Percent
<b>Small family farms:</b>				
Limited-resource	853	17%	147,858	5%
Retirement	1,268	25%	251,334	9%
Residential/lifestyle	1,614	31%	308,881	11%
Farming occupation/lower sales	757	15%	338,385	13%
Farming occupation/higher sales	175	3%	**252,279	9%
<b>Large family farms</b>	130	3%	**399,680	15%
<b>Very large family farms</b>	113	2%	499,186	18%
<b>Nonfamily farms</b>	249	5%	**448,802	17%
<b>Total</b>	5,159		2,646,405	

\*\* Note: signifies that data has been suppressed to protect confidentiality.

*Definition of terms (Agricultural Census 2007):*

**Limited-resource farms** have market value of agricultural products sold gross sales of less than \$100,000, and total principal operator household income of less than \$20,000.

**Retirement farms** have market value of agricultural products sold of less than \$250,000, and a principal operator who reports being retired.

**Residential/lifestyle farms** have market value of agricultural products sold of less than \$250,000, and a principal operator who reports his/her primary occupation as other than farming.

**Farming occupation/lower-sales farms** have market value of agricultural products sold of less than \$100,000, and a principal operator who reports farming as his/her primary occupation.

**Farming occupation/higher-sales farms** have market value of agricultural products sold of between \$100,000 and \$249,999, and a principal operator who reports farming as his/her primary occupation.

**Large family farms** have market value of agricultural products sold between \$250,000 and \$499,999.

**Very large family farms** have market value of agricultural products sold of \$500,000 or more.

**Nonfamily farms are farms** organized as nonfamily corporations, as well as farms operated by hired manager.

## County and State Highlights

### Lassen County highlights (Agriculture Census 2007):

- 459 farms, 10% more than in 2002.
- Lassen County has 459,000 acres of land in farms.
- Farmers sold \$55.5 million of products in 2007.
- \$36.5 million (66%) of these sales were crops.
- \$19 million (34%) of these sales were livestock.
- The most prevalent farm size is 50 to 179 acres, with 126 farms (27%) in this category.
- The next most prevalent is 10 to 49 acres, with 98 (21%) farms.
- 72 farms (16%) are 1,000 acres or more.
- 165 farms (36%) are less than 50 acres.
- 282 farms (61%) sold less than \$10,000 in farm products.
- 59 farms (13%) sold more than \$100,000 in farm products.
- Lassen County ranks 3<sup>rd</sup> in California for acreage of mint for oil, *but acreage figures were suppressed by the USDA in an effort to protect confidentiality.*
- The county ranks 8<sup>th</sup> in the state for inventory of pheasants, with 3,470.
- Lassen County ranks tenth in the state for acreage of nursery stock, *but acreage figures were suppressed by the USDA in an effort to protect confidentiality.*
- 55 farms sold \$171,000 of food directly to consumers. This is a 45% increase in the number of farms selling direct (38 in 2002), and a 64% increase in direct sales over 2002 sales of \$104,000.
- Direct sales were 0.3% of farm product sales, less than the national average of 0.4%.

### Modoc County highlights (Agriculture Census 2007):

- 448 farms, 5% more than in 2002.
- Modoc County has 598,000 acres of land in farms.
- Farmers sold \$70.8 million of products in 2007.
- \$43.6 million (62%) of these sales were crops.
- \$27.2 million (38%) of these sales were livestock.
- The most prevalent farm size is 1,000 acres or more, with 103 farms (23%) in this category.
- The next most prevalent farm sizes are both 50 to 179 acres, with 95 (21%) farms, and 180 to 499 acres, also with 95 (21%) farms.
- 103 farms (23%) are 1,000 acres or more.
- 96 farms (21%) are less than 50 acres.
- 198 farms (44%) sold less than \$10,000 in farm products.
- 120 farms (27%) sold more than \$100,000 in farm products.
- Modoc County ranks 3<sup>rd</sup> in California, and 8<sup>th</sup> in the United States for acreage of wild rice, with 3,921.
- The county ranks 4<sup>th</sup> in the state for acreage of barley, with 2,724.
- Modoc County ranks eighth in the state for acreage of forage crops (hay, etc.), with 87,000.
- 25 farms sold \$51,000 of food directly to consumers. This is a 31% decrease in the number of farms selling direct (36 in 2002), and a 74% decrease in direct sales since 2002 sales of \$198,000.
- Direct sales were 0.1% of farm product sales, one quarter the national average of 0.4%.

**Shasta County highlights (Agriculture Census 2007):**

- 1,473 farms, 31% more than in 2002.
- Shasta County has 391,000 acres of land in farms.
- Farmers sold \$45 million of products in 2007.
- *Data for crop and livestock sales in Shasta County were suppressed by the USDA in an effort to protect confidentiality.*
- The most prevalent farm size is 10 to 49 acres, with 528 farms (36%) in this category.
- The next most prevalent is 1 to 9 acres, with 495 (34%) farms.
- 77 farms (5%) are 1,000 acres or more.
- 1,023 farms (69%) are less than 50 acres.
- 1,140 farms (77%) sold less than \$10,000 in farm products.
- 60 farms (4%) sold more than \$100,000 in farm products.
- Shasta County ranks 1<sup>st</sup> in California, and 4<sup>th</sup> in the United States for acreage of wild rice, with 5,097.
- The county ranks 4<sup>th</sup> in the state for acreage of mint for oil, with 710.
- Shasta County ranks ninth in the state, and ninth in the country for acreage of olives, with 984.
- The county ranks 10<sup>th</sup> in California for inventory of bee colonies, with 25,000.
- 237 farms sold \$616,000 of food directly to consumers. This is a 57% increase in the number of farms selling direct (151 in 2002), and a 29% increase in direct sales over 2002 sales of \$478,000.
- Direct sales were 1.4% of farm product sales, more than 3 times the national average of 0.4%.

**Siskiyou County highlights (Agriculture Census 2007):**

- 846 farms, 6% more than in 2002.
- Siskiyou County has 598,000 acres of land in farms.
- Farmers sold \$136.4 million of products in 2007.
- \$107.7 million (79%) of these sales were crops.
- \$28.7 million (21%) of these sales were livestock.
- The most prevalent farm size is 10 to 49 acres, with 229 farms (27%) in this category.
- The next most prevalent is 50 to 179 acres, with 228 (27%) farms.
- 100 farms (12%) are 1,000 acres or more.
- 309 farms (37%) are less than 50 acres.
- 510 farms (60%) sold less than \$10,000 in farm products.
- 137 farms (16%) sold more than \$100,000 in farm products.
- Siskiyou County ranks 2<sup>nd</sup> in California for acreage of potatoes, with 4,766.
- The county ranks 3<sup>rd</sup> in the state for acreage of barley, with 4,317.
- Siskiyou County ranks ninth in the state for acreage of forage crops (hay, etc.), with 75,000.
- 83 farms sold \$312,000 of food directly to consumers. This is a slight decrease in the number of farms selling direct (88 in 2002), and a 39% decrease in direct sales since 2002 sales of \$512,000.
- Direct sales were 0.2% of farm product sales, one half the national average of 0.4%.

**Tehama County highlights (Agriculture Census 2007):**

- 1,752 farms, 11% more than in 2002.
- Tehama County has 532,000 acres of land in farms.
- Farmers sold \$143 million of products in 2007.
- \$104 million (73%) of these sales were crops.
- \$39 million (27%) of these sales were livestock.
- The most prevalent farm size is 10 to 49 acres, with 811 farms (46%) in this category.
- The next most prevalent is 50 to 179 acres, with 331 (19%) farms.
- 97 farms (6%) are 1,000 acres or more.
- 1,102 farms (63%) are less than 50 acres.
- 982 farms (56%) sold less than \$10,000 in farm products.
- 205 farms (12%) sold more than \$100,000 in farm products.
- Tehama County ranks 3<sup>rd</sup> in California and the 3<sup>rd</sup> in United States for acreage of olives, with 6,160.
- The county ranks 6<sup>th</sup> in both the state, and the country, for acreage of walnuts, with 15,000.
- Tehama County ranks sixth in California and sixth in the country for acreage of plums and prunes, with 7,767.
- 168 farms sold \$923,000 of food directly to consumers. This is a 47% increase in the number of farms selling direct (114 in 2002), and a 47% increase in direct sales over 2002 sales of \$628,000.
- Direct sales were 0.6% of farm product sales, more than the national average of 0.4%.

**Trinity County highlights (Agriculture Census 2007):**

- 181 farms, 34% more than in 2002.
- Trinity County has 125,000 acres of land in farms.
- Farmers sold \$3 million of products in 2007.
- \$1 million (33%) of these sales were crops.
- \$2 million (67%) of these sales were livestock.
- The most prevalent farm size is 10 to 49 acres, with 63 farms (35%) in this category.
- The next most prevalent is 50 to 179 acres, with 45 (25%) farms.
- 14 farms (8%) are 1,000 acres or more.
- 91 farms (50%) are less than 50 acres.
- 133 farms (73%) sold less than \$10,000 in farm products.
- 6 farms (3%) sold more than \$100,000 in farm products.
- Trinity County ranks 8<sup>th</sup> in California for acreage of Christmas trees, with 126.
- 46 farms sold \$89,000 of food directly to consumers. This is a 31% increase in the number of farms selling direct (35 in 2002), and a 46% increase in direct sales over 2002 sales of \$61,000.
- Direct sales were 2.8% of farm product sales, 7 times the national average of 0.4%.

**State of California highlights (Agriculture Census 2007):**

- 81,000 farms, 2% more than in 2002.
- California has 25 million acres of land in farms.
- Farmers sold \$34 billion of products in 2007.
- \$23 billion (68%) of these sales were crops.
- \$11 billion (32%) of these sales were livestock.

- The most prevalent farm size is 10 to 49 acres, with 28,080 farms (35%) in this category.
- The next most prevalent is 1 to 9 acres, with 25,278 (31%) farms.
- 4,455 farms (5%) are 1,000 acres or more.
- 53,358 farms (66%) are less than 50 acres.
- 37,721 farms (47%) sold less than \$10,000 in farm products.
- 19,041 farms (23%) sold more than \$100,000 in farm products.
- California ranks 1<sup>st</sup> in the United States for sales of agricultural products.
- The state ranks 1<sup>st</sup> in the country for crop sales.
- California ranks first in the country for sales of vegetables, with \$5.4 billion.
- The state ranks 1<sup>st</sup> in the country for sales of fruits, nuts, and berries, with \$11 billion.
- California ranks 1<sup>st</sup> in the United States for sales of ornamentals, with \$3.6 billion.
- The state ranks first in the country for sales of forage crops (hay, etc.), with \$1.1 billion.
- California ranks 1<sup>st</sup> in the country for sales of milk, with \$6.6 billion.
- The state ranks 1<sup>st</sup> in the country for acreage of vegetables, with 1.2 million.
- California ranks first in the United States for acreage of grapes, with 868,000.
- The state ranks 1<sup>st</sup> in the country for acreage of almonds, with 790,000.
- California ranks 2<sup>nd</sup> in the country for sales of livestock and poultry.
- The state ranks second in the country for sales of cotton, with \$586 million.
- California ranks 2<sup>nd</sup> in the United States for acreage of rice, with 531,000.
- The state ranks 3<sup>rd</sup> in the country for sales of sheep and goats, with \$72 million.
- California ranks fourth in the country for sales of horses and ponies, with \$72 million.
- The state ranks 4<sup>th</sup> in the country for inventory of cattle, with 5.5 million.
- California ranks 5<sup>th</sup> in the United States for aquaculture sales, with \$102 million.
- The state ranks fifth in the country for inventory of laying hens, with 21 million.
- California ranks 5<sup>th</sup> in the country for inventory of turkeys, with 6.7 million.
- The state ranks 7<sup>th</sup> in the country for sales of poultry and eggs, with \$1.5 billion.
- California ranks seventh in the United States for sales of cattle, with \$2.5 billion.
- The state ranks 10<sup>th</sup> in the country for inventory of pullets for laying flock replacement, with 4.6 million.
- 7,068 farms sold \$163 million of food directly to consumers. This is a 10% increase in the number of farms selling direct (6,436 in 2002), and a 42% increase in direct sales over 2002 sales of \$114 million.
- Direct sales were 0.5% of farm product sales, more than the national average of 0.4%.
- Statewide vegetable sales totaled \$5.4 billion.
- 3,515 farms farm organically, with a total of 151,000 acres of harvested cropland, and 192,000 acres of pastureland.
- 60,000 acres on 1,399 farms are undergoing organic conversion.
- 3,235 farms in California sold \$657 million of organic food products, including \$553 million of crops (this may include ornamental and greenhouse crops), \$36 million of livestock and poultry, and \$68 million of products from livestock and poultry (such as milk or eggs).
- 953 farms market through community supported agriculture (CSA).
- 2,733 farms produce value-added products.
- 18,000 farms use conservation methods such as no-till, limited tilling, filtering field runoff to remove chemicals, fencing animals to prevent them from entering streams, etc.
- 8,106 farms practice rotational or management intensive grazing.
- 3,230 farms generate energy or electricity on the farms.

**California's top farm products in 2010 (Economic Research Service)**

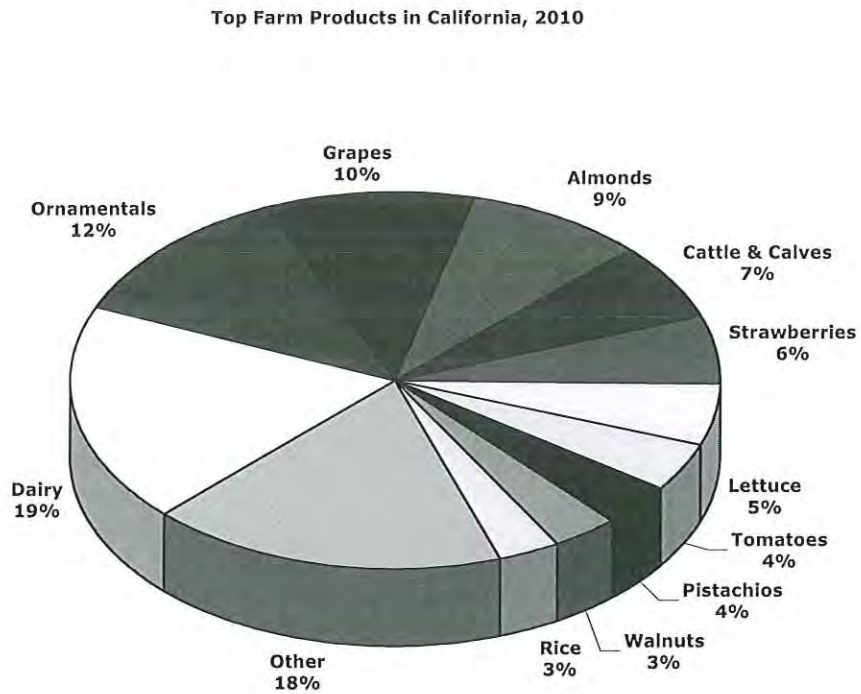
*Due to data suppression at the local level, such a chart cannot reasonably be constructed for the region itself. The data in the table and pie chart below are for California as a whole. See chart on next page.*

	\$ billions
1 Dairy	5.93
2 Ornamentals	3.77
3 Grapes	3.20
4 Almonds	2.84
5 Cattle & Calves	2.09
6 Strawberries	1.80
7 Lettuce	1.64
8 Tomatoes	1.27
9 Pistachios	1.16
10 Walnuts	1.06
11 Rice	0.90
12 Hay	0.73
13 Oranges	0.70
14 Broccoli	0.61
15 Carrots	0.53
16 Cotton	0.44
17 Avocados	0.41
18 Celery	0.38
19 Chicken eggs	0.38
20 Lemons	0.34
21 Peaches	0.29
22 Plums & Prunes	0.27
23 Turkeys	0.26
24 Garlic	0.26

*Note: Broiler hens were also listed among California's top 25 products, but sales figures for these products were not released by ERS, in an effort to protect confidentiality.*

California's top farm products in 2010 (Economic Research Service)

See table on previous page



Source: USDA Economic Research Service



**Balance of Cash Receipts and Production Costs (BEA):**

Mount Shasta region ranchers and farmers sell \$495 million of food commodities per year (1989-2010 average), spending \$473 million to raise them, for an average gain of \$22 million each year. *Note that these sales figures compiled by the BEA may differ from cash receipts recorded by the USDA Agriculture Census (above).*

Overall, farm producers earned \$500 million more selling crops and livestock than they spent to produce these commodities from 1989 to 2010. Yet farm production costs exceeded cash receipts for seven years of that 22-year period. Moreover, 68% of the region's farms and ranches reported that they lost money in 2007 (Ag Census). Shasta region farmers and ranchers earned \$5 million less by selling commodities in 2010 than they earned in 1969 (in 2010 dollars).

Farmers and ranchers earn another \$35 million per year of farm-related income — primarily custom work, and rental income (22-year average for 1989-2010). Federal farm support payments are relatively small, averaging \$13 million per year for the entire region for the same years.

**The region's consumers:**

*See also information covering low-income food consumption and food-related health conditions, page 1-2 above.*

Shasta region consumers spend \$912 million buying food each year, including \$532 million for home use. Most of this food is produced outside the region, so the region's consumers spend about \$800 million per year buying food sourced far away. Only \$2 million of food products (0.5% of farm cash receipts and 0.2% of the region's consumer market) are sold by farmers directly to consumers.

Estimated change in net assets (that is, assets minus liabilities) for all region households combined was a loss of \$1.8 billion in 2009 alone (BLS). This places additional pressure on Shasta Region consumers trying to buy food.

**Farm and food economy summary:**

Farmers gain \$22 million each year producing food commodities, yet spend \$235 million buying inputs sourced outside of the region. Even when farmers make money, these input purchases result in substantial losses to the region as a whole. Overall, farm production creates a loss of \$210 million to the region.

Meanwhile, consumers spend \$800 million buying food from outside. Thus, total loss to the region is \$1 billion of potential wealth *each year*. This loss amounts to more than double the value of all food commodities raised in the region.

**Mount Shasta Region: markets for food eaten at home (2009):**

The region's residents purchase \$912 million of food each year, including \$532 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 116
Fruits & vegetables	98
Cereals and bakery products	68
Dairy products	57
"Other," incl. Sweets, fats, & oils	193

If Shasta region residents purchased \$5.00 of food for home use directly from the region's farmers each week, this would generate \$89 million of new farm income for the region.

**Lassen County: markets for food eaten at home (2009):**

Lassen County residents purchase \$93 million of food each year, including \$54 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 12
Fruits & vegetables	10
Cereals and bakery products	7
Dairy products	6
"Other," incl. Sweets, fats, & oils	20

**Modoc County: markets for food eaten at home (2009):**

Modoc County residents purchase \$26 million of food each year, including \$15 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 3.2
Fruits & vegetables	2.7
Cereals and bakery products	1.9
Dairy products	1.6
"Other," incl. Sweets, fats, & oils	5.4

**Shasta County: markets for food eaten at home (2009):**

Shasta County residents purchase \$471 million of food each year, including \$274 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 60
Fruits & vegetables	50
Cereals and bakery products	35
Dairy products	30
“Other,” incl. Sweets, fats, & oils	100

**Siskiyou County: markets for food eaten at home (2009):**

Siskiyou County residents purchase \$119 million of food each year, including \$69 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 15
Fruits & vegetables	13
Cereals and bakery products	9
Dairy products	7
“Other,” incl. Sweets, fats, & oils	25

**Tehama County: markets for food eaten at home (2009):**

Tehama County residents purchase \$167 million of food each year, including \$97 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 21
Fruits & vegetables	18
Cereals and bakery products	12
Dairy products	10
“Other,” incl. Sweets, fats, & oils	35

**Trinity County: markets for food eaten at home (2009):**

Trinity County residents purchase \$36 million of food each year, including \$21 million to eat at home. Home purchases break down in the following way:

	<i>millions</i>
Meats, poultry, fish, and eggs	\$ 4.6
Fruits & vegetables	3.9
Cereals and bakery products	2.7
Dairy products	2.3
“Other,” incl. Sweets, fats, & oils	7.7

**Key data sources:**

**Bureau of Economic Analysis data on farm production balance**

<http://www.bea.doc.gov/bea/regional/reis/>

**Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey**

<http://www.bls.gov/cex/home.htm>

**U.S. Census of Agriculture**

<http://www.nass.usda.gov/census/>

**USDA/Economic Research Service food consumption data:**

<http://www.ers.usda.gov/data/foodconsumption/>

**USDA/ Economic Research Service farm income data:**

<http://ers.usda.gov/Data/FarmIncome/finfidmu.htm>

**Centers for Disease Control Behavioral Risk Factor Surveillance System (BRFSS):**

<http://www.cdc.gov/brfss/>

**For more information:**

To see results from *Finding Food in Farm Country* studies in other regions of the U.S.:

<http://www.crcworks.org/?submit=fffc>.

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation in 2001): <http://www.crcworks.org/ff.pdf>

To view a PowerPoint presented in March, 2008, by Ken Meter at Rep. Collin Peterson's (D-MN) Minnesota agricultural forum, called the "Home Grown Economy":

<http://www.crcworks.org/crcppts/petersonkm08.pdf>

A wide variety of additional resources are available at <http://www.crcworks.org/>

Contact Ken Meter at Crossroads Resource Center

<[kmeter@crcworks.org](mailto:kmeter@crcworks.org)>

(612) 869-8664

**Workforce Investment Act Plan - NoRTEC**

# Workforce Investment Act Strategic Five-Year Local Plan

**For the Local Workforce Investment Area:**

NORTEC  
Butte, Del Norte, Lassen, Modoc, Plumas,  
Shasta, Siskiyou, Tehama, Trinity

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**EXECUTIVE SUMMARY**

*The Northern Rural Training and Employment Consortium (NoRTEC) has worked diligently over the past five years to develop and establish a service delivery system consistent with California's One Stop vision. The result has been a network of One Stops that feature partnerships that are prescribed in the Workforce Investment Act (ACT). All of the nine member counties of the NoRTEC- Butte, Del Norte, Lassen, Modoc, Plumas, Shasta, Siskiyou, Tehama, and Trinity - have a least one comprehensive One Stop operation and all are electronically linked and part of the Northern California Employment Network (14 counties total). CalWorks, EDD (including job service, UI, and veterans services), and Senior Service are already co-located at the One Stops. Several other partners including Community Colleges, Probation, Department of Rehabilitation, Social Services, ROP, and Adult Education are also co-located partners at some or all of the One Stops.*

*NoRTEC's One Stops currently provide, on-site or through referral, all of the youth services and adult services described in the ACT. NoRTEC has met all performance standards prescribed by JTPA since its inception. Our recent excellent performance is largely due to comprehensive services offered through the cooperative efforts of the local and regional partnerships that have been forged. Employer service has also been enhanced because of the centralized, concerted efforts of the One Stop partners to provide a single point of contact for job development, and referral strategies that avoid confusion and eliminate duplication. Community Coordinators in each of the counties have improved services to employers by serving as a bridge between the economic development, business and job training communities. Employers also have access to job seekers and other business relevant information and assistance through the local One Stop business resource centers.*

*NoRTEC's goals for a first class One Stop service delivery system include continually improving:*

- *Local and regional partnership commitments to coordinating resources (manpower, money, equipment, supplies, etc.) to best meet the needs of our customers and local employers and job seekers.*
- *Community coordination support and assistance for common goals and efforts among business, economic development and the One Stops.*
- *Access to the Internet for job seekers, employers and the community.*

- *Customer satisfaction.*
- *Job development efforts to determine employer manpower needs and provide timely and consistent recruitment and screening and related employee and applicant training and other economic benefits.*
- *A "Work First" system that minimizes the turnaround time between job application and job placement.*
- *A "Business First" system that assists local business with retention and expansion efforts.*

## I. PLAN DEVELOPMENT PROCESS

### A. What was the role of the Chief Elected Official in developing the plan? [WIA, Section 118(a)]

*NoRTEC's Governing Board (CEO) worked in partnership with the NoRTEC WIB for the development of the local plan.*

### B. What local workforce investment board, transition board or existing body had oversight for the development of this local plan? If there was no such body, how will you create a responsible entity? [WIA Section 117(d)(4)]

*NoRTEC's WIB, in partnership with the NoRTEC Governing Board, had oversight for the development of the local plan.*

### C. Describe the process used to provide an opportunity for public comment, including comment by the Chief Elected Official; the local workforce investment board and youth council; other local governing bodies; educators; vocational rehabilitation agencies; service providers; community-based organizations; and migrant seasonal farm worker representatives. Describe the process used to get input for the plan prior to submission. [WIA Section 118(c)(1) and WIA Section 118(b)(7)]

*Most of these entities are directly represented on the NoRTEC WIB and Governing Board, and have a voting influence on NoRTEC policy and direction, including this plan. On a more public level, an announcement was published in the local newspapers of nine NoRTEC member counties, stating that a copy of the plan was available for public review and comment in a local One Stop in each of the nine NoRTEC counties. The plan was released and a 30-day public comment period commenced. Additionally, the plan was posted on the NoRTEC and NCEN Web sites for comment and input.*

### D. How were comments considered in developing the local WIA plan? [State Planning Guidance I B. and WIA, Section 112(b)(9)]

*The plan went through the public review process, which ended on March 22, 2000. No comments were received. The NoRTEC WIB and Governing Board approved the plan at their March 24, 2000, joint meeting.*

- E. Describe the method used to make copies of the local plan available through public hearings, and through the local news media and the Internet. [WIA, Section 118(c)(2)]**

*This is addressed in Item I.C., above.*

- F. What other organizations were involved in the development of the local plan? How were they involved?**

*Many local organizations have been involved in the development of the local plan. The input received has come through membership or participation on the WIB and Governing Board, local county One Stop planning and advisory committees and through partnership at the local One Stops.*

*Contributing organizations include:*

*County Superintendents of Schools, County Departments of Social Services, County Boards of Supervisors, County CEO's, EDD Field Offices, Chambers of Commerce, Regional Occupational Programs (ROP), Employers Advisory Groups, Local School Districts, Department of Rehabilitation, School-to-Career Programs, Local Economic Development Corporations*

## **II. LOCAL VISION AND GOALS**

- A. What is your vision for your local workforce investment system, and how will your system appear at the end of the five-year period covered by this plan? [State Planning Guidance II B.] [WIA, section 117(d)(1)] Some specific questions that may be considered are:**

- 1. 1. In five years, describe how your local system will integrate services. [WIA, Section 117(d)(1) and Section 118(a)]**

*Formalized, cooperative relationships that have already been established through the development of the NoRTEC One Stop System will be refined with experience. The co-located partners identified in WIA, Section 121(b) will provide a comprehensive, coordinated, seamless service delivery system to the job seekers and employers in their local area. Partner agencies and their staff will be actively engaged in cooperative efforts to decrease duplication of services and increase effective use of existing resources between programs. Enhancing customer service and results will be the common goal and proud achievement of the NoRTEC One Stop delivery system.*



**2. 2. What programs and funding streams will support service delivery through the One Stop system? [WIA, Section 121(b)(1)(B)]**

*In addition to WIA funded programs, required One Stop partners already co-located or having a presence in the NoRTEC One Stops include Adult Education and Literacy, Wagner-Peyser, Unemployment Insurance, Trade Adjustment Assistance, Vocational Rehabilitation, Welfare to Work, Senior Community Services Programs, Carl Perkins, and Veteran's Programs. All of these programs continue to support service delivery through the NoRTEC One Stop delivery system.*

*Other partners including local Welfare Departments, School-to-Career, local Economic Development Corporations, and local Community Colleges also contribute to the delivery of services through the One Stops.*

**3. 3. Typically, what information and services will be provided and how will customers access them? How will the goal of universal access be achieved? [20 CFR Part 652, et al., Interim Final Rule (I)(A), State Planning Guidance II.B. bullet 3]**

*All customers coming to the One Stop Career Centers in NoRTEC will be provided the opportunity to access information and the full array of core services under WIA. These services include labor market information, job search and placement assistance, information to assist individuals with the filing of UI claims, information on the availability of financial aide, eligibility determination for WIA, Welfare-to-Work, and other employment and training programs. The One Stop will also serve as a resource and referral center to help customers meet their supportive service needs in the areas of transportation, childcare, etc. Initial assessment of skill levels, aptitudes, abilities, and supportive service needs, as well as career counseling will also be available. Follow-up services will be provided to those customers who are registered and enter unsubsidized employment.*

*In addition to those services outlined above, the One Stops will also provide information on training providers and their success rates.*

*Individuals whose needs are unmet through the provision of core services may seek further assistance by requesting intensive services provided through the One Stops, or through referral to another agency.*

**4. 4. How will Wagner-Peyser Act and unemployment insurance services be integrated into the local system? [WIA, Section 121(b)(1)(B)(xii), State Planning Guidance II B bullet 5]**

*Wagner-Peyser and unemployment insurance services are already integrated into the local system. EDD staff delivering these services is co-located at all NoRTEC One Stops and has been for the past five years. This relationship will continue under the WIA.*

**5. How will the youth programs be enhanced to expand youth access to the resources and skills they need to succeed in the State's economy? [WIA, Section 111(d)(2) and 112(a)]**

*NoRTEC's youth programs have been evolving since the JTPA Amendments in 1992, and currently reflect DOL's vision of long-term intervention strategies for serving youth and assisting them to develop the skills they need to succeed as a productive member of the State's work force. Youth providers will be co-located in NoRTEC's One Stops and will work closely with the resources available in these centers to provide the employment and retention services needed by many of the the youth that are in the "older youth" age group.*

*For those older youth seeking advanced education and work experience (instead of employment), and for younger youth who have a need for employability skills, basic skills, and occupational skills, NoRTEC currently has a well developed job specific skills competency system, which can be reviewed at the following web address: [/tb/jsscomps/jsscomps.htm](http://tb/jsscomps/jsscomps.htm). These competency statements are constructed in tiers to provide certificates in three areas: Certificate of Entry Level Training Completion (Youth Only), Certificate of Training Completion (more advanced than the Entry Level Training Completion certificate), and Certificate of Mastery. All competency statements incorporate SCANS skills (workplace know-how skills) into the training experience. Intensive case management is provided to all youth involved in a training program to ensure a successful, meaningful experience.*

*Local youth planning groups will continue to provide oversight and feedback to the NoRTEC WIB to ensure on-going refinement of the current system.*

**B. Identify organizations involved in the development of your local vision and goals.**

*Many local organizations have been involved in the development of the vision and goals of our local workforce investment system. The input received has come from the organizations through membership or participation on the WIB and Governing Board, county One Stop planning and advisory committees and through partnership at the local One Stops. Contributing organizations include:*

- *Community Colleges*
- *County Superintendents of Schools*
- *County Welfare Departments*
- *County Boards of Supervisors*
- *County CEO's*
- *EDD Field Offices*
- *Chambers of Commerce*
- *ROP Programs*
- *Employer Advisory Groups*
- *Local School Districts*
- *Department of Rehabilitation*

- *School-to-Career Programs*
- *Local Economic Development Corporations*
- *Programs providing Title V Programs under the Older American's Act*
- *Local One Stop and Workforce Development planning groups*

### III. LABOR MARKET ANALYSIS

#### A. What are the workforce investment needs of businesses, job-seekers and workers in the local area? [WIA, Section 118(b)(1)(A)]

*Needs of Job-Seekers:* Job-seekers who are job-ready for a chosen occupation need information on jobs available in their field or in occupations requiring similar skills, in their local area as well as in an area they are able to commute to or willing to relocate to. Often job application or resume preparation assistance; interview skills training; and technological assistance with job search/labor market information websites, electronic job listings, and computers will be needed by job-ready individuals, to help them get the best job available for them. For those job-seekers who are not job-ready (i.e., not trained for an occupation and/or not having a good work ethic and job retention skills), basic skills training, work readiness training and SCANS (workplace know-how skills) training will be provided as needed; and vocational training, either short-term or long-term as appropriate, will be provided, based on individual assessments and demand for occupations for which training will be provided.

*Needs of Workers:* Most incumbent workers have needs and a desire for improving their skills, employment, and compensation. Those who are in greater need to improve their skills and income, relative to their family responsibilities and income status of their household, will be given priority for assistance with training for upgrading their skills and income. Referrals by employers for skills upgrading for their employees will be considered when assurance of a post-training increase in wages is documented. Skill upgrading efforts initiated by workers shall be met by service providers with appropriate services or referrals, including efforts to arrange training around their work schedule.

*Needs of Businesses and Employers:* The workforce investment needs of businesses and employers involve obtaining skilled workers to perform the service and/or production tasks of their business, and upgrading the skills of the workers they have, in order to increase the quantity and/or quality of their products or services. Employers try to keep up with technological change among their suppliers, controllers, competitors, and customers, to improve their production or service, and they often could use outside help to do this. More generally, most employers could use financial assistance for expansion, upgrading, etc. NoRTEC One Stops will be able to assist with the identification of specific job skill needs, screening and recruitment, applicant training and upgrading the skills of their workers, and identifying and obtaining other related economic benefits. The NoRTEC One Stop business resource centers can assist with everything from workshops and internet access and training, to Small Business Development to Workshops, to providing software, video and other library materials and even a Grant Resource center.

#### B. How will the needs of employers be determined in your area? [State Planning Guidance IV.B.6. and WIA, Section 118 (b)(1)(A)]

*Employer needs will be determined through eight primary avenues:*

1. *1. One Stop Job Developers will elicit a direct one-on-one feedback from local employers during routine on-site employer contacts.*
2. *2. One Stop Job Developers, Case Managers and Participants will elicit direct employer feedback and combine this with information from standard reference texts for the identification of specific job skills needed for the development of the competency based participant training plan.*
3. *3. The California Occupational Information Survey may be conducted annually for all consortium member counties.*
4. *4. Direct employer contact with the One Stops for seminars, workshops, Job Fairs, job postings and employee recruitment.*
5. *5. Coordination with local economic development efforts, particularly with the NoRTEC Community Coordinators, for both specific efforts and the annual update of the local workforce development plans.*
6. *6. NoRTEC Community Coordinators working with and often staffing local Board of Supervisor appointed or approved employment/economic development planning and oversight groups.*
7. *7. Regional planning through the Northern California Employment Network (NCEN), pulling together all the local plans into a regional planning and reference document.*
8. *8. Direct employer input from the members of the NoRTEC WIB representing the local employer community.*

**C. What are the current and projected employment opportunities in the local area? [WIA, Section 118(b)(1)(B)]**

*(ANSWERED BELOW WITH SECTION D)*

**D. What job skills are necessary to obtain such employment opportunities? [WIA, Section 118(b)(1)(C)]**

*Example (non-inclusive) of COIS Identified Employment Opportunities and Skills Needed throughout the nine county NoRTEC area. For a more thorough, on-line look, try the California Career and Training Information System (CACTIS) at <http://www.cactis.ca.gov>*

<u><i>Employment Opportunities</i></u>	<u><i>Skills Needed</i></u>
Carpenters	Shop math skills, ability to use drafting tools, ability to read blue prints, metal framing skills, cost estimating skills, finish carpentry skills, rough carpentry skills, drywall installation and repair skills

<i>Child Care Workers</i>	<i>Patience with children, knowledge of early childhood development, public contact skills, oral reading skills, first aid certification, multi-cultural familiarity, feed, clean, change/dress, and oversee play of children</i>
<i>Construction Managers</i>	<i>Office management skills, report writing skills, civil engineering skills, ability to estimate costs and submit bids, personnel management skills, landscape site planning skills, understanding of construction terms, possession of a contractor's license, advanced math skills, basic computer skills</i>
<i>Dental Hygienists</i>	<i>Perform dental prophylactic treatments, measure gum line spacing, evaluate health of teeth and gums, instruct adults and children in care of teeth</i>
<i>Home Health Aides</i>	<i>Care for elderly, convalescent or disabled persons at their home, some housecleaning, food preparation, assistance with bathing and dressing, assist with medical and physical therapy, CPR and first aid certification</i>
<i>Human Service Workers</i>	<i>Listening skills, familiarity with service resources, ability to identify problems and provide service and make referrals as appropriate, record keeping, assist caseworkers win resolution of behavioral problems</i>
<i>Medical Assistants</i>	<i>Knowledge of medical terminology, ability to follow written and oral instructions, take vital signs, knowledge of medical insurance and billing systems, maintenance of supplies inventory, record keeping skills, ability to effectively deal with patients</i>

<i>Physical Therapists</i>	<i>Graduation from an approved school of physical therapy, knowledge of geriatrics, knowledge of pediatrics, knowledge of sports medicine, knowledge of cardiac rehabilitation, ability to provide safe and effective provisions of therapy, problems solving skills, manual dexterity, possession of mechanical aptitude, writing skills, oral communication skills</i>
<i>Radiology Technicians</i>	<i>Ability to use x-ray CT scanner, and/or magnetic resonance image equipment, ability to develop film, knowledge of digital image transfer, ability to follow safety procedures, ability to take vital signs</i>
<i>Registered Nurse</i>	<i>Knowledge of principles, practices, and techniques of nursing, ability to assess need for medical care, oral and written communication skills, record keeping and math skills</i>
<i>Teachers, Special Education</i>	<i>Ability to teach elementary and secondary school subjects to educationally and physically handicapped students, ability to read Braille, ability to understand sign language and lips, crisis intervention skills, classroom management skills</i>
<i>Waiters and Waitresss</i>	<i>Basic math and oral communication skills, ability to operate a cash register, customer service skills, ability to take orders from patrons and make out checks, ability to serve food and beverages to patrons at tables</i>

**IV. LEADERSHIP**

- A. If an interim board was responsible for development of this plan, how will the plan and authority to oversee its implementation under, WIA Section 117(d)(4), be transferred to the new local workforce investment board?**

*In the spring and early summer of 1999, the Board of Supervisors in each county in the consortium passed resolutions appointing the Private Industry Council as the interim WIB, pending NoRTEC Governing Board appointment. The Governing Board of NoRTEC formally appointed a Workforce Investment Board (WIB) on January 27, 2000.*

- B. What circumstances constitute a conflict of interest for a local board member, including voting on any matter regarding provision of service by that member or the entity that s/he represents, and any matter that would provide a financial benefit to that member? [WIA, Section 117(g)(1)(2)]**

*This is not a new issue for WIB members. Under JTPA, anytime a PIC member was asked to vote upon an issue that directly involved his/her agency (e.g., awarding of contracts), that member would abstain. These abstentions were recorded in the meeting minutes. This practice will continue with the WIB under WIA.*

*In addition, WIB members will sign a Standards of Conduct Statement that guides them in the performance of their official responsibilities.*

- C. How will the local board provide a leadership role in developing policy, implementing policy and oversight for the local workforce investment system? [WIA Section 117(d)(4)]**

*The NoRTEC WIB will be involved in all areas of program planning, oversight, and evaluation. The WIB is involved in the oversight and policy development for the Workforce Investment Area's Welfare to Work Programs, the review and analysis of labor market information, and determining needs for employment, training and related services throughout the Workforce Investment Area. The WIB will also monitor WIA funded programs operating in the Workforce Investment Area, set guidelines for determining which clients can most benefit from services and recommend improvements in the mix of training and participant support services. The WIB will also solicit the participation of the local business communities in the provision of program services to residents as well as coordination of delivery systems.*

- D. How will the local board assure the local system contributes to the achievement of the State's strategic goals? [WIA, Section 118(a)]**

*NoRTEC's Private Industry Council, and now WIB, has been a forerunner in embracing the State's One Stop vision and workforce investment goals in general. NoRTEC's One Stops, Welfare to Work programs, inclusion of the economic development community into its program design, and commitment to partnering with the education community are consistent with the State's goals. The NoRTEC WIB is committed to making the systemic changes the State has prescribed and not just "reinventing" JTPA, but building upon prior JTPA accomplishments.*

- E. How will the local board meet the WIA requirement that neither the local board nor its staff provide training services without a written waiver from the Governor? [WIA, Section 117 (f)(1)(A) and (B)]**

**If the local board plans to provide training services, describe which services. If a waiver is to be sought, a request for Waiver of Training Prohibition must be submitted for each specific training program. (See Attachment - Policy and Procedure for Waiver of Training Prohibition.)**

*All training services in NoRTEC will be delivered through contracts with independent program providers. All participant based training service funds will be passed through to these providers. There will be no training programs offered "in-house" by the WIB.*

- F. How will the local board ensure that the public (including persons with disabilities) have access to board meetings and activities including local board membership, notification of meetings and meeting minutes? [WIA Section 117(e)]**

*All board meetings and activities involving board membership will be publicized and publicly posted, including on the Internet on the NoRTEC web page at least seven days prior to the actual meeting date. Minutes of past WIB and PIC meetings and a roster of board membership are already available to the public at the Consortium office, via the Internet, at NoRTEC's One Stops, and at every board meeting. Meetings will be held only in buildings that are accessible to persons with disabilities.*

## **V. LOCAL ONE STOP SERVICE DELIVERY SYSTEM**

- A. Describe the One Stop delivery system in your local area. [WIA, Section 118(b)(2)]. Include a list of the comprehensive One Stop centers and the other service points in your area.**

*The NoRTEC One Stop delivery system is a network of One Stop Employment Centers within which entities responsible for administering separate workforce investment, educational, and other human resource programs and funding streams (our One Stop partners) are collaborating to create a seamless system of service delivery designed to enhance access to the program's services and improve long-term employment outcomes for individuals receiving assistance. Information and assistance accessing the entire range of education, training and job-finding services, as well as employer services available within and outside the NoRTEC area, are provided to any interested person through the NoRTEC One Stop network, and customer friendly referrals are made for more specialized services available through other related locations.*

*To the extent practicable, the partners at the local county level will determine One Stop operating policies and procedures. NoRTEC recognizes and supports the diversity among its member counties, and is committed to fostering meaningful local involvement in the One Stop delivery system. There is also the practical need imposed by the vast geographic area to delegate significant decision making authority to the local level. Within the boundaries of NoRTEC regional policy, the local partners are encouraged to*



*determine what best works for them in the provision of programs and services through the local One Stops.*

*NoRTEC's One Stop System includes the following One Stop Centers in the following locations:*

Butte County:	Chico Employment Center (Chico) Oroville Employment Center (Oroville)
Del Norte County:	Rural Human Services (Crescent City)
Lassen County:	Lassen Career Network (Susanville)
Modoc County:	New Directions (Alturas)
Plumas County:	Employment & Training Center (Quincy)
Shasta County:	Smart Community Employment Center (Redding) Smart Community Employment Center (Anderson) Smart Community Employment Center (Shasta Lake City) Smart Community Employment Center (Burney)
Siskiyou County:	Workforce Connection (Weed) Workforce Connection (Yreka)
Tehama County:	Corning Employment Center (Corning) Job Training Center of Tehama County (Red Bluff)
Trinity County:	Job Link (Big Bar) Job Link (Burnt Ranch) Job Link (Hayfork) Job Link (Weaverville)

**B. Describe the process used for selecting the One Stop operator(s). [WIA, Section 121 (d)(2)(A)] including the appeals process available to entities that were not selected as the One Stop operators. [Interim Final Rule Â§ 667.600 (b)(1)]**

*One Stop Operators: NoRTEC One Stop Operators were designated by the NoRTEC WIB and Governing Board (CEO) in accordance with Section 121(e) of the ACT, as the operators of a One Stop delivery system in place prior to August 7, 1998. This early implementation was accomplished with the financial assistance of the State. NoRTEC received \$2,609,238 from the State for One Stop Career Center implementation for the period July 1, 1994, to September 30, 1996. On October 1, 1996, NoRTEC received a*

*\$901,610 grant from the State to compliment and further implement the One Stop delivery system in the seven member counties of NoRTEC. (The Butte PIC received a similar grant.) The following year, July 1, 1997, to June 30, 1998, NoRTEC received \$951,331 to assist with electronic connectivity and other infrastructure needs for the provision of basic readjustment services through the then fully established NoRTEC One Stop delivery system. (The Butte PIC received a similar grant.) Effective August 1, 1998, the three SDAs of NoRTEC, NCCC and Butte received a State/DOL funded One Stop Implementation Grant to refine the thirteen county NCEN regional One Stop delivery system effort by adding regional Board and staff development and training, and a minimum 10 station technology lab to at least one One Stop in each of the 13 NCEN member counties.*

*Appeal: Any individual or entity may file an appeal or complaint regarding any action taken by NoRTEC that the appellant believes to be in violation of the ACT. An informal resolution will be attempted and, if needed, a hearing will be completed within 60 days of the filing of the grievance or complaint. The procedure will be referred to the State if no decision is reached within 60 days, or the appellant is dissatisfied with the local hearing decision.*

**C. Are each of the required WIA partners included in your One Stop delivery system? How have they contributed to your planning and implementation efforts? If any required partner is not involved, explain the reasons. [WIA, Section 117(a)(2)(A)]**

*The State Department of Rehabilitation has decided not to participate in the NoRTEC One Stop Delivery System. This situation is considered a "failed negotiation" by NoRTEC, as discussed in item V.S.3., below. All other required WIA partners that have a full time presence (20 hours a week or more) in one or more NoRTEC member counties are participants in the NoRTEC One Stop delivery system; either as members of the NoRTEC WIB, or as a partner in a local NoRTEC One Stop, or both. The only partners not officially included are those not providing a full time employment training program in a NoRTEC County: other training and employment programs authorized under Title I of WIA (Job Corps, Native American programs, and Migrant and Seasonal farm worker programs); and employment and training activities carried out by the Department of Housing and Urban Development. The contribution of the partners is through Board decision making, MOU development, One Stop management and local planning groups.*

**D. How will services provided by each of the One Stop partners be coordinated and made available in the local One Stop system? [WIA, Section 121(c)(2)]**

*Each of the NoRTEC member counties is expected to maintain at least one fully functioning One Stop, with staff from all mandatory partners co-located on the premises. The partners agree to their individual and collective roles and responsibilities through a Memorandum of Understanding (MOU), signed by each partner and the NoRTEC WIB and Governing Board (CEO). The One Stop Operators are responsible for pulling local One Stop MOUs together and for assisting with the continued development and improvement of the One Stop service delivery system in their area through management teams, partner developed One Stop Policies, including referral procedures among the partners, customer satisfaction feedback, etc. Coordination among the One Stops in the*

*multiple counties of NoRTEC is provided through NoRTEC WIB and Governing Board planning, policy and oversight, regional One Stop operator meetings, regional training and workshops, and routine electronic communication, including e-mail and both the local One Stop and the regional internet sites provided by NoRTEC and NCEN.*

**E. What is your plan for delivery of core and intensive services? [WIA Section 117(f)(2)]**

*The core and intensive services identified in the ACT will be delivered at the One Stops in each of the nine member counties. Details of the One Stop service delivery plans for each NoRTEC member county are contained in the local One Stop MOU sections of the NoRTEC MOU.*

**F. What is your plan for administering Individual Training Accounts (ITAs) as defined in WIA, Section 134(d)(4)(G), including any limitations you plan to impose on ITAs established in your local area.**

*The ITAs will be administered at the local One Stops. The dollar amount of the ITA will vary by individual need. The determination of need will be made by the case manager, consistent with WIA regulations and the local case management process.*

**G. Describe how WIA funds will be used to leverage other federal State, local and private resources. How will these coordinated and leveraged resources lead to a more effective local system that expands the involvement of business, employers and individuals? [State Planning Guidance IV.B.3. and WIA, Section 112(b)(10) and Section 121(c)(2)(A)(ii)]**

*The NoRTEC goals to provide a more effective, integrated service delivery system, and the means to achieve this, are discussed above in Section II.B., Local Goals and Vision. Expanding involvement of business, employers, and individuals will be realized by (1) promoting membership of employers, participants and others on the WIB; (2) obtaining input from employers and business people through their participation in work experience, on-the-job training, internships and other skills training programs; (3) utilizing the expertise of employers, business people and other members of the community by involving them in Job Clubs, pre-employment workshops, industry tours, job shadowing, mentoring, customized training, development of job skills competencies, and other activities and (4) by developing a customer satisfaction measuring system that encourages input from all customers and provides information that leads to positive systemic change.*

**H. Describe how the local system will meet the needs of dislocated workers; displaced homemakers; low-income individuals such as migrant and seasonal farm workers; public assistance recipients; women; minorities; individuals training for non-traditional employment; veterans; individuals with multiple barriers to**

**employment; older individuals; people with limited English speaking ability; and people with disabilities. [State Planning Guidance IV.B.4. and WIA, Section 112(b)(17) and Section 118(b)(4)]**

*The program operators have many years of experience meeting the needs of the above target groups under JTPA through the One Stop Career Centers that have been functioning in our nine county area for the past five years. These customers will be first be offered core services at the One Stops. If the customers are still unable to obtain employment, intensive and training services will, to the extent practicable, be tailored to fit each participant's need (participant's needs will be determined through objective assessment and a service strategy will be developed for each individual).*

**I. When allocated adult funds are limited, what criteria will you use in determining priority of service to ensure recipients of public assistance and other low-income individuals for intensive and training services? [WIA, Sections 134(d)(4)(E), 118(b)(4), State Planning Guidelines IV B 5]**

*If it is determined that more than core services are needed for an individual, an objective assessment will be performed to determine the intensive and training needs of the participant. The program operators in NoRTEC will utilize a first come, first served policy to those individuals whose assessment indicates that additional services are needed. At any time during this process, the program operator runs up against limited funds public assistance and low income individuals that have been determined most in need and most able to benefit from such services, will be given priority.*

**J. How will the local system ensure non-discrimination and equal opportunity, as well as compliance with the Americans with Disabilities Act? [WIA Section 188(a)(2), State Planning Guidance IV B.4.]**

*Non-discrimination and equal opportunity provisions, as well as compliance with the Americans with Disabilities (ADA) Act will continue to be integrated throughout the local system as follows:*

1. *1. The designation of an Equal Opportunity Officer who will perform the EO duties for the local workforce investment area.*
2. *2. The local system will include the communication of the EO policy to ensure that appropriate recipient staff is trained to carry out their responsibilities.*
3. *3. All contracts, plans, and agreements will be reviewed for EO provisions and include a non-discrimination assurance.*
4. *4. Local demographic information will be used to make every effort to provide equitable service to substantial segments of the population.*
5. *5. Contractual requirements and on-site monitoring will ensure program and site access to individuals with disabilities.*
6. *6. Appropriate data for examining discrimination will be collected and maintained.*
7. *7. Recipients will be periodically monitored for compliance with non-discrimination and equal opportunity provisions of WIA.*

8. *8. Local policies and procedures for the prompt and equitable resolution of complaints alleging violations of WIA non-discrimination/EO provisions will be adopted and published by the EO officer. Copies of this information will be distributed to participants, as appropriate.*
9. *9. There will be established procedures for obtaining prompt corrective action when noncompliance is found.*

**K. Describe how employer services (e.g., systems to determine general job requirements and the job listings, including Wagner-Peyser Act services) will be delivered through the One-Stop system in your area? [State Planning Guidance IV B.6.]**

*Job Services (JS) staff are co-located in the One Stop Centers in NoRTEC. JS staff will work in concert with other One Stop staff to provide core services to the universal population and work with employers to meet their workforce needs. Internet access for customers, as well as access to the Cal Jobs system will also be available in the Centers.*

**L. What reemployment services will you provide to Worker Profiling and Reemployment Service claimants in accordance with Section 3(c)(e) of the Wagner-Peyser Act? [State Planning Guidance I B.7. and WIA, Section 121(b)(1)(B)(ii)]**

*Applicants profiled by Job Service will be served through One Stop Centers in the nine NoRTEC Counties. All profiled individuals referred will have access to the full array of core, intensive, and training services that are available to other individuals seeking service through the Centers.*

**M. How will you ensure that veterans receive priority in the local One Stop system for Wagner-Peyser funded labor exchange services? [State Planning Guidance IV.B.9. and WIA, Section 121(b)(1)(B)(ii)]**

*The co-location of Job Service staff at the One Stop Centers throughout NoRTEC will ensure that veterans receive priority labor exchange services.*

**N. What role will Local Veterans Employment Representative/Disabled Veterans Outreach Program Services (LVER/DVOPS) have in the local One Stop system? How will you ensure adherence to the legislative requirements for veterans' staff? [State Planning Guidance IV.B.10., 322, 38 USC Chapter 41 and 20 CFR Part 1001-120]**

*EDD Job Service staff are already co-located at the established One Stop Career Center systems throughout NoRTEC. EDD will, to the extent practicable, integrate LVER and DVOP staff into One Stop systems. This will ensure the available of appropriately coordinated intensive and training services to veterans.*

- O. How will you provide Wagner-Peyser Act-funded services to the agricultural community specifically, outreach, assessment and other services to migrant and seasonal farm workers, and services to employers? How will you provide appropriate services to this population in the One Stop system? [State Planning Guidance IV B.11.]**

*Wagner-Peyser Act funded services will be provided to these populations through the co-location of Job Service representatives at the One Stops Career Centers. One Stop Operators will also partner with other farm-worker programs available in their areas that provide services and training to this target group.*

- P. How will the local board coordinate workforce investment activities carried out in the local area with the statewide rapid response activities? [(WIA, Section 118(b)(5))]**

*Local Community Coordinators positioned in each of the nine NoRTEC member will continue to coordinate rapid response activities to meet the needs of dislocated workers. For their more general responsibilities and efforts with respect to the regional and industry wide downturns, the Community Coordinators submit monthly reports to the NoRTEC WIB and Governing Board. These reports are posted on the Internet at the NoRTEC and NCEN Web sites ( <http://www.ncen.org>, and <http://www.ncen.org> ). For specific plant closures and natural disasters, an on-site response is effected with the local One Stop Operator and EDD partner, and services are planned, funding is sought and services are delivered to meet the needs identified for that particular closure.*

- Q. What rapid response assistance will be available to dislocated workers and employers and who will provide them? [WIA, Section 118(b)(4)(5), State Planning Guidance IV B.13.c.]**

*One Stops, through their Community Coordinators and the establishment of local "Labor Management Committees", will provide rapid response assistance to dislocated workers and employers.*

*Rapid response assistance will include on-site contact with the employer, needs assessment of the workers, provision of information regarding the reemployment prospects of the workers both locally and in other labor market areas, provision of information on the available resources to meet the workers short and long-term assistance needs (including those provided through the One Stops), and any other services that are needed and allowable under the ACT.*

- R. Describe and assess the adult and dislocated worker employment and training services that will be available in your local area. [WIA, Section 118 (b)(4)(5)]**

*NoRTEC's One Stops have a "Work First" philosophy. The first goal of the One Stops is to assist job seekers by providing a quick turnaround from initial application to job*

*placement. Core and intensive services are designed to promote this philosophy. These services include the provision of easily accessible employment and related information, with staff assistance as needed, including job clubs, resume writing, labor market information, etc.*

*NoRTEC One Stops also have a "Business First" philosophy. The second goal is to assist local business with job retention and expansion efforts. To the extent practicable, the One Stop training programs are designed to promote this philosophy.*

*From the job seeker's point of view, those adults and dislocated workers that have received core and intensive services, and are still unable to obtain unsubsidized employment, appropriate to their individual circumstances, may be provided with training services.*

*These customers will have completed an assessment process that evaluates their skills, aptitudes, and abilities, and develops a service strategy based on their needs and circumstances. The service strategy will contain one or more of the following training options:*

*Occupational skills training offered through a variety of worksite activities, including but not limited to, on-the-job training, work experience, occupationally related classroom-based activities, customized training conducted with a commitment by an employer or group of employers to employ an individual upon successful completion of the training (may be provided on-site or in a classroom setting), and entrepreneurial training.*

*For those customers whose service strategy indicates the need, job readiness training will also be provided in a classroom or workplace setting.*

*Training programs operated through the private/public sector will also be available, but these options are anticipated to be very limited in the local area. More likely, NoRTEC One Stops will be providing a variety of in-house training to assure the needs of the customers--employers as well as job seekers--are being met.*

*Basic skills, ESL, GED prep and other adult education activities will also be available in combination with one or more of the above listed training activities.*

#### **S. MEMORANDUM OF UNDERSTANDING (MOU):**

**WIA requires that a Memorandum of Understanding (MOU) between the local board and each of the One Stop partners concerning the operation of the One Stop delivery system be executed. As referenced on page 6, a copy of each MOU must be included with the plan. [WIA Section 118(b)(2)(B)]**

**The Memorandum of Understanding (MOU) may be developed as a single umbrella document, or as singular agreements between the partners and the board. The MOUs should present in concrete terms, member contributions and the mutual methodologies used in overseeing the operations of the One Stop career center system.**

**1. 1. The MOU must describe: [WIA, Section 121(c)(1)(2)(A)(B)]**

- a. **What services will be provided through the One Stop system.**
- b. **How the costs of services and operating costs will be funded, including cost-sharing strategies or methodologies.**
- c. **What methods will be used for referral of individuals between the One Stop operator and partners.**
- d. **How long the MOU will be in effect.**
- e. **What procedures have been developed for amending the MOU.**
- f. **Other provisions consistent or as deemed necessary by the local board.**

*The NoRTEC MOU is in full compliance with the ACT. It consists of two primary sections; an umbrella agreement applicable to the overall NoRTEC One Stop delivery, and an addendum for each One Stop location. NoRTEC covers nine counties (independent political jurisdictions) and numerous One Stop Employment Centers established before the enactment of the WIA. Some WIA mandated partners are located in some of the NoRTEC counties, but not in the others. For practical reasons, the umbrella portion of the MOU will cover the general features of the NoRTEC One Stop delivery system, and the addendum provides specificity regarding local partners, referral agreements, services, etc.*

*In addition to the required partners noted in the ACT, NoRTEC has added the requirement to include the local county TANF and CalWORKs provider as a local One Stop partner. For practical reasons, as it applies to each local One Stop partnership MOU, NoRTEC has further defined required partners as those that provide full time staff coverage (a minimum of 20 hours a week or more), in a local program of training and employment services that is physically located within a NoRTEC member county, and is the grant recipient, administrative entity or organization responsible for the funds of the specified program in the local area (not the service providers that contract with or are sub recipients of the local administrative entity).*

**NoRTEC One Stop Required Partners**

- *Programs authorized under Title I of WIA (Adult, Youth, Dislocated Workers)*
- *Programs authorized under the Wagner-Peyser Act (EDD-Employment Service)*
- *Adult Education and Literacy authorized under Title II*
- *Programs authorized under Title I of the Rehabilitation Act of 1973*
- *Programs authorized under section 403(a)(5) of the Social Security Act*
- *Activities authorized under Title V of the Older Americans Act of 1965*
- *Postsecondary vocational education activities authorized under the Carl D. Perkins Vocational and Applied Technology Education Act*
- *Activities authorized under Chapter 2 of Title II of the Trade Act of 1974 (NAFTA-TAA)*
- *Activities authorized under Chapter 41 of Title 38, United States Code*



- *Employment and training activities carried out under the Community Services Block Grant Act*
- *Employment and training activities carried out by the Department of Housing and Urban Development*
- *Programs authorized under State unemployment compensation laws (in accordance with applicable Federal law)*
- *The local county department or entity providing TANF and CalWORKs programs for that county.*

**2. 2. Identify those entities with which you are in the process of executing an MOU. Describe the status of these negotiations. [Interim Final Rule Â§662.310(b)]**

*MOU negotiations are in progress with the County TANF/CalWORKs providers, EDD (Employment Service, UI, Trade Adjustment Assistance, NAFTA, and Veterans), Adult Education and Literacy, Carl Perkins, and Title V for Butte and Del Norte Counties, Adult Education and Literacy, and Carl Perkins for Tehama County, and Carl Perkins for Lassen County. Fully executed local MOUs are believed to be forthcoming, awaiting only formal approval. All other partners in the other NoRTEC Counties, with the exception of the Department of Rehabilitation, have signed local MOUs.*

**3. 3. What process will the local board use to document negotiations with One Stop partners who fail to participate or sign an MOU? How will you inform the state board when negotiations have failed? [Interim Final Rule Â§662.310(b)]**

*This plan document will serve as notice to the State WIB that NoRTEC has a failed negotiation with the State Department of Rehabilitation (Rehab). The negotiations failed at the local level (i.e., within each NoRTEC member county) with the local Rehab representatives, and at the NoRTEC level with the Department of Rehabilitation District Manager, Don Reaksecker. Apparently, Rehab does not want to be a partner in the State, regional and local area One Stop Delivery System. There are no expectations of further negotiations at the NoRTEC level. This issue must be resolved at the State level. In the future, and for all other "mandatory" partners, contact records and meeting minutes are routinely kept and will provide the necessary documentation of the attempted negotiations.*

## **VI. YOUTH ACTIVITIES**

**A. Describe your local area's efforts to construct a youth council, and what the role(s) of the Youth Council will be. [WIA, Section 117 (h)(1)(2)(3)(4)]**

*NoRTEC is constructing a Youth Council unique to the needs and resources of the nine county NoRTEC area. Specifically, each member county already has a fully functioning group, appointed or recognized by the local Board of Supervisors to provide local economic and manpower development planning and oversight, with a particular focus on the development and continuous improvement of the One Stop delivery system. It was the*

*decision of the NoRTEC WIB and Governing Board (CEO) to recognize and utilize these local entities as a subgroup to the NoRTEC WIB, to provide the necessary and desired functions of the Youth Council, to include:*

- *Recommending eligible providers of youth activities, to be awarded grants or contracts on a competitive basis by the WIB to carry out the WIA funded youth activities.*
- *Assisting with oversight with respect to the eligible providers of youth activities in each local area.*
- *Helping to coordinate youth activities in the local area.*
- *Performing other duties as determined by agreement of the NoRTEC Governing Board (CEO) and the WIB.*

*It is the intention of NoRTEC that the local groups forming the NoRTEC Youth Council, when taken as a whole, will have a membership of current WIB members with special interest or expertise in youth policy from the business (private sector) and/or education sector, representatives of youth service agencies, including juvenile justice and local law enforcement agencies, representatives of local public housing authorities, parents of eligible youth seeking assistance under the WIA program, individuals, including former participants, and representatives of organizations, that have experience relating to youth activities; and representatives of the Job Corps, as appropriate.*

**B. How will youth services be connected with your One Stop delivery system? [Interim Final Rule Â§ 664.700]**

*All youth providers in NoRTEC will be required to be an active partner in the One Stop Career Center in their respective counties. An "active" partner is defined as an entity with staff physically located, full-time, in one or more of the One Stop Career Centers in the geographic area that the Service Provider is responsible for. The active partner will also have to be a signatory party to the One Stop Memorandum of Understanding (MOU).*

**C. Describe how coordination with Job Corps, Youth Opportunity Grants, and other youth programs in your local area will occur, e.g. School-to-Career. [WIA Section 112(b)(18)(C) and 117(h)(2)(vi), State Planning Guidance, IV B. 14.]**

*There is not a Job Corp Center located in any of the nine counties in our consortium. One Stop Career Centers and youth Service Providers have information on these programs, however, and this option is explored with youth during their objective assessment and career development process. Assistance with enrollment into the Job Corp program is available from Career Center or Youth Service Provider staff, if needed.*

*There are no Youth Opportunity Grants funded in any of NoRTEC at this time. Appropriate coordination/cooperation will take place if a program is funded in the consortium during the five year period covered by this plan.*

**D. Describe your area's eligible youth population and needs in general. Describe and assess the type and availability of youth activities in the local area. Include an identification of successful providers of such activities. [WIA, sections 118(b)(6)]**

*NoRTEC's eligible youth population includes a youth, who is not less than 14, but not more than 21, is low income, and who is one or more of the following:*

*deficient in basic literacy skills;*

*a school dropout;*

*homeless, runaway, or foster child;*

*pregnant or a parent;*

*an offender; or*

*requires additional assistance to complete an educational program or to secure and hold employment.*

*The youth populations in the nine county area in NoRTEC need programs that provide career exploration, paid work activities, and intensive case management. They need a program that can provide, through a mix of services, a way to gain occupational and work place know how skills, obtain high school diplomas (or their equivalent), enhance their basic skills, and establish a plan to find and maintain meaningful employment.*

*NoRTEC's Service Providers currently offer programs throughout the consortium that provide youth services that cover the full range of activities listed in WIA, Section 129(c) (2) (see Section F below for a list of the ten program elements).*

*Work experience and internship programs that have been "academically enriched" are combined with other elements to provide an experience for youth that incorporates occupational skills, basic education skills, life skills (including leadership development opportunities), dropout prevention strategies, comprehensive guidance and counseling (including career exploration), mentoring and job shadowing opportunities, supportive services, and follow-up services.*

*NoRTEC's current youth service providers, in cooperation and coordination with school districts and other local youth oriented programs have been successful in providing these activities to youth throughout the consortium. The success of these programs over the past several years is verified by the fact that NoRTEC has exceeded all JTPA core youth performance standards since our inception in 1983.*

**E. What is your local area's strategy for providing comprehensive services to eligible in-school and out-of-school youth, including any coordination with foster care, education, welfare and other relevant resources? Include any local requirements and activities to assist youth who have special needs or barriers to employment, including those who are pregnant, parenting, or have disabilities. [WIA Section 112(b)(18)(A), Interim Final Rule Â§664.400, State Planning Guidance, IV B. 14]**

*The strategy for providing comprehensive services to eligible youth has already been discussed under Sections D and F.*

*NoRTEC has been providing services to youth with special needs and barriers to employment since the 1992 amendments to JTPA. Linkages are already in place with local foster care agencies (including group homes), school systems (including SARB boards), community colleges, probation departments, and local welfare departments.*

**F. Describe how your local area will meet the Act's provisions regarding the required youth program design elements: [WIA, Section 129(c)(2)(A) through (J)]**

*The ten youth program design elements are as follows: (1) tutoring, study skills training, and instruction, leading to completion of secondary school, including dropout prevention strategies; (2) alternative secondary school services; (3) summer employment opportunities that are directly linked to academic and occupational learning; (4) paid and unpaid work experience, including internships and job shadowing; (5) occupational skill training; (6) leadership development opportunities, which may include community service and peer-centered activities encouraging responsibility and other positive social behaviors during non-school hours; (7) supportive services; (8) adult mentoring for the period of participation and a subsequent period, for a total of not less than 12 months; (9) follow-up services for not less than 12 months after the completion of participation, as appropriate; and (10) comprehensive guidance and counseling, which may include drug and alcohol abuse counseling and referral, as appropriate.*

*Since the JTPA amendments of 1992, NoRTEC's youth programs have contained all of the above program elements, with the exception of 12 months of mandated follow-up services (up to twelve months were offered, if necessary and practicable, but the full twelve were not required) and an adult mentoring component (available only in some areas in the consortium). Developing programs that contain the ten elements is one of the main criteria in the selection of the youth service providers in the current RFP (request for proposal) for youth services in NoRTEC. Service Providers that do not propose to provide the ten elements will not be considered for selection.*

**VII. ADMINISTRATIVE REQUIREMENTS**

**A. What competitive process will be used to award grants and contracts for youth services in your local area? [WIA Section 118 (b)(9), 112(b)(18)(B) and Section 123]**

*A competitive procurement and request for proposal process has been used to select eligible youth providers, including consideration of recommendations and comments from the youth council and the criteria contained in the state plan.*

**B. What competitive and non-competitive processes will be used at the local level to award grants and contracts for activities under Title I of WIA, including how potential bidders are being made aware of the availability of grants and contracts? [WIA, Section 118(b)(9)]**

*For WIA Title I programs serving youth, the following process was followed:*

- *Publish announcement/solicitation of bidders for Youth Program RFP in local newspapers in each NoRTEC member county. Publish RFP on NoRTEC and NCEN Internet sites.*
- *Include detailed description of program and service delivery expectations.*
- *Include all significant evaluation or rating factors and the relative importance of each.*
- *Require Youth Council review and comment on each proposal.*
- *Negotiate with any or all proposers determined through the rating process to be responsive and advantageous to the program, and notify unsuccessful proposers with an invitation to file a grievance or complaint.*

*A non-competitive process was utilized in those instances when only one proposal was received for the local area.*

*For WIA Title I Adult and Dislocated Worker programs, NoRTEC has designated the One Stop Operators that have been providing these programs and services for the past number of years, and were designated by the NoRTEC WIB and Governing Board (CEO), in accordance with Section 121(e) of the ACT, as the operators of a One Stop delivery system in place prior to August 7, 1998. (See item V.B. above for more information relating to the designation of the One Stop Operators.)*

**C. What entity will serve as the local grant recipient and be responsible for disbursing grant funds as determined by the Chief Elected Official? [WIA Section 117(d)(3)(B)(i)(I)(II)(III) and 118(b)(8)]**

*The Northern Rural Training and Employment Consortium (NoRTEC) will act as grant recipient, fiscal agent and administrative entity for the nine county workforce investment area. NoRTEC may negotiate with, apply for, contract for and receive monies from federal, state, county, city and special district governments and other public and private entities and agencies to carry out its purpose, and shall disburse and account for funds so received.*

**D. What criteria will the local board use in awarding grants for youth activities, including criteria used by the Governor and local boards to identify effective and ineffective youth activities and providers? [WIA Section 112(b)(18)(B), State Planning Guidance III B.1.f.]**

*The following criteria will be used in awarding grants for youth activities:*

- *Capacity to conduct skills and needs assessments and interpret these results to develop individual service strategies*
- *Ability to provide follow-up services for 12 months*
- *Coordination and cooperation with local educational programs within program design*
- *Past performance working with WIA youth target populations*

- *Past performance operating education, training, and employment programs for youth*
- *Financial resources of the organization*
- *Demonstration of sound fiscal responsibility*
- *Cooperation and coordination with other youth programs in the local areas, intermediary organizations linked to the job market and employers, and employers themselves*
- *Program design that incorporates the ten program elements outlined in Section 129(c) of the Workforce Investment Act*
- *Connection with the local One Stop Career Center*
- *Locations that comply with the requirements of the Americans with Disabilities Act*

*Effective and Ineffective service providers will be identified by the following criteria:*

- *Ability to meet performance levels negotiated with NoRTEC*
- *Ability to include parents in determining customer satisfaction with services for 14-18 year old youths*
- *Ability to involve family members in determining service needs*
- *Ability to provide appropriate outreach services to dropouts and out-of-school youth*
- *Ability to provide successful adult mentoring programs for youth*
- *Ability to provide appropriate case management to ensure success of youth and track program outcomes*
- *Ability to provide appropriate guidance and counseling*
- *Ability to provide accommodations for special-needs populations*
- *Ability to assist youth to obtain the skills they need to become self-sufficient*
- *Ability to maintain fiscal responsibility and provide youth services at a reasonable cost*

**E. What is your local areas definition regarding the sixth youth eligibility criterion, ("an individual who requires additional assistance to complete an educational program, or to secure and hold employment"). [WIA Section 101(13)(C)(vi)]**

*Requires additional assistance to complete an educational program shall be defined as an individual (a) who is attending an alternative school/education program; or (b) who is credit deficient; or (c) whose educational achievement is below expected levels; or (d) who has past or current attendance and/or discipline problems; or (e) who has unstable living conditions; or (f) who is on academic probation.*

*Requires additional assistance to secure and hold employment shall be defined as an individual who (a) has never held a job; or (b) has been fired from a job within the 12 months prior to application; or (c) has never held a full-time job (30+ hours per week) for more than 13 consecutive weeks.*

**F. What process will be used to allow public review and comment for specific performance outcomes and measures when these have been negotiated?**

*The performance measures and outcomes will be routine NoRTEC WIB/GB agenda items (as they are now), and will be posted on the publicly accessible NoRTEC and NCEN Web sites with on-line public comment encouraged.*

**VIII. ASSURANCES**

**A. The Local Workforce Investment Board and its staff assure that it will establish, in accordance with section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures necessary to ensure the proper disbursement of, and accounting for, funds provided to the Local Workforce Investment Board through the allotments made under sections 127 and 132. [WIA, Section 112(b)(11)]**

**B. The Local Workforce Investment Board assures that it will comply with WIA, Section 184(a)(6), which requires the Governor to, every two years, certify to the Secretary that it has:**

- 1. 1. Implemented the uniform administrative requirements referred to in WIA, Section 184(a)(3);**
- 2. 2. Annually monitored local areas to ensure compliance with the uniform administrative requirements as required under WIA, Section 184(a)(4); and**
- 3. 3. Taken appropriate action to secure compliance pursuant to WIA, Section 184(a)(5).**

**C. The Local Workforce Investment Board assures that compliance with the confidentiality requirements of WIA, Section 136(f)(3).**

**D. The Local Workforce Investment Board assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing. [WIA, Section 181(b)(7)]**

**E. The Local Workforce Investment Board assures that the board will comply with the nondiscrimination provisions of WIA, Section 188, including an assurance that Methods of Administration have been developed and implemented.**

**F. The Local Workforce Investment Board assures that the board will collect and maintain data necessary to show compliance with the nondiscrimination provisions of WIA, Section 188.**

- G. The Local Workforce Investment Board assures that there will be compliance with grant procedures of WIA, Section 189(c).**
  
- H. The Local Workforce Investment Board certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U.S.C. Chapter 41 and 20 CFR part 1001.**
  
- I. The Local Workforce Investment Board certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees. [State Planning Guidance VI. 13.]**
  
- J. The Local Workforce Investment Board assures that it will comply with the current regulations, 20 CFR part 651.111, to develop and submit affirmative action plans for migrant and seasonal farm worker Significant Offices in the local workforce area which are determined by the Department of Labor, to be in the highest 20% of MSFW activity nationally.**
  
- K. The Local Workforce Investment Board has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners. [WIA Section 118(a)]**
  
- L. The Local Workforce Investment Board assures that it will comply with Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and the American's with Disabilities Act of 1990 (42 USC 12101 et seq).**
  
- M. The Local Workforce Investment Board assures that funds will be spent in accordance with the Workforce Investment Act, written Department of Labor guidance, and other applicable Federal and State laws and regulations.**
  
- N. The Local Workforce Investment Board assures that veterans workforce investment programs funded under WIA, Section 168 will be carried out in accordance with that Section.**
  
- O. The Local Workforce Investment Board assures it will comply with future State Workforce Investment Board policies and guidelines, legislative mandates, or other**



**special provisions as may be required under Federal law or policy, including the Workforce Investment Act or State Legislation.**

**IX. PROGRAM ADMINISTRATION DESIGNEE AND PLAN SIGNATURES**

..... **This plan represents the Northern Rural Training & Employment Consortium's (NoRTEC's) Workforce Investment Board's efforts to maximize and coordinate resources available under Title I of the Workforce Investment Act (WIA) of 1998.**

**This plan is submitted for the period of July 1, 2000, through June 30, 2005, in accordance with the provisions of the Workforce Investment Act.**

**Workforce Investment Board**

**Governing Board (Chief Elected Official)**

\_\_\_\_\_  
**Judith E. Madden, Chair**

**March 24, 2000**

\_\_\_\_\_  
**Jack Reese, Chair**

**March 24, 2000**

NoRTEC is an equal opportunity employer/program. Auxiliary aids and services are available upon request to individuals with disabilities.

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## **APPENDIX C: The Flow of Money**

# The Flow of Money

*How local economies grow and expand.*

**POLICOM**  
CORPORATION

**William H. Fruth**

*Economic Analysis  
Everyone Understands*

For the past seventeen years, I have visited communities across the country determining the condition of their economy and offering ideas on how to improve or maintain the situation.

Some of these areas were growing and dynamic. Others were in significant decline.

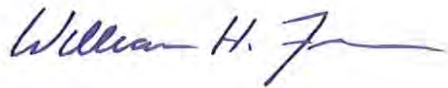
Most of time, one of the main reasons an area was doing well was the result of community leadership. Local governments, civic, and business groups teamed together to implement an aggressive “economic development program.”

Unfortunately, I also discovered one of the reasons an area was in economic decline was the absence of the desire to do what was necessary to reverse what was happening. Oftentimes this was the result of not understanding what had caused the problem and what was needed to correct it.

*The Flow of Money* has been written to assist community leaders in understanding the nature of their local economy. It presents the “basics” on what every community needs to do to cause a growing economy or to stop decline.

It is hoped that after reviewing *The Flow of Money*, communities will embrace and put into action what is necessary to improve the economic quality of life for all the residents in their community.

Sincerely,



William H. Fruth  
President

### *Let's get started.*

You might have a brother, cousin or friend in another town or state who always seems to brag about how good things are going in the community while in your town it seems to be dead, economically. Or you might be the one doing the bragging as your area is growing, dynamic, and expanding.

The difference, of course, is the condition of each "local" economy.

Each day we hear on the news what is going on with the national economy. Unemployment might be up or retail sales down, nationally. But national data can have little resemblance to what is happening in the thousands of local economies in this nation.

As an example, for the five years from 2004 to 2008, the nation had a 1.8% average annual increase in jobs. However, among the more than 3,000 counties in the nation, more than 1,100 of them had job growth which was faster. During the same time, almost 500 counties lost jobs.

In 2010 national unemployment was 9.8%. In Las Vegas, Nevada unemployment was 14.7% while in Fargo, North Dakota it was 3.7%.

The condition of the local economy affects people's lives more than national data or trends reflect.

Why do some communities do better than others? That's the billion dollar question.

*The Flow of Money* will help us understand how your local economy works, the flow of money into the area, the flow of money out, and what causes this to happen.

We will learn the difference between growing in size and growing in quality, and review some of the characteristics of strong and weak economies.

Finally, we will discuss what communities like yours need to do in order to create a robust, dynamic area, improving the standard of living for all the residents.

So let's get started.

### What is a local economy?

Before we can discuss how your local economy influences the businesses and lives of the people who live in your area, it is important to first understand what a local economy actually is.

A local economy is simply a geographic area where a vast majority of the people lives and works. Within this area, which can be as small as a single county or include multiple counties, people earn their money and spend their money. In essence, the area is a “contained” economy.

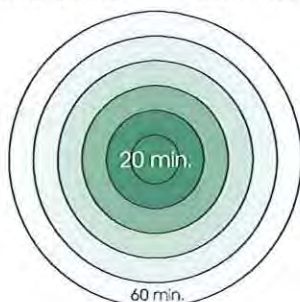
The geographic boundary of a local economy is mainly determined by the commuting patterns of the people in the area. The location and number of “jobs” within an area determines how big geographically the economy will be.

Job centers are like magnets. They draw people toward them. Just like a magnet, the closer you are to it, the greater the pull of the force. The further away from the magnet, the less the draw until there is no force at all.

The pull or draw of an employment center begins to diminish the further away someone lives from its location. Basically, it boils down to how long it will take for someone to travel to work each day.

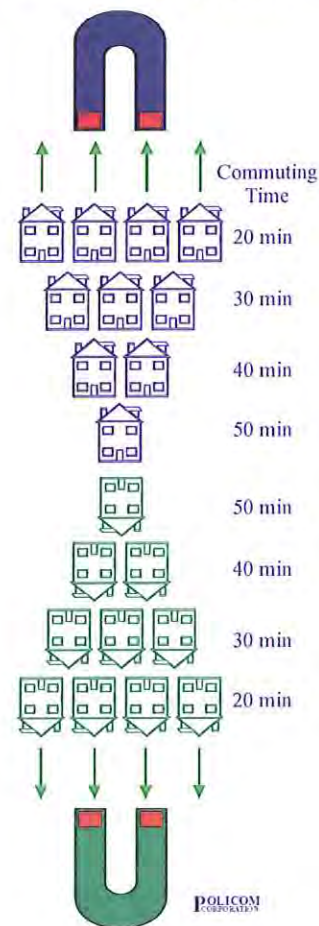
Areas can have multiple magnets in different cities and counties, causing a maze of commuting throughout, consequently linking them “economically” even more.

The extreme “reach” of an economy is approximately an hour. This is about the limit a person is willing to commute for a job. In the United States, the average commuting time is about 26 minutes. However, a vast majority of all economic activity occurs within 20 minutes of the “place of work” for an individual.



A local economy is not limited in size by county or state lines. Oftentimes people commute across county and city boundaries to work, thus joining each economically. For the most part, if 75% of the people live and work in an area, it is a contained economy.

### Job Centers Pull Economies Together



### How a local economy works – the Flow of Money.

Now that we know what a local economy is, we can discuss how it will grow or decline.

Imagine all of the wealth of a local economy is contained in a bucket. It swirls around and around, like being churned with a mixer. It goes from person to person, business to business, person to business, and is constantly moving.

One person buys a house and a bank makes a loan. The Realtor buys a car. The auto sales person buys a stereo. The storeowner makes a life insurance payment. The insurance agent pays school property taxes. The money moves on and on and on.

Money is like a hive of bees following the path of a three-dimensional spider web, moving around and around as it circulates throughout the economy.



But there is a hole in the bucket and all the wealth of the community is leaking out.

Every time you purchase an automobile, a good share of the purchase price is returned to Detroit, Nashville, or Tokyo, or wherever the car was made. Every time you purchase a shirt, buy a pair of shoes, make your utility payment, go on vacation, pay your income taxes, money leaves the community and goes to the area in which the product was made or the service performed.

Money is continuously leaving the community through the hole in the bucket. The outward flow is constant, pervasive, and ongoing. Nothing can be done to stop it, no matter how small the hole.

So what can be done? A community needs to add money to its economic bucket, replenishing its supply. A faucet at the top of the bucket needs to be turned on, filling it with fresh, rejuvenating wealth, which enables the churning process to continue.

Money is imported to an area principally by the business activity of the “primary” or contributory industries located within the economy.

A business which is a primary industry sells its goods or services outside the area, importing money to the local area.



When a manufacturer ships its products, money flow into the home community. When a farmer sells grain, money flows into the home community. When an engineer designs a bridge in another state, money flows into the home community. When a research firm secures a federal grant, money flows into the local area.

When the primary business is paid for its goods or services, its workers are paid and the wealth enters the local economy. It is then mixed and churned; it ripples and multiplies, until it is eventually consumed, drained through the hole in the bucket. The churning process of the wealth in the bucket generates most of the jobs for the residents within a community as goods and services are consumed.

For the most part, a business either contributes or consumes. If the business is not dependent upon the local marketplace for its revenues, it is “primary” in nature.

A vast majority of all businesses in an area are consumptive in nature. This means they are dependent upon and use the money flowing into the area. They include most retail stores, service companies, restaurants, banks, doctors and lawyers. Local government is a “consumptive” enterprise as it depends upon local money. If you check which companies advertise in the Yellow Pages, a local marketing tool, you will quickly get a list of consumptive, dependent businesses.

Typically, about 25% of an area’s workforce is employed by “primary” businesses with the balance working for “consumptive” enterprises. For the most part, only about 5% of the businesses in an area are primary, the rest consumptive.

“An expanding retail sector is the result of a growing economy, not the cause of it.”

A local economy, along with the consumptive businesses, will grow or decline in direct proportion to the amount of money being imported to the area by the primary businesses.



**Economic impact – the multiplier affect.**

When a primary employer sells its products, it pays its workers. Through its payroll, local taxes paid, and local purchases, it has a positive - contributory impact upon the local economy.

The *Flow of Money* to the right shows the annual economic impact of a manufacturer which employs 1,000 people and pays an average wage of \$45,000.<sup>1</sup>

As a result of this company being located in the community, about 1,700 additional spin-off jobs (mostly consumptive) are created, \$8,500,000 in local taxes collected, \$130,000,000 in taxable retail sales generated, and 2,100 households are supported.

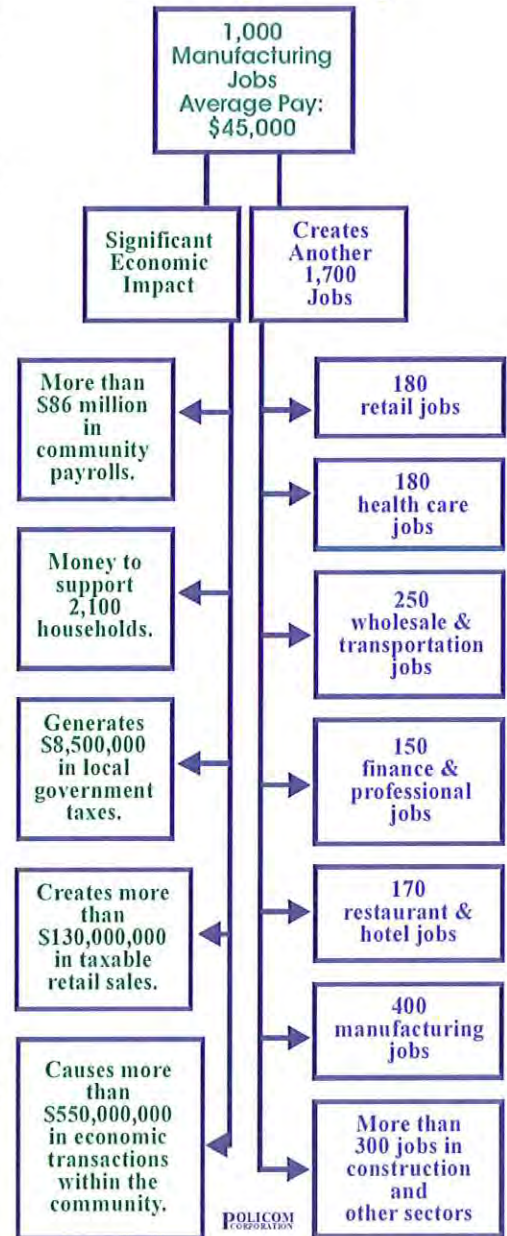
However, imagine the impact if another company like this one moved to town. Well, over a couple years, you would see another \$130,000,000 in taxable retail sales, another \$8,500,000 in local taxes collected, and another 1,700 jobs created.

What if the company reduced its workforce to only 500 jobs? Yes, there would be a significant reduction in the positive impact the company would have on the economy.

While not completely cut in half, the amount of money flowing into the economy would be significantly reduced. At least 500 other jobs would be lost in the community and the volume of economic activity will be much less.

The economic impact by primary employers is not the same for all. Some do not have as great of impact as our example company. Others have more. We will discuss which types of business have the greatest impact later.

**Flow of Money**



<sup>1</sup> The Flow of Money impact flow chart was created from an actual *Economic Impact Study* created by POLICOM for a comparable employer in a Florida community. Impacts will vary among communities as a result of local tax systems, wage rates, and supplier support systems.

## *In what ways do local economies grow?*

Local economies are dependent upon importing money to the area. This is principally caused by the business activity of the primary industries. The consistency of the economy is dependent upon how regular or dependable the flow occurs. The increase or reduction in the size of the economy is in direct proportion to the amount of money flowing into the local economy. The quality of the economy, or the standard of living for the people, seeks the level of the wages paid by the employers of the contributory businesses.

### *Consistency of Growth*

“Consistency” is the dependability, stability, or regularity of the money flowing into the economy.

If you ever irrigated your garden using a gasoline powered pump drawing water from a pond, you understand consistency of flow. Sometimes air will enter the pump causing it to lose its “prime” momentarily. The water will gush, stop, and gush again until the pump is properly adjusted.

It might take some time before the pump produces a smooth flow of water, and sometimes it just will never adjust properly, causing a repeated, ongoing gushing and stopping of water. Eventually the volume of water reaches the needed level, but the means by which it was achieved is not desirable.

The rate of money entering a community is similar. If the money is flowing smoothly, the churning activity within the economy is regular and consistent. Businesses and residents can count on certain things happening and be able to better plan their financial future.

When the flow is disrupted, slowed, or stopped, there is an immediate change in the churning process. With less money available for circulation, some businesses have to lay off workers and some families postpone purchases, until the next gush of money enters the economy, if it ever comes at all.

Areas with unstable, boom and bust economies are difficult places to conduct business. A merchant may lease extra floor space following three or four great years of activity only to bankrupt after a sudden collapse in the local economy. Residents are subject to economic uncertainty. A person might make significant long term financial commitments based upon rapid increases in earnings or employment in the area, only to lose everything as a result of a downturn which causes massive layoffs.

How does a local economy become consistent? The volume of the money entering the area generated by the primary industries is regular and dependable. For the most part, areas with the most consistent economies are those which have multiple primary industries. They are diversified economies, not dependent upon one or two major primary industries. If “one of the many” primary industries fails, the negative impact upon the local area is not nearly as significant as when “one of a couple” of primary industries declines.



### *Growth in Size or Volume*

There are several ways to measure the growth of the size of a local economy. Let's take a look at some of them.

Remember the discussion on how money, once it enters the bucket of wealth, is mixed and churned. The flow back and forth is the result of "transactions" occurring. When you buy a pair of shoes, there is a transaction. When you go to the doctor, there is a transaction.

One of the components of "economic impact" is the value of all the transactions which occur as a result of the presence of a particular business enterprise in an economy.

You have likely heard the term "Gross National Product." This is the measure of all the transactions in the United States. Counties and cities also have a "gross product."

The dollar amount of transactions can become a very large number. Our 1,000 job manufacturer causes about \$550,000,000 in transactions each year.

Gross and taxable retail sales are also a way to measure the growth in the size of an economy. Retail sales are essentially the purchases made by consumers at the end user level while transactions are the movement of all the money in the economy.

Typically, taxable retail sales are about 20% of all transactions, but this varies from county to county and state to state. Our 1,000 job manufacturer causes about \$130,000,000 in taxable retail sales each year. As the volume of money increases in the economy, there are more transactions, then more taxable retail sales, which are of interest to local government.

However, the dollar volume of sales (transactions) by the businesses in an area is not necessarily a direct reflection of the impact upon the people. A yacht broker who sells expensive boats scattered around the country could have \$100,000,000 in sales in one year. But the only impact upon the local economy is the amount of commissions earned by the broker and the broker's local purchases.

A corporate headquarters based in an area might have worldwide sales of \$20 billion, but the impact of the headquarters upon the local economy is limited to the amount of the \$20 billion, typically the wages paid to the administrative workers, local taxes, and local purchases, which actually enters the local area. This amount is likely a small percentage of the company's gross sales.

Therefore, economic growth, as it affects the people who live and work in an area, is most appropriately measured by the increase in the number of jobs and total worker earnings.

Total worker earnings are all the wages and salaries paid and the profits of sole proprietor businesses. Worker earnings account for most of the money circulating in the bucket, causing the vast majority of all of the transactions to occur.

As worker earnings increase, so does the amount of transactions and gross retail sales.

By increasing the number of jobs, those which are unemployed have the opportunity to earn and spend. Also, employers now compete for the best workers, providing opportunities for all to improve themselves.

The strongest economies in the nation have had a significant increase in the number of jobs and total worker earnings as a result of the growth of their primary industries.

The weakest economies have had little growth in employment and some have fewer people working in the area than ten years ago. For some weak areas, after adjusting for inflation, they actually have fewer dollars in the economy than they did twenty-five years ago.

However, just creating jobs of any kind can, in the long run, actually hurt a local economy. It is basically a “myth” that any new job will help an area. It’s time to talk about “quality.”

### *Quality of Growth*

The quality of the economy is a reflection of the standard of living of the people residing and working in an area. It is the amount of money earned by the individuals annually.

Earl Nightingale, the famous writer and philosopher, was fond of saying, “There is nothing more important than money - for the things money is intended.” Money has purchased better housing, better food, more clothing, more leisure time, better health care, better education, and a more secure retirement than poverty ever has.

The amount of money an individual earns each year, for a vast majority of the people, determines their lifestyle. The annual wages in a local economy, therefore, reflect the quality of the economy.

The type of primary industry jobs located in the economy determines the quality of the economy. The average area wage will seek the level of, but cannot exceed, the wages paid in the primary industries.

**The Great Myth**  
“Any type of job will help an economy.”

If a local economy has a large number of primary employers which employ high-wage workers, the overall level or quality of the economy, including the consumptive industries, will rise toward those wages.

If the area is dominated by primary businesses which pay low-wages, the overall quality will be pulled down to that level.

In fact, the addition of low-wage primary jobs into a high-wage economy can actually hurt an area.

Typically, a low-wage employer would not locate in a high-wage economy, as its workforce would not be available. But what if the employer “imported” the low-wage, low skilled workforce. Since this employer does not pay a wage sufficiently high enough to support a household in a high-wage economy, the community will actually have to subsidize this employer through increased property taxes (schools and county services), housing subsidies, and host of other low-income programs.

Because of the presence of individuals “willing to work for less,” the wages for existing low-skilled jobs, such as retailing, will actually drop. In this case, the entry of a low-wage employer actually hurts, or brings down, a high-wage economy. The quality of this economy will begin to seek the level of the low-wage employer.

However, if an area is chronically distressed economically, with high unemployment, the entry of the low-wage employer in this case is welcomed.

The opposite is also true. If a moderate-wage employer enters a low-wage economy, its presence will lift all other jobs in the area.

*How can we improve a local economy?*

What can communities do to improve the local economy, to increase the amount of money flowing within the area and improve the standard of living for the people who live and work in the community?

It is really very simple.

Create more primary industry jobs which pay a wage higher than the area average wage.

By doing this, more money will flow into the economy and the quality of the economy will improve over time. Not only will the wages for the workers enter the bucket of wealth, so will all the spending and taxes paid by the companies themselves.

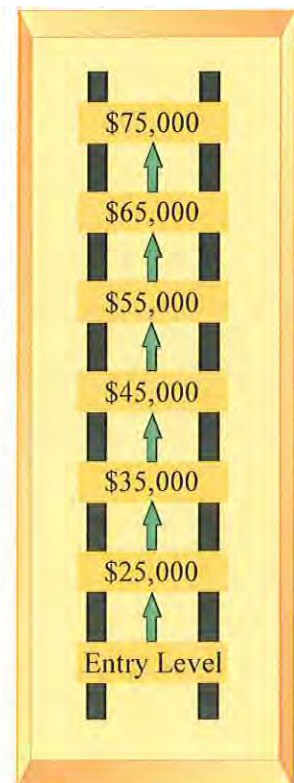
As a result, all businesses will grow, more taxes will flow to local government enabling more and better services, schools will improve, and socio-economic problems will begin to fade.

When a community increases the number of high-wage primary industry jobs, a “force” pulls up the bottom rung of the economic ladder, lifting all through a series of wage and skill steps, improving the standard of living for most people.

This “force” causes part-time low paying retail and service jobs to fold into full-time jobs at higher wage levels and with fringe benefits.

The quality of the economy will continue to rise if the new primary jobs created in the area pay a wage higher than the local average.

However, the quality will regress, decline, or dilute if new primary jobs created pay less than the area average.



## What is “economic strength?”

“Economic strength” is the long term tendency for an area to consistently grow in both size and quality.

Each year POLICOM Corporation ranks the 366 Metropolitan Statistical Areas and the 576 Micropolitan Statistical Areas for economic strength. Twenty-three economic factors which reflect how consistently areas grew in size and quality over a twenty-year period are measured.<sup>2</sup>

The economic strength rankings are created so POLICOM can study the characteristics of strong and weak economies.

The highest ranked areas have had rapid, consistent growth in both size and quality for an extended period of time.

The lowest ranked areas have been in volatile decline.

It is a characteristic of strong economies to create or maintain primary industry jobs, which pay a wage higher than their local average wage, which improves the quality of the economy.

It is a characteristic of weak economies to either lose high-wage jobs, or create a plethora of low-wage jobs, which dilutes the quality of the economy.

One of the most important features of the strongest areas is they have diversified economies. This means they have multiple primary industries filling their bucket of wealth. This provides a consistent flow of money into the economy even if one of the industries has a downturn.

### 2012 Ten Strongest among 366 Metropolitan Areas

- 1 Washington-Arlington-Alexandria, DC-VA
- 2 Des Moines-West Des Moines, IA
- 3 Seattle-Tacoma-Bellevue, WA
- 4 Nashville-Davidson-Murfreesboro, TN
- 5 Austin-Round Rock-San Marcos, TX
- 6 Salt Lake City, UT
- 7 Madison, WI
- 8 Kansas City, MO-KS
- 9 Sioux Falls, SD
- 10 San Antonio-New Braunfels, TX

### 2012 Ten Weakest - 366 Metropolitan Areas

- 366 Danville, IL
- 365 Anderson, IN
- 364 Danville, VA
- 363 Flint, MI
- 362 Muncie, IN
- 361 Rome, GA
- 360 Bay City, MI
- 359 Muskegon-Norton Shores, MI
- 358 Mansfield, OH
- 357 Steubenville-Weirton, OH-WV

### 2012 Ten Strongest among 576 Micropolitan Areas

- 1 Concord, NH
- 2 Helena, MT
- 3 Lexington Park, MD
- 4 Gillette, WY
- 5 Sheridan, WY
- 6 Durango, CO
- 7 Watertown-Fort Drum, NY
- 8 Lebanon, NH-VT
- 9 Bozeman, MT
- 10 Grand Island, NE

### 2012 Ten Weakest - 576 Micropolitan Areas

- 576 Silver City, NM
- 575 Valley, AL
- 574 Fitzgerald, GA
- 573 Peru, IN
- 572 Summerville, GA
- 571 Decatur, IN
- 570 Indianola, MS
- 569 Union, SC
- 568 Bastrop, LA
- 567 Kennett, MO

<sup>2</sup> For a complete list of the rankings for all Metropolitan and Micropolitan areas and “Economic Strength” methodology, please go to [www.policom.com](http://www.policom.com).

## *What is economic development?*

All of the discussion regarding how local economies work now brings us to “economic development.”

Economic development is the activity, which is directed toward improving the overall economic strength of a community and the economic quality of life for all of the residents in the area.

Economic development differs from community development.

Community development, while an important activity for an area, is designed to relieve or cure socio-economic problems within the community. It is targeted to assist a specific geographic section or economically distressed class of residents.

Programs which eliminate urban blight, revitalize crime-ridden neighborhoods, or provide housing assistance to the poor are community development activities. However, they are not economic development activities.

A successful economic development program will improve the standard of living for all the residents. Oftentimes, when successful, the need for community development programs begins to fade.

“Economic development raises the entire ship, bringing with it all the passengers and crew.”

There are three basic economic development programs, which focus directly on creating primary industry jobs: 1) existing industry program, 2) attraction-recruitment program, and 3) start-up program.

The *Existing Industry Program* is designed to foster the retention and cause the expansion of the existing primary-contributory businesses in the community. It is the most important yet least expensive of the three programs.

Many communities have fallen into economic distress simply because their existing primary industries have reduced employment or left the area entirely. Many times the reason the company has curtailed its operation is the result of a reduction in its marketplace or foreign competition.

“It is easier to keep what you have than to recruit new companies to an area.”

An existing industry program focuses on ways to reduce the costs to primary businesses as much as possible, thus causing them to be as profitable as possible. Additionally, a community can help a company, especially smaller companies, expand the market for its products or service. As profitability increases, the companies not only do not leave the area, but they expand and employ more people, creating economic growth.

The secret to a successful existing industry program is to build trust between the primary employers and the community at large. As a result of this trust, the company will willingly communicate problems caused locally with community leaders, who, in turn, work to solve these issues.

Few people realize that aside from market conditions, the most frequent reason a company will leave one area and move to another is “local community attitude.”

Essentially, if a company has been treated poorly by the community over a period of years, and this treatment has added costs to the operation, when it comes time to expand or “retool,” the company will seek a community in which it is better appreciated.

Sometimes overlooked by an existing industry program are enterprises which are geographically restricted to the area. Some of these include agriculture, mining, petroleum extraction, or the manufacture of energy (major power plants). The unfortunate assumption by some communities is that “these enterprises will never leave, because they can’t.” As a result, the needs of these industries are sometimes ignored. What’s worse, the businesses are taken for granted and repeatedly taxed by local and state governments. In reality, all are competing in the world marketplace. If they become unprofitable, they will close or discontinue operation until the time profitability returns.

The Attraction or Recruitment Program encourages new contributory companies to locate in the area. The program is designed to increase the amount and quality of money flowing into the area and to make the economy more consistent through diversifying the types of contributory businesses.

A recruitment program is time consuming, expensive and results may take years. Yet, even for growing economies the program is desirable if for no other reason than to offset the eventual curtailment of its existing companies. For areas which are in decline, recruitment is absolutely necessary.

An Attraction – Recruitment Program is designed in a similar fashion to the marketing program of most businesses. The following steps are taken:

1. Determine what you have to sell.
2. Identify who will want to buy what you have to sell.
3. Then, repeatedly, overall a long period of time, ask them to buy your product.

Now, your product is not your community. A lot of people think it is. For many, where they live is the best place in the world. They believe, since it is a great place to live, companies will move there. Sorry. This is not the case.

What you have to sell is a geographic location which has certain economic assets which will cause a company to be profitable if they are located there. So, when you “determine what you have to sell,” you are actually making an inventory of these assets.

In order to “identify who will want to buy what you have to sell,” you need to examine the various industrial sectors to determine what types of companies need what you have. These are the companies to which you market.

The Start-Up Program is designed to cause the creation of new contributory companies, which have a chance to grow and develop as the years pass.

Several communities in the United States have created dynamic economies by “growing their own” primary businesses. By assisting and coaching imaginative entrepreneurs, an idea can grow into a thriving business. Dell Computer was once a “Start-Up” company.



The visible and financial rewards to the community of such a program are in the future. Patience is required.

Essentially, a Start-Up Program assists a local person who has an idea for a new product or service which can be marketed outside the area (primary.) Most of the time the individual does not have the financial resources or the knowledge to take this “great new idea” from a great thought to a great product. This is where the community comes in.

The community has a team of professionals ready to guide the individual through the process of determining if the idea has merit, the development of the product, and the eventual marketing of the product. Usually a building (incubator) is needed along with venture, investment capital to convert the idea into an active business.

“It is like planting a seed. If you nurture it, someday it will grow into something beautiful.”

Typically, a Start-Up program requires a relationship with an institution of higher learning (university or large community college), but it is not absolutely necessary. Many times areas with a major research university have active start-up programs as university related research oftentimes can be commercialized.

Overall, an economic development program should limit its activities to servicing existing, attracting new, and causing the creation of primary, wealth generating employers. All of the other jobs in the area, which consume the money flowing into the area, will “take care of themselves” as a result of the expanding marketplace.

### *Who does the work?*

Implementing an economic development program is usually done by .... an economic development organization.

There are at least 6,000 economic development organizations in the United States trying to keep their existing primary employers in their community, attract new companies to their town, and to grow new primary businesses.

These organizations come in different sizes and shapes. Some are branches of the county or city government. Others are a division of the Chamber of Commerce. However, the most frequent is a free standing, not-for-profit economic development corporation.

The economic development corporation is usually funded by investments from the private sector along with money from city and county governments. In some places in the United States, citizens have voted to increase their taxes to pay for an economic development program.

Nationally, some economic development organizations are very successful in improving the area’s economy, while others are not. The organization must be adequately funded and have the support of the community along with the city and county governments.

Most residents in an area are not aware of the activities of their economic development organization. This is because its activities are usually “confidential” in nature. When a business is looking for a community to expand or relocate to, it needs to keep the process a “secret.”

If it is known publicly, the business will receive thousands of calls and visits from economic development organizations from all around the world, the cost of property many times escalates, and the workers “back-home” become anxious about their jobs, fearing a closure. As a result, most companies use private consultants and usually the economic development organization does not even know the name of the company until the end of the process.

“Communities which support an active, well financed economic development program have the best chance to create a dynamic economy.”

It is a characteristic of the strongest local economies in the United States to have had an active, well funded, economic development organization for quite some time.

### *Which types of businesses should a community focus upon?*

When a community conducts its economic development program, it should focus upon enterprises which will enhance the economy.

For areas which are growing and dynamic, the “bar” should be set high, targeting the best and highest paying companies, so all can be drawn upward.

However, areas which are chronically distressed, with high unemployment, need to first increase the size of the economy, to absorb the existing workforce and to get more money into the bucket of wealth. The focus for such a community should be upon primary industries, with less attention to the wages paid.

Earlier we talked about the economic impact upon a community of a 1,000 job manufacturing company. The amount of impact, spin-off jobs created, taxes paid, and local purchases is different for each business.

“Focus, focus, focus on the businesses which will help you the most.”

The overall impact upon a local economy is based upon the wages paid, the amount of local support needed by the company (local purchases of products or services), capital investment (taxes paid), and the potential for ancillary companies to be formed as a result of the presence of the business in the community.

For example, an automobile assembly plant will likely employ about 1,000 workers, piecing together lots of parts to make the car. The cost of constructing the factory including equipment could very well have been \$1 billion and wages are very high. It is quite likely another 5,000 people are employed by more than 50 other companies which are located within a 24 hour “delivery area.” These companies are manufacturing the parts for assemblage. As a result, the assembly plant has a significant overall economic impact upon the local economy.

Suppose there is a headquarters for a major insurance company which employs 1,000 workers. The wages are very high for this company as insurance actuaries and corporate executive are paid well, due to their “value” to the company. However, this type of enterprise does not need very many support

companies, like the car manufacturer. Typically it will occupy a general office building which costs much less than an auto factory. While it is a very desirable business to have in a community, the overall economic impact is much, much less than the car manufacturer.

Continuing, a manufacturer of simple plastic products such as milk jugs or tubing requires few if any support companies and a relatively low-skilled, low-wage workforce. While it contributes to the economy, the “ripple effect” or impact as a result of its presence is much less than the first two examples.

The following<sup>3</sup> is a list of contributory businesses which serves as a guide relative to the amount of impact upon a local economy for industrial sectors which can be attracted to a community:

***Manufacturing of high value, high bulk products:*** High wages, large capital investment, and a large number of supporting businesses are needed. Examples include automobile assembly, commercial aircraft, ship building, and industrial machinery.

***Manufacturing of high value, mid to low bulk products:*** High wages, large capital investment, but fewer supporting businesses than high bulk. Examples include satellites, sophisticated electronic devices, medical equipment, and pharmaceuticals.

***Sophisticated Information or Technical Services:*** High wages, average capital investment, few support companies. These businesses perform tasks which require highly educated and experienced individuals in the discipline of the company. Examples include insurance actuaries, financial management, major engineering and architectural firms, software development, computer systems design, and marketing research.

***Transportation of products:*** High wages, large capital investment. Examples include major trucking, rail, air, and port facilities dedicated to the handling and movement of products.

***Research and Development:*** High wages and oftentimes high capital investment. Support companies are usually few in number but high in quality. Examples include the development of pharmaceuticals, electronic components, nuclear energy, industrial metals, and photonics. An ancillary “testing facility” adds more impact. One of the greatest benefits is the opportunity for “Start-Up” companies as result of the research.

***Federal Government:*** One of the highest average wages of any major industrial sector. Typically a consistent employer with annual wage increases greater than the rate of inflation. Difficult to recruit, however, as oftentimes locations are determined via the “political” process. Examples include a regional headquarters for the IRS, major postal distribution facility, military installations, and research facilities.

***Corporate Headquarters:*** High to medium wages, depending on the activity at the headquarters. Few support companies needed. Some headquarters house all the top, highly paid executives, with a minimal number of low paid support positions. Others, however, have few high paid positions (these are scattered through the region or country at the facilities they manage) and a large number of low-wage support workers. The number of high-wage jobs determines the impact. Included in headquarters are the administrative centers for banking, healthcare, manufacturers, insurance, and a host of other businesses.

<sup>3</sup> The industries are listed from greatest impact to the least impact.

*Manufacturing of mid-value products:* Middle-wage jobs, sometimes a large capital investment and sometimes support industries are needed. Examples include computer assembly, metal fabrication, boat building, household appliances, and building materials.

*State Government:* Middle-wage jobs but typically higher than the local average. Most state government employment operations are usually located in the state capital, bolstering its economy. However, some states have distributed the employment centers throughout the state to provide benefit to more than one area. State universities are typically primary in nature.

*Information processing and telecommunication centers:* Middle to low wage jobs, low capital investment, and usually few support industries are needed. Many of the businesses perform repetitious work and require a moderate to low-skilled workforce. Examples include subscription fulfillment, telemarketing centers, and the processing and collating of information for a host of industries such as banking and insurance.

*Manufacturing of low value products:* Low-wages and relatively low or average capital investment. Few support companies are needed. Examples include apparel, household appliances, food processing, low value plastics, and food processing.

*Retirement industry:* Low wages, little capital investment except by the healthcare industry. This industry typically promulgates the formation of low-wage, low-skill service and retail jobs. It is very consistent, but growth of the economy is dependent upon the in-migration of more retirees.

*Tourism industry:* Low wages and little capital investment except by hotels. This industry typically promulgates the formation of low-skill service and retail jobs and is very inconsistent as a result of seasonal employment. Economies solely dependent upon tourism lack dependability and are generally low in quality.

Within each of the above categories are exceptions as to their impact upon a local economy based upon the wage level paid and the consistency of the employment of each business enterprise. Some will pay more, or less, hire more, or fewer, invest more, or less. Each project must be evaluated based upon its economic impact upon the area.

### *So how do we do it?*

The first step in trying to get primary employers to expand in or locate to your community is to understand the most important concern of these companies which is “**profitability.**”

Companies do not exist to provide jobs for a community, to pay taxes to local government, or to add money to the bucket of wealth. Primary businesses exist for only one purpose ... to make money. If they don't, they close. Period.

While the sales for a primary employer are generated from outside the area, many or most of its costs (expenditures) are driven locally.

When a business conducts its community – site selection evaluation, it will consider a host of issues including wage rates, the cost of utilities, highway, airport, and seaport systems, local and state taxes, higher educational resources, and on and on and on.

However, usually a business will have one or two major geographic economic issues which must be satisfied to locate in an area.

As an example, if a company needs an abundant supply of inexpensive electricity, then communities with low electric rates will be given priority consideration. A major distribution center will locate only in areas with direct access to the interstate highway system. A corporate headquarters typically will not locate further than sixty minutes from a major airport.

For businesses which will invest hundreds of millions of dollars in its facility, such as a drug manufacturing facility or data center, the local property tax rate is of great concern. A software development company usually needs to locate close to a university which offers advanced degrees in computer science.

While there are specific needs which must be considered, for most site selection projects, more than 100 economic issues relative to the state or the community will be measured to determine their effect upon the cost of producing the product or service.

A company is not necessarily looking for the “cheapest” area, but the one which offers the best “value.” Communities, which are the most profitable location for companies, will be the ones considered.

*Do we need business incentives?*

Nationally, there are thousands of economic development organizations all attempting to improve the condition of their local economies. Competition for a limited number of expanding or relocating “contributory” businesses is extremely fierce.

So, market forces, a limited supply of companies and a large demand by communities, have fostered the creation of business incentives.

Incentives or financial inducements offered by communities and states are designed to reduce the initial set-up and long term operating costs for primary employers, to help them be profitable.

“Local government profits as much as anyone when the local economy grows.”

If a local area is in chronic economic distress, community leaders many times will do anything they possibly can to lure a contributory employer to the area, including giving a company a free building.

However, offering incentives is not limited to distressed areas. Almost all of the most dynamic, growing economies in the United States offer an array of incentives. Why? Because community leaders know they must continuously attempt to grow economically, or they will surely decline.

The most frequent questions raised by citizens in a community are whether incentives are necessary and are they worth the expense. Sometimes offering incentives, government money, to a private concern can be controversial.

Determining whether or not the financial investment made by the community is worthwhile can be mathematically calculated. Let’s revisit the economic impact of the 1,000 job manufacturer.

Suppose the local government offers an inducement package to this company worth \$250,000 a year for ten years, or \$2,500,000 total. Sounds like a lot of money. However, remember the company will generate \$8,500,000 in local taxes and \$85,000,000 in payrolls each year. You do the math.



The following are some of the basic incentives being offered by communities:

**Training Funds:** One of the most important issues relative to the site selection process for a primary employer is the availability of a trained or trainable workforce. Funds should be available from the community to finance the training of local residents for qualified companies.

**Property Tax Abatement or Refunds:** This is one of the most popular and sought after financial inducements for primary employers, especially those which have a large capital investment. Abatements are typically only given on the “new money” which the company is bringing to the tax roll.

As an example, suppose a vacant industrial site is presently taxed \$50,000 per year. After the company builds a new facility, the value of the property increases to the point it should be taxed at \$250,000 per year.

Abatement could be given for 50% of the new money for ten years. Over the term, the company would save \$1,000,000 in taxes but would still pay \$1,000,000 over what the local government had been receiving on the vacant land.

There is no cash outlay by the community for this incentive.

**Flexible Incentives Fund:** There is a wide array of financial issues relative to locating or expanding in a community. The specific need varies among companies. For one, the issue might be the cost of purchasing or moving equipment, for another it might be the cost of preparing a site for construction, and yet for another the cost of locating necessary utilities might be a major issue. A fund should be established for multiple uses which can be used to defray some of the costs of locating to an area.

**Discount on Land or Building:** Some communities have created industrial parks which are used for the sole purpose of recruiting new primary companies to the area. Oftentimes the community will discount the cost of the land or present it for free to a company as an inducement. Additionally, some areas are so economically distressed they will actually give a building to a company for a period of time just to get the jobs for the residents.

The value of all incentives is typically based upon the economic impact of the project. Incentives should only be offered to “qualified” companies.

Almost all incentive programs today have “claw back” provisions. This basically means if the company does not produce the economic impact as planned, the incentive is not awarded. The days of “taking the money and running away” are pretty much over.

To be competitive in the economic development marketplace, most communities need to have some type of incentive program available.

### *The second most important issue...*

There are two issues which are more important than the others.

The second most important issue regarding the site selection process is the **“availability of trained or trainable labor.”**

Without people to do the work, a business cannot succeed. However, having a “bunch of bodies” available to be hired is not sufficient for most high-wage primary employers.

The previous list of businesses which had the greatest impact upon a local economy also was a list of skills levels. The top several businesses pay high wages. This is also a reflection of the skills needed to produce the product or service.

As a result, the top tier businesses will seek a community in which the workforce is either trained or has the aptitude to be trained for the tasks they demand. They will evaluate the availability of workers and the current skills which they possess.

The “Wage Ladder” on Page 9 is also a “Skill Ladder.” A worker is paid in direct proportion to the “value of service.” Higher wages are paid to workers with the most experience, education, and overall knowledge as these are the traits necessary to perform the work required by the high-wage employer.

In the modern day high-wage manufacturing facility, there are few general laborers employed. Most of the workers perform highly technical tasks and need to be proficient in mathematics, computers, or science with an “associate’s” or college degree. The same educational requirements apply to almost all of the top tier wage sectors.

The opposite also occurs. Low-wage employers typically need workers with modest skills who can be quickly trained to perform minimal tasks. Little education is required for these jobs.

As a result, the best educated individuals with the widest array of experiences will have the best chance to earn high wages. This has been the case for the last 1,000 years.

“Young people who quit school to ‘get a job’ should realize the job they are taking could very well be the best job they will ever have... as they will not know enough to do any better.”

Throughout history the best educated people have always earned more money as they were able to provide a more valuable service than those who do not have the knowledge to perform complicated tasks.

The least educated people have always performed menial tasks. This is one of the reasons education is as important today as ever for an individual in order to succeed and enjoy a good standard of living.

So, when a primary employer is examining a community, it will review the current industries to determine if a potential workforce is available. If it requires an array of high-skilled people who can be trained to perform its specific tasks and such a workforce is not present, it will not locate in the area.

During this process, the company will also use a strategy which is directly related to the wage ladder. Suppose the company intends to pay \$45,000. The business will review the type of industries which pay



around \$35,000. If, from this group, it is determined the skills, education and aptitude of the \$35,000 workforce are sufficient for its operation, then they will seriously consider this community.

There are several reasons they target “one step down” on the wage ladder. First, there will be a large number of people applying for a job at their company, as they will be offering about 30% more pay than the workers presently receive.

The company also realizes if they drop down too many steps, the skills and work experience will not be suitable. (By the way, if this employer does come to town, the force pulling everyone up the ladder will begin, as the \$35,000 employers will replace their people from the \$25,000 pool and so forth.)

A low-wage employer will shun areas which have an abundance of high-wage employers. The company will likely conclude it will not be able to attract a sufficient number of low-skilled workers for its operation. It will therefore target communities which have a large number of low-wage businesses or which are in economic distress.

Therefore, if a community wants to improve the quality of its economy by attracting higher paying companies, the skill and education level of its workforce needs to be addressed.

### *The most important issue...*

**The most important issue relative to the “site selection” process is having an actual “site.”**

In fact, absent available improved, approved real estate for primary employers, a local economy will decline.

Economic development is ultimately a real estate transaction. In order for an existing company to expand, a new employer to move to the area, or a start-up business to grow, each needs a place to do it. They need a building.

**“Without improved, approved industrial real estate, your economy will decline.”**

If a vacant, modern facility is not standing ready to be occupied (usually there are no suitable buildings available), a structure needs to be constructed. This means land must be ready.

All of the other geographic issues, such as transportation access, utilities, labor availability, or taxes are not considered if a place to operate the business cannot be provided.

A local economy will indeed decline if land is not available. Existing primary employers, when they need to expand, will have to leave the area causing a loss of money flowing into the economy.

Additionally, new, high-wage companies cannot come to the community as there is not a place to build a modern facility. Spin-off businesses coming out of the incubator will have to grow in another town.

There are examples of economic decline caused by the absence of improved, approved real estate throughout the United States.

The term “improved, approved” has been used continuously. What does it mean?

“Improved” real estate has the entire horizontal infrastructure in place. The roadways leading to the property, electric service, sewer and water lines are “to the site.” Essentially, the property is “building-ready” and there will not be any delays starting construction.

Just as important, the land needs to be “approved” by the local government. All planning and zoning issues need to have been resolved in advance.

When a company is looking to locate in a community, it typically does not have the time to wait for a community to construct the infrastructure to the real estate or pass local legislation regarding land use and zoning. This process could consume one to two years (even longer in some states and counties).

As a result, site seekers will summarily dismiss communities which do not have a building-ready site upon which it can construct a facility, regardless of all the other geographic economic assets in the area. This is a major problem for many communities.

Private industrial developers will invest in private industrial or office parks. They will oftentimes construct speculative buildings, both office and industrial. However, the principal clients or users for this property are “consumptive” businesses.

Every community needs space for doctors and lawyers, engineers and accountants. Industrial areas are used by auto body shops, plumbing and electrical wholesalers, or dry cleaning plants. The growth of these businesses can be predicted.

However, no one knows when a new primary employer will come to town. As a result, the private developer will not wait. Land and buildings are sold or leased to the first business who wants to pay. The land for future primary employers is absorbed.

In a vast majority of the communities in the United States there is a shortage of real estate available for new primary employers.

Many communities in the United States fully understand this issue. This is why hundreds of counties and cities have invested in community owned industrial parks or employment centers.

The property is reserved for primary employers and is not available for consumptive businesses. The land is looked upon by the community as a long term investment in their economic future. It might take ten to twenty years for the land to be fully absorbed. Of course, once it is absorbed, the community is right back in the position of not having any land available.

This is why community leaders should look far out on the time horizon. For their long-term planning, they should identify today a 40-year supply of potential real estate to provide for long-term economic growth.

### *Let's squeeze the water out of the fat...*

Let's review what we have learned so far:

- A local economy is a place where people live and work, earn and spend. Its growth is dependent upon money flowing into the area, principally imported by the primary industries. This money circulates and drives the profits and earnings of all other businesses, including local government.
- To improve a local economy, an area needs to increase the number of primary businesses which hopefully will pay a wage higher than the area average. To do this, the economic development organization should focus on companies which can utilize the area's geographic economic assets and have the greatest impact.

Given the two most important site selection criteria, does this mean if your community has hundreds of acres of improved, approved real estate and a trained or trainable workforce, you are guaranteed to have economic growth?

No. What it means is you have a chance. Without both, however, you have none. But there is one more issue, believe it or not, which will determine if your area grows or declines.

It is "local community attitude."

In order to do all the things necessary to build an economy, the support of the "people" and all local governments is necessary. Local laws need to encourage economic growth, not stifle it.

**"Many times it is not the ability of a community to become prosperous, but the willingness to..."**

Funding, from the private and public sector, needs to be available to pay for an aggressive economic development program, land, training, transportation systems, incentives, and all the other issues which influence profitability.

Existing companies need to be encouraged, not berated. New companies need to be welcomed, not protested.

It is a characteristic of the strongest economies to have the full support of the people and local government to cause and drive it to happen.

Usually a sour attitude by the community toward economic development is the result of the people not understanding what it is. Perhaps **The Flow of Money** will help change this.

### *About the Author*

For the past seventeen years, William H. Fruth has served as an economic development consultant as President of POLICOM Corporation. POLICOM is an independent economics research firm located in Palm City, Florida, which specializes in studying the dynamics of local economies.



POLICOM determines if a local economy is growing or declining, identifies what is causing this to happen, then offers ideas and solutions to improve the situation.

During this time, Fruth personally evaluated the data for more than 800 local economies in the United States, created more than 200 community economic studies, and provided economic presentations and workshops in 39 states.

Annually Fruth creates “economic strength” rankings for the 366 Metropolitan and 576 Micropolitan areas in the United States. Fruth considers twenty-three economic factors, which measure how each area has grown in size and quality.

From 1988 to 1995, Fruth served as Vice President of a major industrial land development company directing the development and marketing of a 500-acre corporate park in the West Palm Beach, Florida area.

Prior to that, he was President of the Business Development Board of Palm Beach County, the economic development organization for the area. During that tenure he was named Florida's Economic Development Professional of the Year in 1987.

From 1980 to 1984, Bill served in a full time capacity as Mayor of Tiffin, Ohio. During this time, he was named one of the "Five Outstanding Young Men in Ohio" and was heavily involved in economic and community development both locally and statewide.

Fruth has been recognized by the Florida Administrative Court as an expert witness regarding local economies.

He received the Bachelor of Science and Master of Arts degrees from Bowling Green State University in Ohio, studying communications, journalism, and political theory.

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