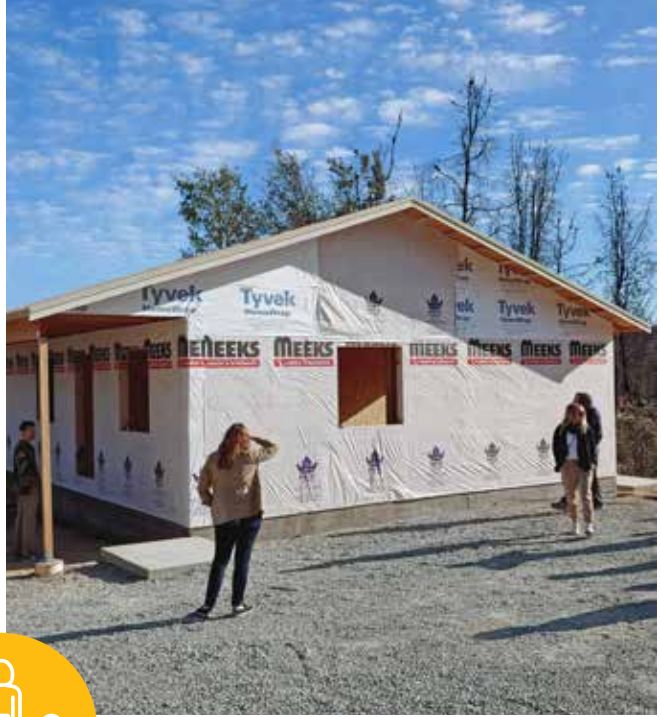




2021-2026 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

INCLUDING 2018/2019 ANNUAL UPDATE
Modoc, Shasta, Siskiyou & Trinity Counties





Source: Warner Mountain Energy



Source: Visit Redding



THIS CEDS PLAN WAS FACILITATED BY POINTS CONSULTING.

CEDS BACKGROUND

The Comprehensive Economic Development Strategy (CEDS) is a five-year economic development strategy created to guide and strengthen regional economies within Modoc, Shasta, Siskiyou, and Trinity Counties. The strategy incorporates quantitative data related to both households and businesses, input from residents collected via town hall events, and an electronic community survey. The CEDS will help regional leaders navigate challenging economic times and build a future economy that is robust and resilient to disruption. The CEDS serves as a justifiable foundation for funding opportunities, provides a roadmap for promoting economic resilience, and encourages action from both public and private sector leaders.

CEDS planning typically occurs at a multi-county or “district” level and necessarily focuses on interconnected community and economic topics across a district. For this reason, this strategy is primarily focused on issues of regional importance, rather than issues and strategies for individual counties and communities. Local economic development organizations can and should use this information to elaborate upon their own local economic development plans.

This CEDS strategy includes the following sections:

- CEDS Background
- Summary Background
- Regional Highlights
- Strengths, Weaknesses, Opportunities & Threats (SWOT) Analysis
- Strategic Direction & Action Plan
- Evaluation Framework
- Appendices

SCED’s CEDS process was overseen by a Strategy Committee with representation from both urban and rural areas throughout the Superior California Economic Development District (the District). Specific organizations and individuals included on the Committee are listed in Appendix A of this document.

Beyond the leadership of these key individuals, many stakeholders and residents of the District provided feedback and input on economic opportunities and challenges. A community survey advertised through print, social media, and direct messaging attained 694 qualified responses. Also, four virtual town hall events attracted the participation of 117 attendees.

SUMMARY BACKGROUND



MODOC COUNTY COURTHOUSE

SUMMARY BACKGROUND

REGIONAL & ORGANIZATIONAL BACKGROUND

In 1980, the U.S. Department of Commerce’s Economic Development Administration (EDA) designated SCED as the region’s economic development district. Encompassed within the District are four counties: Modoc, Shasta, Siskiyou, and Trinity. (The four-county region is referred to as “the District” within this strategy). SCED serves as the region’s intermediary with the EDA and provides an array of economic development services including business financing tools and long-term strategic planning.

SCED is governed by a 17 member board of directors composed of public and private sector representatives from all four counties. SCED’s Business Development Loan Program provides capital for businesses unable to obtain funds through traditional banking channels, with the goal of facilitating the growth of stable, long-term private sector employment. As an SBA Certified Development Company, SCED also offers commercial real estate financing through the SBA 504 Loan Program. As part of EDA’s Economic Planning Program, SCED assists local jurisdictions with technical assistance for economic development projects.

Positioned at the northern end of the Sacramento Valley and the far northeastern corner of California, the District shares borders with the states of Nevada and Oregon. It extends west to Del Norte and Humboldt Counties and borders Tehama County to the south. Shasta County, in general, and the City of Redding, in particular, serve as the default commercial centers of the District. Within the District there are 13 incorporated cities and many more small towns, most with no municipal structure. Additional noteworthy metro markets within several hours drive-time from the District include Sacramento, San Francisco, Reno (NV), and Medford (OR).

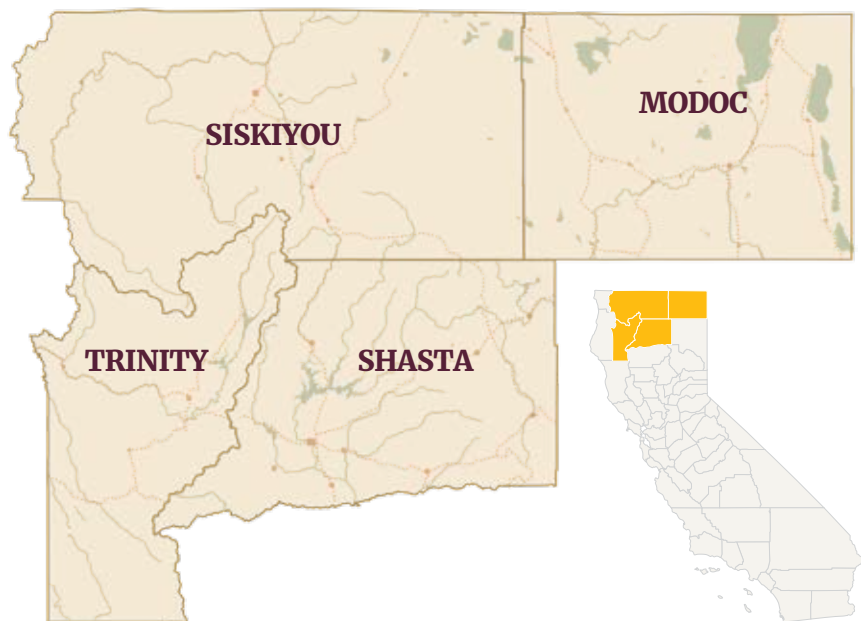
The District encompasses an area of 11.3 million acres, hosts a labor force of 99,000, and 244,000 people call the region home. Over 60% of the District’s land is federally managed, resulting in a concentration of public lands twice the national average.¹ Remarkably, the 481 thousand acres

(roughly 752 sq. miles) committed to National Recreation Areas, comprises 16% of the United States total.²

In terms of transportation, Interstate 5 (I-5) runs north/south and receives the largest share of residential and commercial traffic. The rest of the District is connected via highways. Highway 299 and Highway 44 are the primary east/west transportation corridors. Highway 395 through Modoc County is the primary north/south corridor. Public transit is available within Redding and the surrounding area but is limited throughout the rest of the District. Amtrak’s Coast Starlight

passenger line, which connects the major West Coast cities, runs through Siskiyou and Shasta Counties. Redding Municipal Airport provides flights to four destinations, with additional destinations likely to be added soon.

Those living within the District generally experience the climate of all four seasons, including high heat in the summer as well as cold and snow in the winter. On average, there are more sunny days and less precipitation in the District than an average community in the United States.³ Both average temperatures and drought conditions have increased in recent years.⁴



Superior California Economic Development District (SCEDD) was formed in 1979 through a Joint Powers Agreement with Modoc, Shasta, Siskiyou and Trinity Counties. SCEDD promotes business and regional economic expansion, infrastructure improvement, and job creation by providing business development financing, planning, and technical assistance for public and private sector partners.

DISTRICT QUICK FACTS



POPULATION: 244,710



HIGH GROWTH POPULATION COHORTS:

- 65 and over: +25.3%
- 25 – 34 years: +19.7%



PUBLIC LANDS:

- 5.98 million acres of Forest Service land
- 481 thousand acres of National Recreation Area



TOP EMPLOYING INDUSTRIES:

- Government: 19,790
- Healthcare: 17,670
- Retail Trade: 11,900
- Accommodation & Food Service: 7,650
- Construction: 6,450



NEW BUSINESS FORMATION:

- Average of 448 new business establishments per year



LOCAL LABOR FORCE:

- 99,400 workers
- 231,900 within 2-hour drive-time radius



COMMUNITY SURVEY RESPONSES:

- 75% are likely to recommend their communities as a place to live
- 90% are likely to recommend their communities as a place to visit

Local Partner Organizations

There are numerous organizations within the District focused on topics related to economic growth and employment. Though guided by their own boards and objectives, these organizations will be key partners in implementing this CEDS strategy. Economic development and tribal organizations that could serve as collaborators include:

- Karuk Community Development Corporation (KCDC)
- North State Planning & Development Collective at CSU Chico (NSPDC)
- Redding Rancheria Economic Development Corporation (RREDCO)
- Economic Development Corporation of Shasta County (EDC)
- Siskiyou Economic Development Council (SEDC)

In terms of workforce development, Northern Rural Training and Employment Consortium (NoRTEC) serves as the federally recognized local Workforce Development Area (WDA) Administrator. NoRTEC partners with several “America’s Job Centers of California” (AJCCs) within the District, namely:

- SMART Business Resource Center (Shasta, Siskiyou and Trinity Counties)
- Alliance for Workforce Development (AFWD) in Modoc County

There are seven federally recognized tribal entities within the District: Alturas Rancheria, Cedarville Rancheria, Fort Bidwell Reservation, Karuk Tribe of California, Pit River Tribe, Quartz Valley Reservation, and the Redding Rancheria. Many tribal groups have been active with economic and community development planning and facilitation of commercial and residential development projects.

Socioeconomic Overview

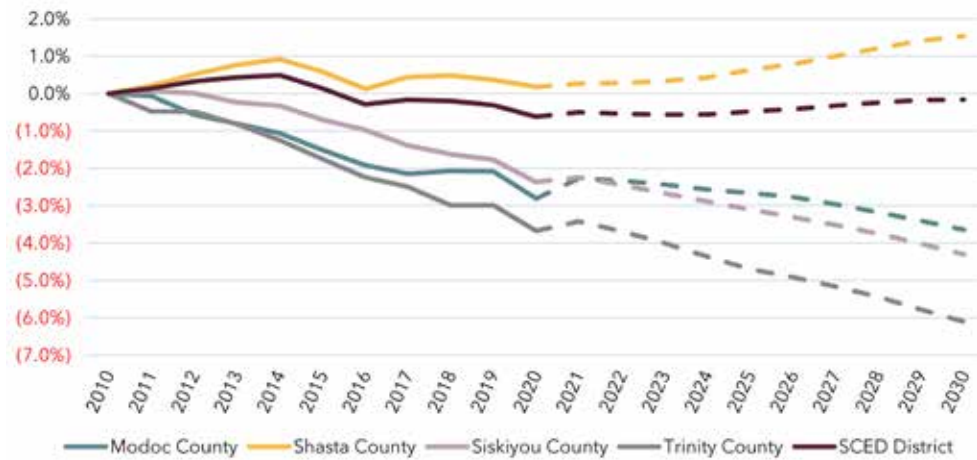
Population Characteristics

Over the past nine years, the Region has experienced a net decrease in population. Losses can be attributed more to natural decrease (i.e. more deaths than births) than net out-migration (i.e. more people leaving than coming in). In total, the District's population has decreased by approximately 1,600 individuals since 2010. Siskiyou, Modoc, and Trinity counties all decreased in population for both reasons. Shasta County stands apart, having seen small population increases from net migration between 2010 and 2020. These downward trends are unusual for California. A majority of California counties saw population

growth in recent years, particularly attributable to natural population growth. The State Department of Finance predicts a marginal increase in population in the District between 2020 and 2030, primarily driven by growth in Shasta County (Figure 1).

About half of all five-year age cohorts in the District increased in the past ten years (Figure 2). The largest increases were among residents aged 20 to 24, 25 to 34 and 65 years and older. The most notable population decreases were among residents in the 10-14, 14-19, and 45-54 age groups.⁵

Figure 1: Past & Projected Population Change by County, 2010-2030

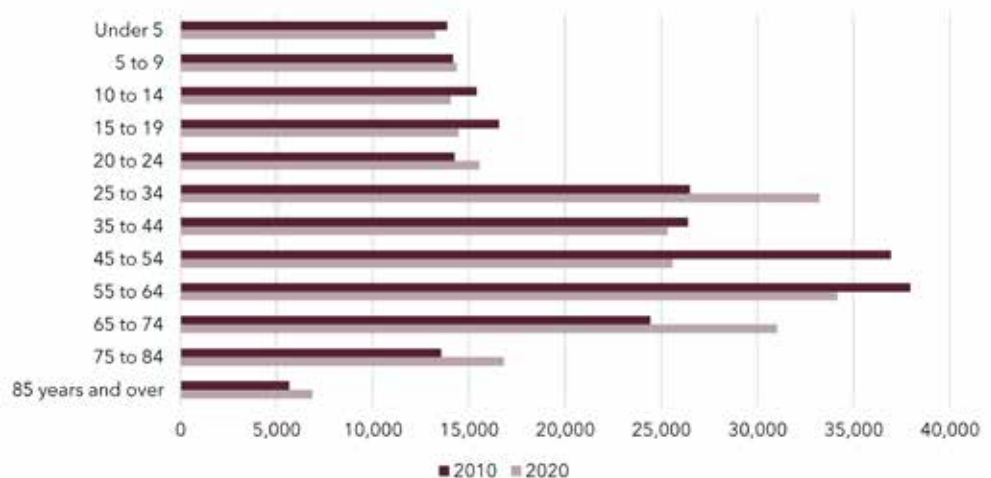


Source: Visit Redding

Source: Points Consulting using California Department of Finance



Figure 2: Population Change by Age Cohort within District



Source: Points Consulting using Census Annual Population Estimates

Employment Overview

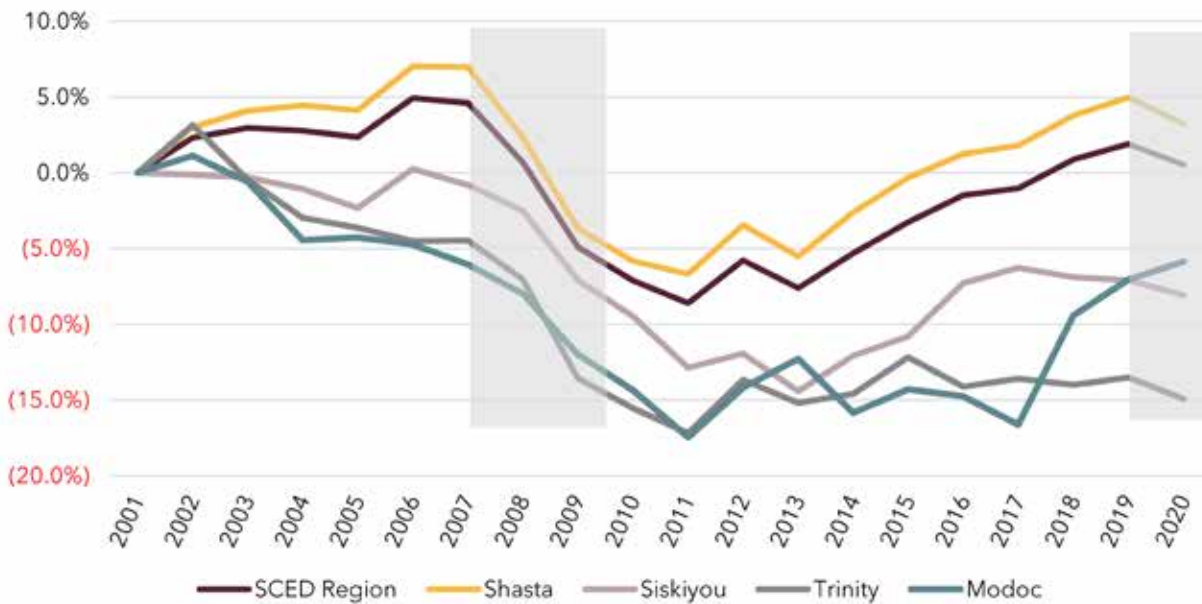
The District’s economy is characterized by a mixture of service-producing, goods-producing, and government industries. As of 2020, service-producing industries compose two-thirds of all jobs, followed by government (20%) and goods-producing (14%). In general, government employment options are stable but are not growing at the rate of private sector opportunities. Private sector employment, in general, increased by 4.5% between the years 2015 and 2020, whereas government employment increased by 1.7%.

Since the end of the Great Recession, employment increased in the District at a fairly slow rate (0.7% per year).⁶ By comparison, national employment increased by 1.3% per year over the same period. This trend was primarily driven by growth in Shasta County. Examining each county individually, Shasta increased employment by an average of 0.9% annually, followed by Modoc (+0.6%), Trinity (+<0.1%), and Siskiyou (+<0.1%). COVID-related employment loss struck all regions in 2020, resulting in over 1,300 jobs lost in the District. Bucking both national and regional trends, Modoc County had a slight employment increase in 2020 (Figure 3).



Figure 3: Year over Year Employment Change Trends

Note: Grey bars represent national recessions



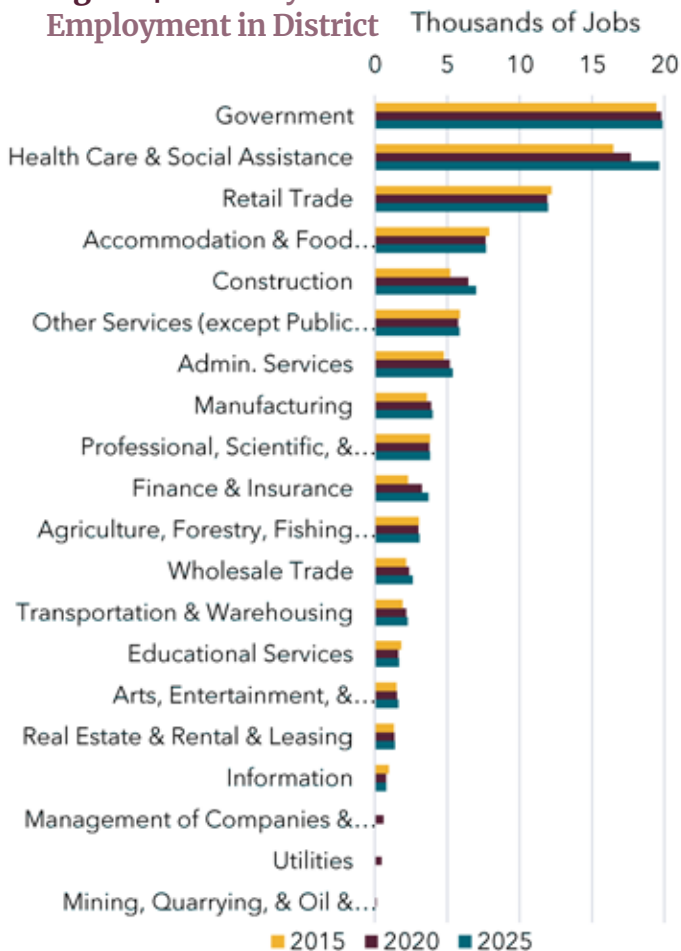
Source: Emsi Analyst, 2021 Q1

The economies of all four counties continue to recover from the COVID pandemic and economic crisis. As of December 2020, over 8,000 workers remained unemployed across the District. Unemployment rates ranged from a high of 10.7% in Siskiyou County to a low of 8.0% in Shasta, as compared to the California average of 8.8%. Siskiyou County's high unemployment is due partly to the concentration of the Accommodation & Food Services industry, which was particularly negatively affected by COVID. Siskiyou placed ninth highest in unemployment rates among California's 58 counties in December 2020.⁷

On a per capita basis, the District has one-third more government jobs than the national average. The District's three largest industry sectors include Healthcare & Social Assistance; Retail Trade; and Accommodation & Food Services (Figure 4). Related to employment growth, it is important to note that at least some of the recent growth within Finance & Insurance and Construction resulted from recovery efforts following the Carr Fire. Therefore, the same level of growth in these industries should not be expected over the next five years.



Figure 4: Industry Sector Employment in District



Source: Emsi Analyst, 2021 Q1

There are many lenses for determining industries' economic strength and impact. Following are a few notable highlights based on current and recent industry trends.

- Sectors which produced the most *new jobs* in the past five years include Construction; Healthcare & Social Assistance; and Finance & Insurance
- Four industries employ over 1,000 workers and offer average wages over \$65k/year: Finance & Insurance; Government; Professional, Scientific, & Technical Services; and Transportation & Warehousing
- Relative to the national average, the most concentrated industries include Agriculture, Forestry, Fishing & Hunting; Healthcare & Social Assistance; and Government
- Industries that most outperformed national benchmarks in job creation include Finance & Insurance; Construction; and Administrative Services

REGIONAL HIGHLIGHTS



CARR FIRE

REGIONAL HIGHLIGHTS

ECONOMIC RESILIENCY

Economic resiliency refers to the ability of a regional economy to cope with hardship. According to the EDA, economic resiliency includes the following three attributes: the ability to recover quickly from a shock, the ability to withstand a shock, and the ability to avoid the shock altogether.⁸ Many of these characteristics arise from local institutions, businesses, and neighborhoods along with coordinated region-level planning. Building economic resilience into a regional economy requires the ability to anticipate risk, evaluate how that risk can impact key economic assets, and build a responsive capacity—all activities that can be facilitated through regional CEDS planning.

The issue of resiliency is of heightened importance in the District. Like the rest of the world, the region has recently battled its way through the COVID health and economic crises. In addition, over the past five years, local communities have contended with multiple catastrophic events such as forest fires, floods, and Public Safety Power Shutoffs (PSPS).

There are various ways in which CEDS plans can address economic resiliency. The Strategic Direction & Action Plan contained within this CEDS addresses resiliency elements using each of the following approaches:⁹

- building up existing supply chains by plugging supply gaps and increasing production of value-added products and services
- diversifying the industrial base using existing industry clusters and business relationships
- improving and adapting workforce skills to produce a workforce more resilient to economic shifts
- adapting business retention and expansion programs to focus on entrepreneurial business development
- improving broadband access to protect and expand commerce and facilitate public safety communications in the event of natural or manmade disasters



KEY INDUSTRY CLUSTERS

Through their work, the Strategy Committee selected this short list of industry clusters that are expected to drive economic prosperity and resiliency over the 2021–2026 time period. Some of the opportunities incumbent within these industries are addressed in more detail in the following narrative.

- **Tourism & Recreation**
- **Wood Products Industries**
- **Agriculture**
- **Healthcare**
- **Energy & Utilities**
- **Professional & Technical Services**

Tourism & Recreation

Over time, tourism has become an important industry across the District. Each County has unique qualities that attract both Californians and a wider audience from across the United States and abroad. Quantifying employment in Tourism and Recreation is challenging due to the multi-dimensional nature of visitor activities and spending. Including two key sectors — Accommodation & Food Services, and Arts, Entertainment & Recreation — there were roughly 9,500 jobs in the District in 2020 (Table 1). Year after year, each County has seen a growth in the economic impact from travel-related activities. In 2019, the travel-related spending was \$29.5 million in Modoc County, \$544.7 million in Shasta County, \$206.0 million in Siskiyou County, and \$60.7 million in Trinity County.¹⁰

The 2018 Carr Fire affected both Shasta and Trinity Counties and had a major regional impact on businesses and households. The fire burned over 200,000 acres and caused immense damage to property and federal lands. Effects of the fire had a delayed impact on travel and tourism as many legacy visitors adjusted travel plans to avoid areas damaged by the fire. Recently, tourism has again been directly impacted by COVID-related business closures and national stay-at-home orders.¹¹

The region is home to three units of the Whiskeytown-Shasta-Trinity National Recreation Area. The Whiskeytown Unit is managed by the National Park Service and anchored by Whiskeytown Lake, providing camping, fishing, motor and sail boating and other attractions. Although Shasta Dam is a U.S. Bureau of Reclamation site, the U.S. Forest Service manages Shasta Lake, a well-known lake for boating, house boating, and resort visits. Trinity and Lewiston Lakes are also managed by the U.S. Forest Service and link to the Trinity Heritage Scenic Byway.

Modoc County is home to many federal agencies, including the U.S. Forest Service, Bureau of Land Management, and U.S. Fish and Wildlife Service. The terrain ranges from high desert to lava beds to a hardwood forest and river valleys. With such an abundance of outdoor activities, tourism has become an integral part of the Modoc County economy.

Shasta County is located in the northernmost region of the Sacramento Valley. With tourism and recreation being a large part of the economy, many recreational manufacturing companies have also set up in Shasta.¹² Types of manufacturing include climbing gear, fishing tackle, hydrofoils, watercraft, and



paintball equipment. Shasta Lake and Lassen Peak attract many travelers to the area each year. Shasta County has the highest density of lodging accommodations within the region. The Redding Municipal Airport acts as another hub for the region, as it is the only airport with commercial service. In 2021, the airport will be adding two new destinations, Seattle and Burbank, with potential additional destinations on the horizon. Since COVID, the airport has rebounded more quickly than other regional airports of similar size, thanks to inbound tourism traffic.

With 60 percent of the land in Siskiyou County designated as National Forest, tourism and outdoor recreation are a large part of the economy. Recreational assets include the Klamath and McCloud Rivers known for fishing and river rafting. National Forests also offer opportunities for mountain biking, camping, and wilderness recreation. Mt. Shasta Ski Park is popular with downhill and Nordic skiers and snowboarders. Siskiyou's other outdoor recreation sites include the Marble Mountain Wilderness Area and Castle Crags State Park. In 2014, Siskiyou Economic Development Council spearheaded the formation of Discover Siskiyou, a Tourism Improvement District (TID). The effort brought together eight jurisdictions with the shared goal of marketing the region as a destination for travel and recreation.

Trinity County is rugged, mountainous, and heavily forested. Due to the many national protected areas, tourism has become the main industry outside government and healthcare. The County attracts an array of outdoor enthusiasts including campers, backpackers, boaters, kayakers, hunters, and recreational and professional fishing enthusiasts.

Table 1: Employment in Travel & Tourism Related Industries

Industry Sector	Modoc	Shasta	Siskiyou	Trinity	Total
Accommodation & Food Services	460	5,740	1,440	290	7,930
Arts, Entertainment & Recreation	80	1,180	290	50	1,600
Grand Total	540	6,920	1,730	340	9,530

Source: Points Consulting using Emsi Analyst, 2021 Q1



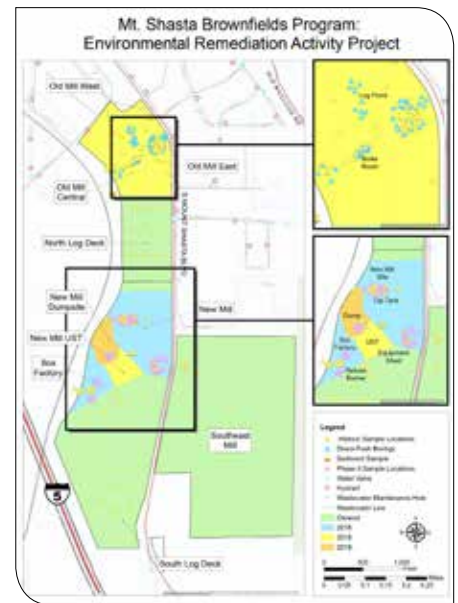
Wood Products Industries

The wood products industry has a long history in the region and still retains a position as a key industry cluster. The California Department of Agriculture’s most recent statistics indicate the value of lumber produced within the District at \$81.7 million (Table 2). Shasta and Siskiyou Counties are also among the top five of all California counties in timber value.



While the timber industry is still a major player within the region, its employment and significance have decreased over the years. Today, Siskiyou County is actively working on locations to redevelop former lumber mills. The Landing Commerce Park in the city of Mt. Shasta has spent over \$1.5 million toward this effort. It is actively being marketed with the goal of bringing new industry into the 127-acre property.¹³

Forest and timber companies that are currently in the area include Sierra Pacific Industries, Shasta Forest Products, Shasta Green Lumber Mill, Siskiyou Forest Products, Wheelabrator Shasta Energy Company, and Trinity River Lumber Company. Sierra Pacific Industries has been investing heavily in the mills of the area and is experiencing tremendous growth because of the high demand for lumber.



Source: The Landing / Mt. Shasta Commerce Park

Table 2: Timber Values by County (\$ millions)

Industry Sector	Modoc	Shasta	Siskiyou	Trinity	Total
Timber Value	\$4.0	\$42.4	\$29.0	\$6.3	\$81.7

Source: Points Consulting using California Agricultural Statistics Review, 2019–2020 (Note: Trinity County values are for 2016, rather than 2019)

Agriculture

Agriculture within the four-county region is diverse. While many traditional row crops are grown within the region, agriculture has expanded into more unique industries that make a big impact. Major agricultural pursuits in the area include apiary, timber, fruit and vegetables, livestock, poultry, milk and wool, nursery crops, and wine grapes.

A direct marketing approach has started to become more prevalent, with many farmers markets and organic farms selling directly. Some are even vertically integrated, such as Belcampo Farms in Siskiyou County. They are raising, butchering, and selling online and in nine different brick and mortar stores. Modoc Harvest Food Hub is a central location where producers can send their products and customers can order online and pick up their food. In Shasta County alone, there are five certified farmers' markets, 48 certified producers, and 30 registered organic farms.¹⁴

Shasta County is a recipient of the US Environmental Protection Agency's Local Foods, Local Places grant. This program works to help communities across the nation protect the environment and promote healthy lifestyles "by engaging with local partners to reinvest in existing neighborhoods as they develop local food systems."¹⁵ Another example of buying locally is the Community Supported Agriculture (CSA) movement that has



seen an increase in popularity recently. When a customer participates in CSA, they buy a box of seasonal produce and other value-added products. When bought on a reoccurring basis the purchase will support a farm or a group of local farms.

Within the apiary industry, many of the counties are diversifying from just producing honey to both pollination and the raising of queen bees. As the bee population has declined nationally the demand for such services has increased.

Shasta County reported agriculture value in 2019 of \$79.5 million, Modoc County reported \$143 million, Siskiyou County reported \$392 million and, in 2016, Trinity County reported \$13.5 million. Siskiyou County has by far the most agriculture within the region, and crop production within Siskiyou County is expected to grow by 0.4 percent per year until 2022.¹⁷

Water usage and accessibility are complicated issues in the District. Various interests, including residential, commercial and agricultural, are competing for access to the diminishing and competitively allocated water supply. Success within the agricultural sector is directly tied to the availability and sustainability of water, fueling the urgency to address water supply issues within the District. The NOAA Climate Prediction Center, which quantifies long-term drought indicators, identifies the majority of land within the District as in either "Exceptionally Dry" or "Extreme Drought" conditions.¹⁸



Table 3: Agriculture Statistics for the District

Industry Sector	Modoc	Shasta	Siskiyou	Trinity	Total
Farming & Grazing Acres	571,000	410,00	687,000	65,800	1,323,800
Number of Farms	423	1,337	745	185	2690
Crop Production %	28%	9%	21%	3%	23%
Pasture %	61%	62%	52%	65%	57%

Source: Points Consulting using 2017 Census of Agriculture¹⁶

Agriculture: Hemp and Cannabis

Since the passage of Proposition 64 in 2016, commercial cultivation and distribution of cannabis have been legal in California. As of the fourth quarter of 2019, the State has brought in \$84.4 million in excise tax revenues while the cultivation of cannabis has brought in \$23.6 million.¹⁹ However, some counties restrain the commercialization of cannabis and hemp to the minimum allowable by state standards.

Cannabis acceptance is dictated county by county and city by city. For instance, in Shasta County, Redding and Shasta Lake have embraced the industry, with both industrial growers and retail establishments. Shasta County also passed an ordinance in 2020 allowing industrial hemp cultivation. Because of this action, the cities are bringing in additional tax dollars. Other communities within Shasta County, such as Anderson, have placed a moratorium on the industry.

Modoc and Siskiyou Counties, as a whole, are not as welcoming to the industry. Currently, any individual who cultivates cannabis can only grow indoors and can only have up to six plants. Both counties have passed moratoriums in unincorporated areas on the cultivation, manufacturing, and retail sales of cannabis. Medical marijuana is the exception but it is very limited as to who can cultivate, manufacture, and distribute.

In an effort to facilitate economic growth, Trinity County has recently begun accepting cannabis licensing applications from prospective growers and retail outlets. Trinity County ranks fifth among all California counties for legal cannabis growing operations. While Trinity County has worked to help operators become licensed, there are still many underground operations. Trinity County’s abundant forested areas are ideal for illegal operations because there are many remote locations with a water supply. These illegal operations often use harsh chemicals on the land, disrupt the wildlife, and pose a threat to residents and visitors.

Healthcare

Healthcare is one of the largest industry sectors in the District. It is also one of the few sectors which increased in employment in each of the four counties individually between 2015 and 2020. It is a diverse industry including hospitals, assisted living and nursing homes, and medical device manufacturers. NoRTEC reported that healthcare jobs increased by 16.3% within the fourth quarter of 2020. It should be expected that the steadily aging population of the District will contribute to increasing demand in coming years.

Redding, in Shasta County, is a regional hub for medicine and therefore has many of the medical specialties that are available within the District. Community health centers, dental and eye clinics, and assisted living make up the majority of the employment within the other counties.

Regional higher education institutions are striving to fulfill the growing demand for healthcare practitioners. Shasta College has a Health Science Program which has multiple degrees ranging from an Associate Degree in Nursing to programs in Dental Hygiene and Health Informational Technology. Simpson University, in Redding, offers a Bachelor’s of Science in Nursing. As a reflection of the program’s quality, it was listed as number eight in California in RN Careers’ annual rankings.²⁰ College of the Siskiyous also offers a number of nursing programs, including a Certified Nurse



Assistant, Vocational Nursing Program and a Licensed Vocational Nurse to Registered Nurse Step-Up program.

Modoc County has recently built a new \$46.5 million hospital and adjoining medical office and clinic. The hospital is a critical access facility and houses eight beds as well as an operating room suite, and will support radiology, emergency, dietary and administrative services onsite.²¹

Table 4: Healthcare & Social Assistance Employment Trends

Industry Sector	Modoc	Shasta	Siskiyou	Trinity	Total
Employment	750	14,700	2,220	450	17,670
Job Growth (2015–2020)	130	940	130	40	1,970
% Job Growth (2015–2020)	21%	7%	6%	9%	7%

Source: Points Consulting using Emsi Analyst, 2021 Q1 (Numbers may not sum due to rounding)



Source: Visit Redding

Energy & Utilities

Statewide policy and consumer preferences are both moving away from traditional fossil fuels. In this context, having access to a diversified array of renewable and non-fossil energy sources is a key feature of the District's competitiveness. Currently, energy sources within the District include hydroelectric and limited amounts of solar, geothermal, and wind energy.

The majority of local hydroelectric producing dams are operated by the US Bureau of Reclamation, Pacific Gas and Electric Company, and PacifiCorp. Hydropower is an affordable and reliable source of electricity but is often considered non-renewable due to dams' environmental impact. The Energy Information Administration categorizes hydropower as renewable. The California Energy Commission only categorizes small dams that generate less than 30 MW of energy as renewable.²²

Pricing is another advantage to hydro and geothermal power generation. The average Californian pays 16.89 cents per kilowatt-hour. In 2019, by comparison, the City of Redding's average combined price was 16.50 cents/kWh, the Shasta Dam Area Public Utilities District (City of Shasta Lake) paid 11.15 cents/kWh, Trinity Public Utilities District 9.18 cents/kWh, and Surprise Valley Electrification 9.40 cents/kWh. The average US price is 10.54 cents/kWh. Surprise Valley Electrification also has a geothermal operation in Oregon that produces about three megawatts.²³

Because of the large areas of forest in each county, there is an abundance of biomass available for power generation. Not only does biomass represent an economic opportunity, but its extraction is helpful for the prevention of forest fires. Sierra Pacific Industries is vertically integrated and could feasibly utilize biomass products but smaller operators would have a harder time meeting margins to gather and process biomass materials. That said, new technologies in use within Northern California and the Pacific Northwest may open up new opportunities for harvesting and utilizing biomass fuel.

In northern Modoc County ownership of the "Backscatter Radar Site" has recently been transferred from the federal government to the County. Because power exists at the site and broadband could be extended to the site from existing trunks, the county is exploring it as an alternative energy site.

A public-private partnership between the California Energy Commission, County of Modoc and Warner Mountain Energy Corporation has conducted two grant-funded projects to determine the feasibility of developing geothermal energy for commercial purposes. Geothermal in Modoc County does have some precedent. For the past 40 years, Surprise Valley Hot Springs has used geothermal energy in its facility. Likewise, schools in Alturas use geothermal heating systems.



Source: Warner Mountain Energy



Professional & Technical Services

Although Professional & Technical Services ranks ninth in the region in terms of employment, there are various reasons to call it out as a key industry cluster. As a “knowledge-based” industry, earnings are higher than in many of the other more common sectors. Median earnings for the District’s 3,700 workers in this industry were over \$69,000 in 2020. Shifting trends in remote work and work-from-home (WFH) are allowing professional workers to out-migrate from urban areas that have traditionally dominated this industry.



Several initiatives designed to stimulate professional and technical services are underway within the region, particularly in Shasta County. The Shasta Venture Hub is an office space located in Redding with co-working space and conference rooms. Outside of the pandemic, the Hub hosts regular meetups, classes, and seminars focused on entrepreneurship and technology.²⁴

The space is home to Startup Redding, a branch of a national non-profit focused on accelerating ideas into commercially viable businesses. The Bethel School of Technology was recently created as one response to the growing need for software developers. Bethel Tech’s programs focus on full-stack development, UI/UX design and data science. These programs are designed to train workers from no knowledge to being productive information technology workers in a period of several months.²⁵

Several other co-working spaces and networks exist in the District as well, in both rural and urban areas. Over time, such resources will likely lead to a larger number and variety of locally owned businesses based on professional services and technology.



Opportunity Zones

One tool available to communities across the District for improving economic opportunity, especially for historically disadvantaged populations, is Opportunity Zones. Opportunity Zones (OZs) were created via the Tax Cuts & Jobs Act of 2017 as a method for encouraging business and real estate investment in designated low-income areas across the United States. In particular, the program provides individuals who owe capital gains taxes the prospect of investing those funds in Qualified Opportunity Funds (QOFs), which provide investors with tax benefits. In short, QOFs allow investors to defer existing capital gains taxes by up to 10 years, reduce their tax burden on further capital gains appreciation, and help spur development within economically disadvantaged areas. OZs were selected via a collaborative effort between Governors’ offices across the United States in coordination with local communities.

There are over 8,700 qualified OZs across the country, 13 of which are within the District (Figure 5). Zones exist in each of the four counties. The primary communities within these zones include Redding (four zones), Yreka (two zones), Anderson, Lakehead, Lewiston, Hayfork, Happy Camp, Alturas, and Canby.²⁶

Investment activity utilizing regional opportunity zones has been relatively light to date but economic and community developers hope more investment is yet to come. One major project has occurred in Anderson (Shasta County) involving a modular construction manufacturer who will be providing 100+ jobs to the community. The company, US-Offsite, is utilizing OZ funding to construct a \$25-million facility on a 33-acre plot to be opened in late 2021.²⁷

Figure 5: Opportunity Zone Locations in District



Source: US Department of Housing & Urban Development

SWOT ANALYSIS

Strengths

- Outdoor recreation opportunities
- Steady employment within the Government industry sector
- Strong local hospitals and regional medical center
- Positive growth in the Healthcare sector (including all four individual counties)
- Historic strength of sawmills and wood products industries
- Multiple higher education institutions providing access to two-year, continuing education, transfer, and some four-year programs
- Growing cottage agriculture and eco-tourism industries
- Proximity to I-5 corridor (i.e. exports, visibility, visitors' spending)
- Less COVID-related job loss than other areas in California

Weaknesses

- Limited employment in 'goods-producing' industry sectors
- Historic vulnerability to forest fires discourages residential and commercial investment
- High cost and limited supply of housing
- Large concentration of low-wage/low-skill jobs
- Frequent outmigration of talented youth to more urban areas
- Inadequate broadband, especially in rural areas
- Aging population base
- Increasing outmigration of adults (particularly from Siskiyou County)
- Perception as a "high regulation" area in comparison to neighboring states
- Limited commercial air transportation options
- High cost of transportation due to distance to major markets and freight distribution centers
- Limited shared transit options (e.g. busses, ride share services)

Opportunities

- Availability of land for commercial and agricultural development
- Positive population growth among 20- to 35-year-old age cohorts in past 10 years
- Potential to build upon travel and tourism cluster
- Potential to build upon existing wood products industries
- Influence of entrepreneurial evangelical communities on business formation and job creation
- Potential for more green energy production (i.e. biomass, solar, hydroelectric, geothermal)
- Opportunity to retain higher-wage COVID in-migrants for the long-term
- Large tracts of public lands
- Developing locally grown food/beverage movement (i.e. farms, ranches, fermented beverages, beef harvesting)
- Use and redevelopment of Brownfield mill sites across the region

Threats

- Increasing vulnerability to forest fires
- Anti-growth mentality among some residents
- Dependency on seasonal tourism industries
- Potential for over-use of natural resources assets
- Potential for cost-of-living increases causing displacement of historic residents
- Potential for workforce skills mismatches to stunt economic growth
- Loss of employment in insurance and construction at conclusion of federal/state emergency response efforts
- Vacancies in key downtown/main street areas (especially in Siskiyou and Trinity counties)
- Fractured views on local government leadership contributing to dissolution of community cohesion

STRATEGIC DIRECTION & ACTION PLAN

The Strategic Direction & Action Plan is the most critical aspect of a CEDS plan. It accounts for the socioeconomic, community, and external factors uncovered during the SWOT analysis and aligns those factors with specific strategies and actions that community leaders can address. These Goals and Objectives are consistent with the community’s vision for economic prosperity. Ideally, over the next five years, community leaders will be able to return to these Goals and Objectives in order to measure the performance of the community. At its core, the Strategic Direction & Action Plan answers the two fundamental questions:

“Where do we want to go as a community?” and “How are we going to get there?”

VISION STATEMENT

The District represents an alliance of communities seeking to capitalize on the region’s unique cultural, recreational, and economic opportunities. Our leaders are focused on an economic growth strategy emphasizing innovation, human capital, equity, and mindful resource usage.

There are two layers to the Strategic Direction & Action Plan:

- **GOALS** are big-picture outcomes and intentions that provide direction based on the Vision Statement. Frequently, Goals are intangible and somewhat aspirational. They provide a structure for the more precise Objectives.
- **OBJECTIVES** fold into the Goals but are more measurable and specific. Objectives identify specific actions and tactics that can be taken to achieve the Goals.

As previously noted in the Economic Resiliency component of this Plan, this Strategic Direction & Action Plan addresses economic resiliency using each of the following approaches:

- building up existing supply chains by plugging supply gaps and increasing production of value-added products and services
- diversifying the industrial base using existing industry clusters and business relationships
- improving and adapting workforce skills to produce a workforce more resilient to economic shifts
- adapting business retention and expansion programs to focus on entrepreneurial business development
- improving broadband access to protect and expand commerce and facilitate public safety communications in the event of natural or manmade disasters

Five primary regional goals were identified through the planning process:

Goals

- **Goal 1:** Enhance Opportunities for Residents and Visitors to Leverage Natural and Outdoor Resources for Recreation and Industry
- **Goal 2:** Improve Employment Opportunities By Supporting Existing Businesses and Encouraging Local Investment by Job-Creators
- **Goal 3:** Broaden Interest and Opportunities for Young Professionals to Thrive within the Region
- **Goal 4:** Maintain and Improve Cost-of-Living and Quality of Place in Rural Communities
- **Goal 5:** Construct Additional Infrastructure that Enables Residents to Feasibly Live, Work and Transport Within the Region



**MCARTHUR-BURNEY FALLS MEMORIAL
STATE PARK, SHASTA COUNTY**

ACTION PLAN

GOAL 1

ENHANCE OPPORTUNITIES FOR RESIDENTS AND VISITORS TO LEVERAGE NATURAL AND OUTDOOR RESOURCES FOR RECREATION AND INDUSTRY



Source: Rob Crenson



One asset the District possesses more than any other is its vast and beautiful outdoor amenities. Regional leaders must maintain the balance of preserving these assets while ensuring that residents and visitors can access amenities for recreational purposes, and business owners can utilize natural resources for commercial enterprises. The following Objectives fit within the structure of this Goal:

- 1.1:** Increase fire resiliency by working with local, state and federal agencies and private contractors on fuel reduction
- 1.2:** Develop a collaborative region-wide tourism plan that includes a resource inventory, marketing/advertising, branding, and funding model
- 1.3:** Improve wayfinding for outdoor adventure experiences such as trails, lakes and natural monuments
- 1.4:** Develop more regional events and festivals that celebrate the outdoors and outdoor culture
- 1.5:** Develop more trails on private and public lands, with clear use designations (e.g. hiking, mountain biking, ATV)
- 1.6:** Improve maps and other visual aids for tourists that tie together outdoor recreation, food and beverage locations, and cultural attractions
- 1.7:** Encourage experimentation and adoption of alternative (or sustainable) agriculture practices
- 1.8:** Connect with local environmental organizations to ensure that land is set aside in adequate amounts and in correct locations to ensure environmental protection and sustainability

GOAL 2

IMPROVE EMPLOYMENT OPPORTUNITIES BY SUPPORTING EXISTING BUSINESSES AND ENCOURAGING LOCAL INVESTMENT BY JOB-CREATORS



Given that the District has few major corporate locations, the onus of job creation is mostly on small, locally-owned businesses. The region's location bordering both Oregon and Nevada presents a challenge for retaining and attracting businesses that often perceive lower costs and regulatory burdens in bordering states. Despite this challenge, many small business and industry clusters are thriving. The following Objectives fit within the structure of this Goal:

- 2.1: Local economic developers will continue to focus on business retention and expansion while seizing opportunities for business attraction
- 2.2: Pursue business growth and attraction for industries in the wood products industry cluster (e.g. biomass, artisan crafts, furniture)
- 2.3: Partner with higher education and private sector on the research and development of biomass energy production
- 2.4: Pursue creative financing tools that allow local economic developers to retain and attract businesses enticed by neighboring states
- 2.5: Develop an Agricultural Sector Strategy approach that promotes direct market access and value-added opportunities for farm and ranch operators
- 2.6: Pursue green energy production (e.g. solar, wind, and geothermal) aligned with California's current and upcoming carbon emissions standards
- 2.7: Conduct a gap analysis comparing workforce skills to job openings and then develop strategies for addressing workforce shortages
- 2.8: Engage in local economic development strategic planning within all four individual counties
- 2.9: Municipal leaders must clarify and define local policies related to cannabis, particularly in Trinity County
- 2.10: Enhance economic resiliency by diversifying the region's industry mix
- 2.11: Study the feasibility of increasing digital accessibility and functionality of local permitting organizations

GOAL 3

BROADEN INTEREST AND OPPORTUNITIES FOR YOUNG PROFESSIONALS TO THRIVE WITHIN THE REGION



There are pockets of youth within the District but, in general, the area is aging. Many residents also report a challenge of retaining the best and brightest youth to continue living and working in the region. The following Objectives are designed to increase the quantity and impact of younger populations on the region:

- 3.1: Survey young adults to determine needs for economic and community amenities and address gaps accordingly
- 3.2: Improve access to higher and continuing education opportunities through community college and four-year extension partnerships and use remote-learning tools
- 3.3: Convene and expand networks of existing makers, entrepreneurs, mentors, and capital providers through community-accessible locations and events
- 3.4: Address resource needs of growing tech entrepreneurship sector in Shasta County
- 3.5: Enhance awareness and pipeline of talent to forestry and natural resource related professions
- 3.6: Identify and deploy funding for trades workers to build homes, both in areas destroyed by forest fire and in areas with critical affordable housing shortages

GOAL 4



MAINTAIN AND IMPROVE COST-OF-LIVING AND QUALITY OF PLACE



Many residents of the District expressed concern with the increasing challenge of “making a living” in the region. This issue is particularly acute in rural areas, where there tend to be fewer jobs and fewer housing options. Communities that lose their spirit in times of economic downturn can have a hard time recovering that spirit. The following actions are designed to help communities retain and improve their most critical community assets:

- 4.1: Plan, invest and implement the development of broadband internet for both commercial and residential usage (i.e. broadband as a “vital utility”)
- 4.2: Invest in digital literacy campaigns for youth and adults in rural areas
- 4.3: Ensure that residents have a two-way conversation with state-level policymakers and governmental organizations
- 4.4: Improve collaboration and communication between and among local and district-level community and economic development partners
- 4.5: Pursue grants and incentives through state, federal, and non-profit entities to maintain and improve historic downtown areas
- 4.6: Address the growing issue of homelessness within the region and with the help of local government, non-profits, and other local stakeholder groups
- 4.7: Provide pathways for capable but low-income workers to transition away from government assistance to self-sustainability
- 4.8: Participate in and help expand workforce development programs managed by NoRTEC such as existing Next Generation Industry Sector Partnerships

GOAL 5

IMPROVE ADDITIONAL INFRASTRUCTURE THAT ENABLES RESIDENTS TO FEASIBLY LIVE, WORK, AND TRANSPORT WITHIN THE REGION



To be economically viable, communities within the District need a functioning infrastructure backbone that allows residents to live and conduct business in the modern economy. Certain deficiencies have arisen in recent years that need to be addressed. The following Objectives align with these needs:

- 5.1: Review existing Regional Housing Needs Allocation (RHNA) assessments to determine if they adequately address the full spectrum of each county's housing needs. If necessary, conduct additional assessment focused on best practices, solutions, and recommendations
- 5.2: Utilize state, Federal, and non-profit funding Sources to incentivize affordable and attainably-priced housing development
- 5.3: Work with government and large energy providers to reduce the likelihood and duration of Public Safety Power Shutoff (PSPS) events
- 5.4: Address water and sewer infrastructure deficiencies in small towns, particularly those experiencing growth and in-migration
- 5.5: Continue broadening passenger air service to provide residents access to a broader array of geographic areas
- 5.6: Ensure that minority and historically underserved populations have equitable access to economic opportunities
- 5.7: Seek to preserve the long-term sustainability of local public utility districts
- 5.8: Request that municipalities review planning and zoning policies to ensure non-restrictive zoning for critically needed housing types (i.e. long-term rentals, medium density, affordable housing, etc.)
- 5.9: Study commercial and residential blight solutions in the context of California communities to determine best practices and strategies for resolution
- 5.10: Study public transit needs of citizens, particularly along commuter access lines, to determine the need for further investment
- 5.11: Pursue improvements to the I-5 corridor as outlined by the "Fix 5 Cascade Gateway Project"
- 5.12: Improve winter travel reliability along State Highway 299, which is critical for commerce and commuter traffic within the District
- 5.13: Convene local economic development leaders to determine how Federal stimulus funds can be deployed to benefit regional community and economic development goals and objective

EVALUATION FRAMEWORK



The Evaluation Framework component of a CEDS defines the standards by which Strategic Direction & Action Plan progress will be measured over the next five years. Each CEDS Annual Update will report progress according to these metrics. Whereas the Strategic Direction & Action Plan focuses on where the regional economy will go and how it will get there, the Evaluation Framework focuses on the key questions:

“How are we doing?” and “What can we do better?”

A few points of clarification are necessary, in relation to the Evaluation Framework. While some performance measures are strongly quantitative, others are more focused on development or improvement of a qualitative feature. Some performance measures are to be reviewed annually while others will require a longer duration of time to complete. The duration of performance measurement is indicated in parentheses following each topic. Lastly, performance measures are aligned with each of the five Goals presented in the Strategic Direction & Action Plan section:²⁸

- **Goal 1:** Enhance Opportunities for Residents and Visitors to Leverage Natural and Outdoor Resources for Recreation and Industry
- **Goal 2:** Improve Employment Opportunities By Supporting Existing Businesses and Encouraging Local Investment by Job-Creators
- **Goal 3:** Broaden Interest and Opportunities for Young Professionals to Thrive within the Region
- **Goal 4:** Maintain and Improve Cost-of-Living and Quality of Place
- **Goal 5:** Improve Additional Infrastructure that Enables Residents to Feasibly Live, Work, and Transport Anywhere within the Region



Source: Visit Redding

GOAL 1



Enhance Opportunities for Residents and Visitors to Leverage Natural and Outdoor Resources for Recreation and Industry



- Increase visitors' total spending on travel and tourism in each county of the District (annual)
- Collaborate with environmental organizations to determine appropriate regional land-use and conservation metrics (1 year)
- Increase number and accessibility of recreational tourism activities (3 years)
- Complete travel and tourism maps connecting visitors to options across the District (3 years)
- Complete region-wide tourism plan (5 years)



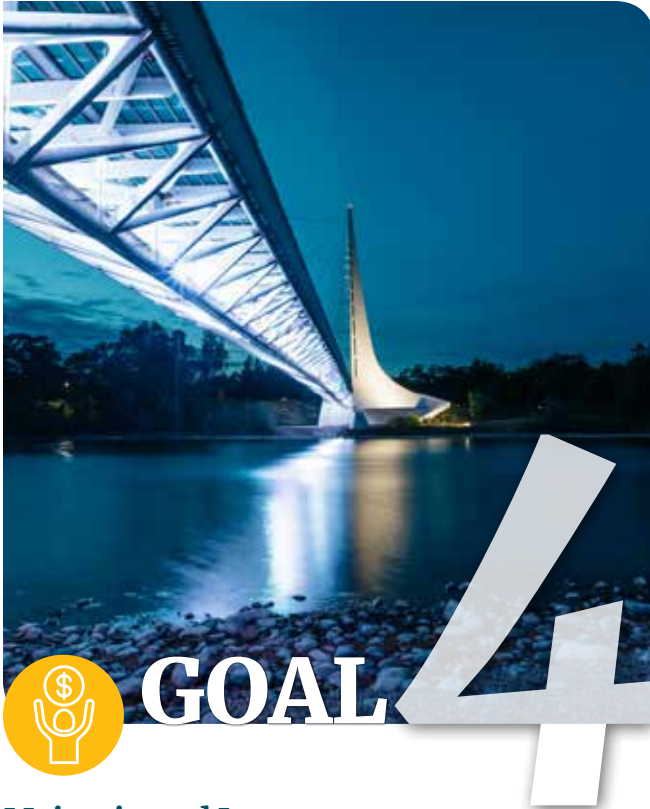
Improve Employment Opportunities by Supporting Existing Businesses and Encouraging Local Investment by Job-Creators

- Track and increase the number of businesses directly assisted by local EDCs on an annual basis (annual)
- Increase number of manufacturing business establishments within the District (annual)
- Produce year-over-year growth in GDP within each county (annual)
- Maintain pace of 450+ new business establishments per year across the District (annual)
- Facilitate at least one additional Opportunity Zone project within the District (5 years)
- Increase output of renewable energy produced within the District (5 years)



Broaden Interest and Opportunities for Young Professionals to Thrive within the Region

- Increase population of 20- to 34-year-olds living in each county of the District (3 years)
- Develop tools and processes for engaging young adults (e.g. meet-ups, surveys) (1 year)
- Increase number of young adults enrolled in higher education programs (3 years)
- Increase accessibility of start-up business resources in areas outside of Redding (3 years)
- Complete workforce gap analysis (3 years)
- Set completion/graduation goals for programs focused on workforce gaps (5 years)



Maintain and Improve Cost-of-Living and Quality of Place

- Improve in community satisfaction across all community and economic development factors, as measured by community survey (annual)
- Convene regular meetings between regional community and economic development officials to collaborate on joint projects (1 year)
- Increase total percentage of households with broadband access to 85% (5 years)



Improve Additional Infrastructure that Enables Residents to Feasibly Live, Work, and Transport within the Region

- Stabilize net population loss due to out-migration to less than 0.3% annual total population across the District (annual)
- Determine top priorities for regional housing needs (1 year)
- Determine key focus communities and reduce downtown commercial vacancies in those communities (3 years)
- Facilitate at least one affordable or attainable housing development within the District (5 years)

APPENDIX A



MOUNT SHASTA / HEART LAKE



CEDS STRATEGY COMMITTEE

This CEDS was completed with the guidance and assistance of the following Strategy Committee members:

- Todd Jones – Economic Development Corporation of Shasta County
- Laurie Baker – Shasta Cascade Wonderland Association
- Tonya Dowse – Siskiyou Economic Development Council
- Trista Parry – Karuk Community Development Corporation
- Kelly Crosby – Alturas City Council
- Ned Coe – Modoc County District 1 Supervisor, California Farm Bureau Federation
- Chester Robertson – Modoc County Administrative Officer
- Kim Hunter – Trinity County Building & Planning Director
- Ryan Cinelli – Trinity County Chamber of Commerce/ Visitors' Bureau
- Lejon Hamann – Partnerships Coordinator, USFS – Shasta-Trinity National Forest



COMMUNITY SURVEY SUMMARY

SURVEY FINDINGS

The Community Survey received 694 qualified responses from across the District. Residents shared strong sentiments related to economic development strengths and challenges within their communities. Nearly half of all respondents live or work in Shasta County. Individual ZIP codes from Redding, Shasta Lake, and Weed provided the largest number of responses. Respondents included employees of local businesses, business owners, remote workers, college students, and general residents. Of those employed, the most common industries were Public Administration (i.e. Government), Agriculture or Natural Resources, and Services.

Residents' sentiments related to resiliency are split between those who consider the region to be resilient (40%) and those who consider it to be vulnerable (47%). Those who feel negatively about resiliency identify issues such as low income levels, forest fires, and vacant buildings/storefronts as the biggest threats.

Residents were asked to address both immediate economic development needs and expected needs over the next five years. Priorities for both time periods were similar with "improved access to broadband internet" and "business retention" taking precedence. Access to "COVID relief grants and loans" also ranks highly in the short-term. A few categories take higher priority in the long-run than in the short-run, including "business recruitment and expansion" and "tourism development services."

Strengths

When asked to identify their communities' biggest strengths, numerous topics were identified including nature/recreation, proximity to major roadways, strength of local businesses, and healthcare availability. Additionally, residents indicated high satisfaction levels with the following community and economic development factors: outdoor recreation opportunities, regional attractions/visitor destinations, community amenities, transportation infrastructure, and ease/cost of doing business with county and city entities.

Weaknesses

When asked to identify their communities' biggest weaknesses, residents zeroed in on topics such as lack of career opportunities, housing, broadband, and lack of business activity. Economic development categories residents were least satisfied with include forest fire vulnerability, retention of young talent, availability and cost of broadband internet, availability of living-wage jobs, and availability and cost of housing.

Residents are likely to recommend their communities as a place to visit instead of a place to live. Ninety percent (90%) of respondents are very likely or somewhat likely to make such a recommendation. On the other hand, a much lower proportion consider the communities "a place to live" or "a place to start or expand a business." Just 56% of respondents are very likely or somewhat likely to recommend their communities as a business location.

One reason that residents shy away from strong approval about living in the region is the lack of employment opportunities. The number of residents who are dissatisfied with categories such as employment in hands-on trades, and options for young adults, greatly outweigh those who are satisfied.

METHODOLOGY

Points Consulting conducted an electronic survey of community residents over a 7-week period in 2021 (February 2 – March 18). The survey focused primarily on online methods of recruitment, targeting community groups and organizations both through existing connections and using social media (mainly LinkedIn and Facebook). 1,002 total responses were collected, of which 694 were qualified. Responses excluded from the analysis were primarily due to the respondent not living in the region or not providing their ZIP code location.

Please note that in some of the following tables, an "Average Score" is displayed. This average score is translating the textual responses into quantitative scores (e.g., Strongly Agree = 5, Agree = 4). This allows the consulting team to rank and compare overall interest levels in various concepts. Also note that a series of open-ended questions related to strengths, weaknesses, opportunities, and threats are presented here, following the process of coding the responses into general "buckets" of information; these are displayed in Figures 16 through 19 and Tables 15 through 18.

Figure 6: Locations of Respondents & Population by ZIP Code ²⁹

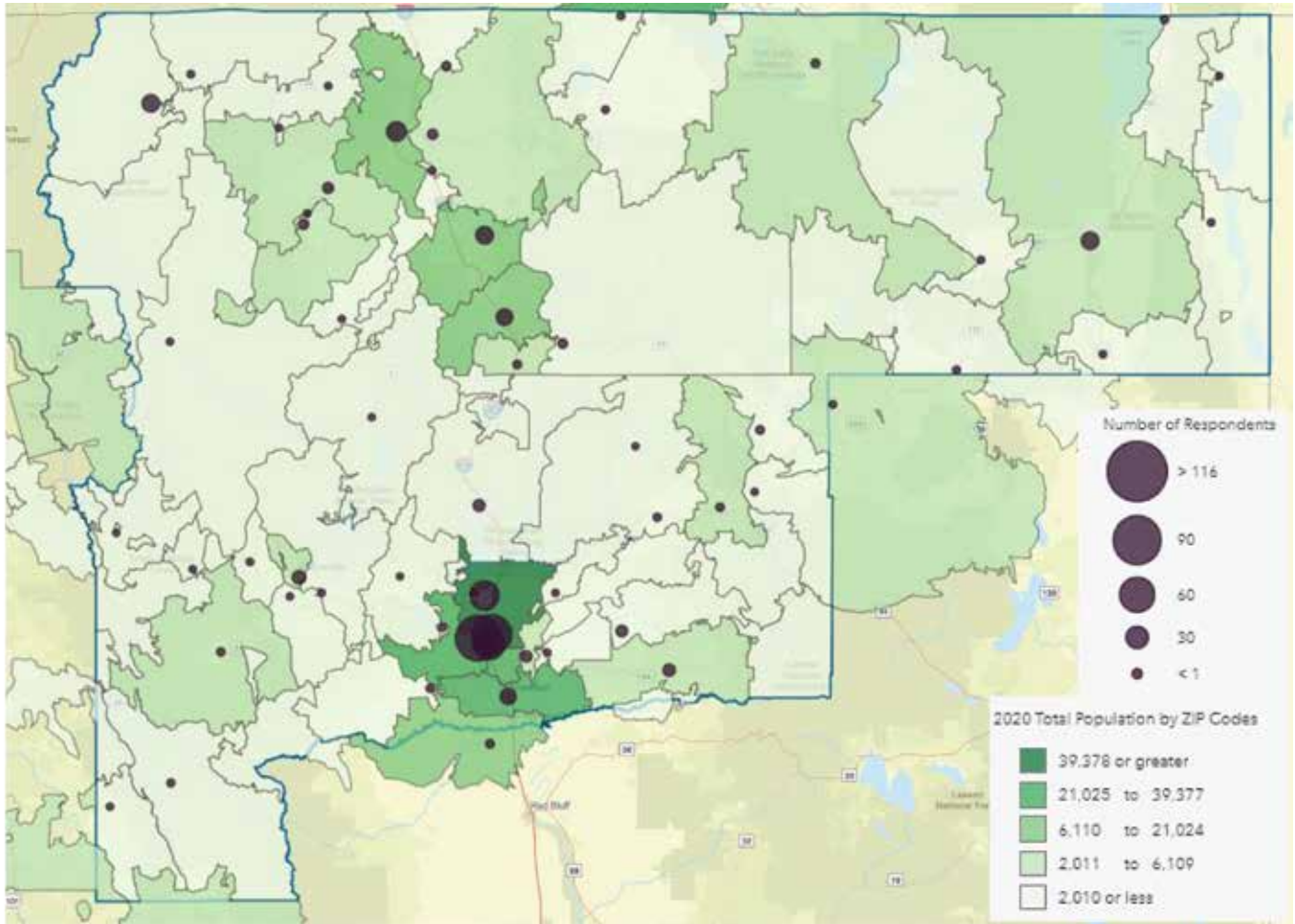


Table 5: Location of Survey Respondents ³⁰

County	Number	Percent
Shasta	488	49.0%
Not Identified	214	21.5%
Siskiyou	210	21.1%
Modoc	47	4.7%
Trinity	36	3.6%
Total	995	--

Figure 7: What Categories Best Describe Your Work Situation? (Select Multiple)

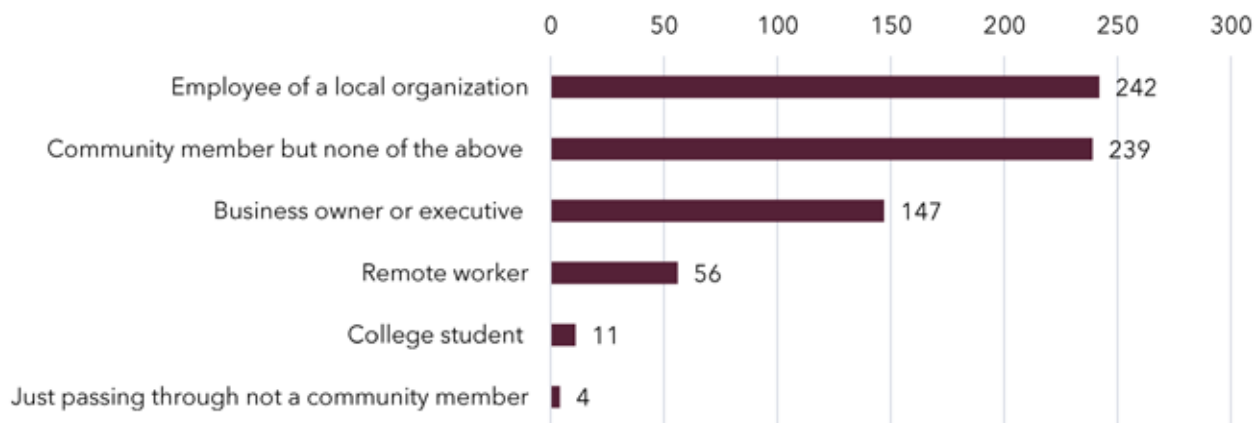


Table 6: What Categories Best Describe Your Work Situation?

Status	Number	Percent
Employee of a local organization	242	34.6%
Community member but none of the above	239	34.2%
Business owner or executive	147	21.0%
Remote worker	56	8.0%
College student	11	1.6%
Just passing through, not a community member	4	0.6%
GRAND TOTAL	699	--

Figure 8: What Type of Business Are You Engaged In? (Select the Best Option)

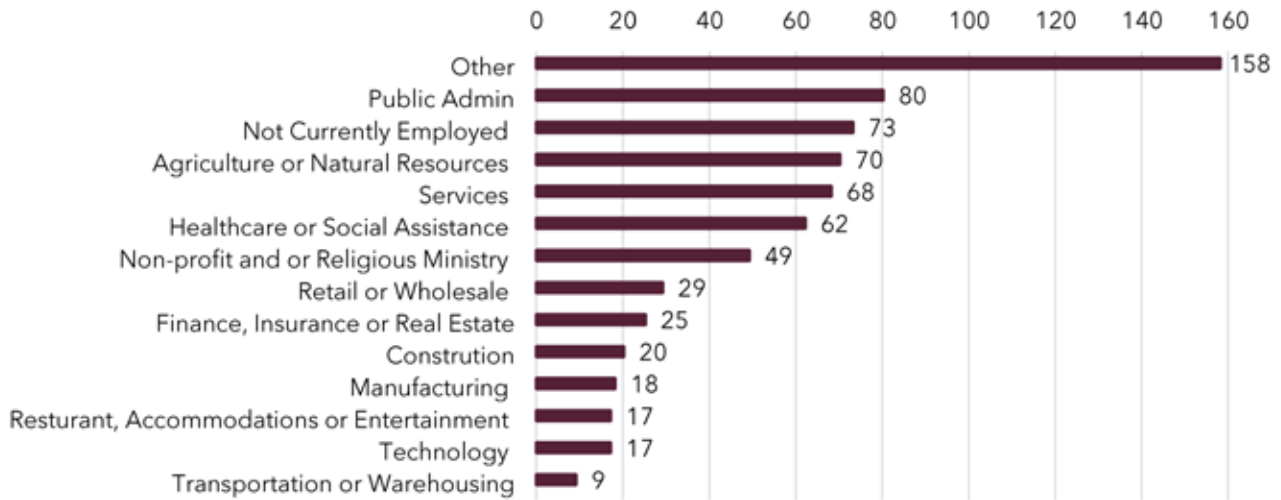


Table 7: What Type of Business Are You Engaged In?

Industry	Number	Percent
Other	158	22.7%
Public Admin	80	11.5%
Not Currently Employed	73	10.5%
Agriculture or Natural Resources	70	10.1%
Services	68	9.8%
Healthcare or Social Assistance	62	8.9%
Non-profit and or Religious Ministry	49	7.1%
Retail or Wholesale	29	4.2%
Finance, Insurance or Real Estate	25	3.6%
Construction	20	2.9%
Manufacturing	18	2.6%
Restaurant, Accommodations or Entertainment	17	2.4%
Technology	17	2.4%
Transportation or Warehousing	9	1.3%

Figure 9: How Satisfied Are You With The Following Community and Economic Factors?

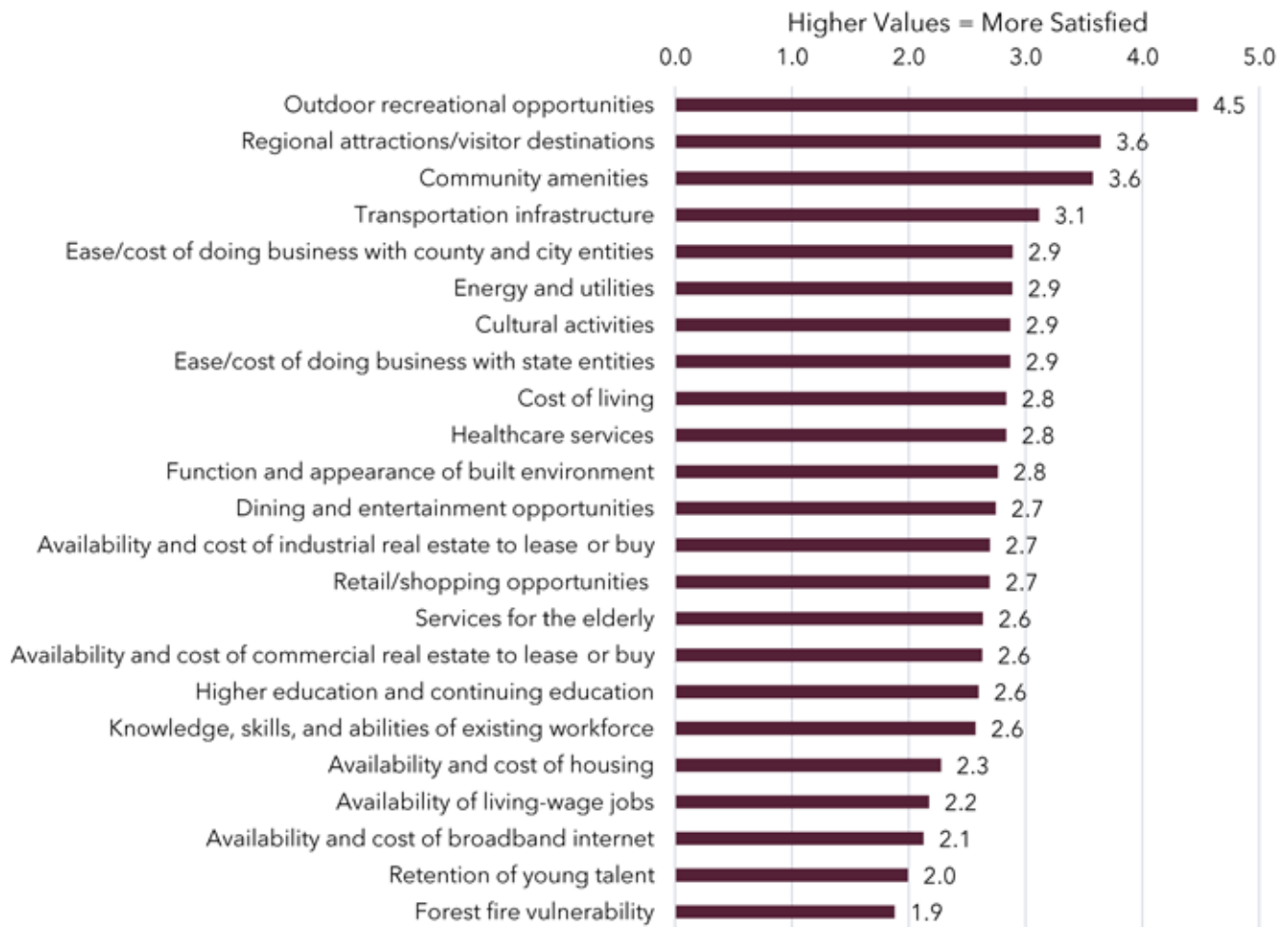


Table 8: How Satisfied Are You With The Following Community and Economic Factors?

Option	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied	Don't know	Weighted Avg.
Outdoor recreational opportunities	106	52	6	5	3	0	4.5
Regional attractions/visitor destinations	37	73	32	21	8	1	3.6
Community amenities	37	68	26	29	8	1	3.6
Transportation infrastructure	7	75	38	33	18	0	3.1
Ease/cost of doing business with county and city entities	10	48	61	38	25	16	2.9
Energy and utilities	9	57	35	44	25	1	2.9
Cultural activities	6	46	56	40	20	5	2.9
Ease/cost of doing business with state entities	9	81	100	63	37	40	2.9
Cost of living	6	53	44	52	21	1	2.8
Healthcare services	12	52	25	45	29	6	2.8
Function and appearance of built environment	2	52	45	51	23	2	2.8
Dining and entertainment opportunities	5	56	30	52	29	0	2.7
Availability and cost of industrial real estate to lease or buy	5	9	54	23	14	62	2.7
Retail/shopping opportunities	8	50	30	51	34	0	2.7
Services for the elderly	6	28	41	47	23	30	2.6
Availability and cost of commercial real estate to lease or buy	9	16	40	38	21	48	2.6
Higher education and continuing education	8	39	31	51	35	9	2.6
Knowledge, skills, and abilities of existing workforce	4	28	44	65	20	5	2.6
Availability and cost of housing	8	37	17	63	63	7	2.3
Availability of living-wage jobs	3	22	22	67	47	6	2.2
Availability and cost of broadband internet	4	29	18	49	67	3	2.1
Retention of young talent	0	11	30	65	53	14	2.0
Forest fire vulnerability	1	14	23	60	75	2	1.9

Figure 10: What Economic Development Activities Is Your Community Most In Need Of Right Now? (Select Multiple)

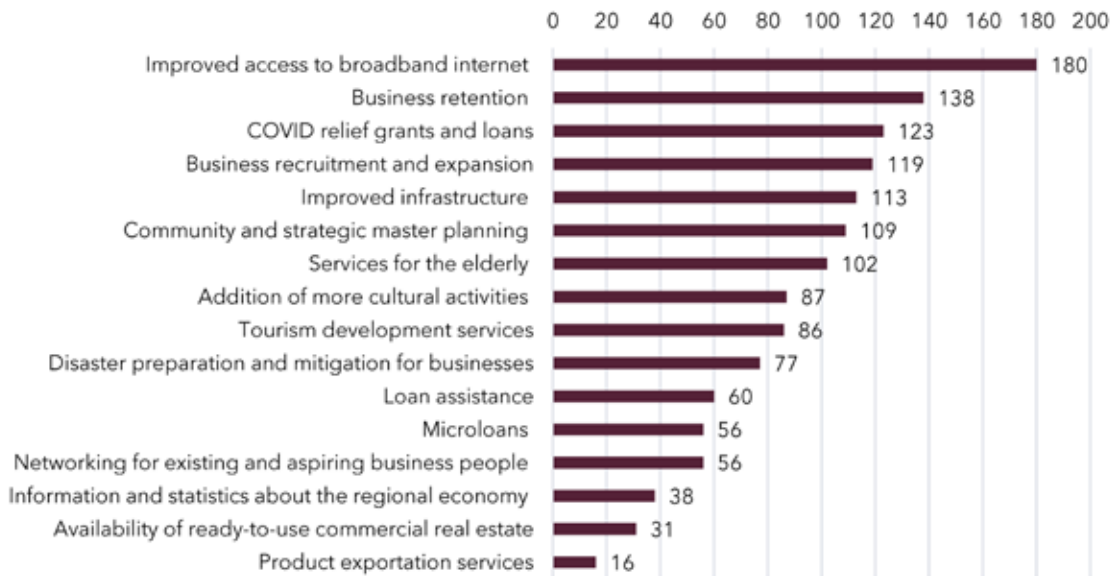


Table 9: What Economic Development Activities Is Your Community Most In Need Of Right Now?

Activity	Number	Percent
Improved access to broadband internet	180	36.1%
Business retention	138	27.7%
COVID relief grants and loans	123	24.7%
Business recruitment and expansion	119	23.9%
Improved infrastructure	113	22.7%
Community and strategic master planning	109	21.9%
Services for the elderly	102	20.5%
Addition of more cultural activities	87	17.5%
Tourism development services	86	17.3%
Disaster preparation and mitigation for businesses	77	15.5%
Loan assistance	60	12.0%
Microloans	56	11.2%
Networking for existing and aspiring business people	56	11.2%
Information and statistics about the regional economy	38	7.6%
Availability of ready-to-use commercial real estate	31	6.2%
Product exportation services	16	3.2%

Figure 11: What Economic Development Activities Is Your Community Most In Need Of Over the Next 5 Years? (Select Multiple)

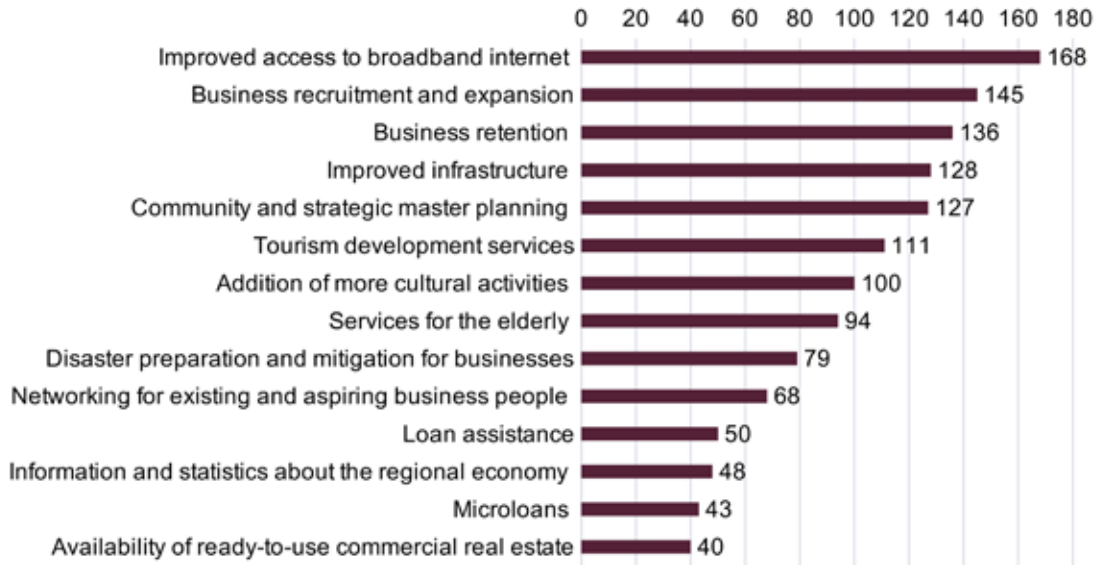


Table 10: What Economic Development Activities Is Your Community Most In Need Of Over the Next 5 Years?

Activity	Number	Percent
Improved access to broadband internet	168	34.9%
Business recruitment and expansion	145	30.1%
Business retention	136	28.3%
Improved infrastructure	128	26.6%
Community and strategic master planning	127	26.4%
Tourism development services	111	23.1%
Addition of more cultural activities	100	20.8%
Services for the elderly	94	19.5%
Disaster preparation and mitigation for businesses	79	16.4%
Networking for existing and aspiring business people	68	14.1%
Loan assistance	50	10.4%
Information and statistics about the regional economy	48	10.0%
Microloans	43	8.9%
Availability of ready-to-use commercial real estate	40	8.3%
Product exportation services	30	6.2%

Figure 12: I am (Fill in the Blank) Likely to Recommend my Community as:

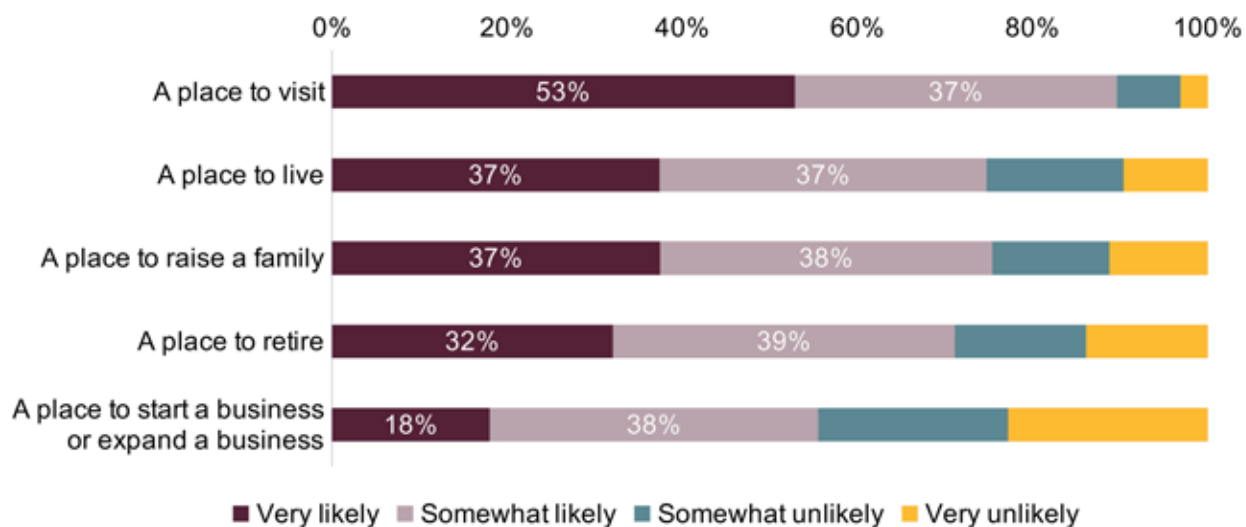


Table 11: I am (Fill in the Blank) Likely to Recommend my Community as:

Selection	Very likely	Somewhat likely	Somewhat unlikely	Very unlikely	Weighted Avg.
A place to visit	102	71	14	6	3.4
A place to live	74	74	31	19	3.0
A place to raise a family	70	71	25	21	3.0
A place to retire	60	73	28	26	2.9
A place to start a business or expand a business	49	102	59	62	2.5

Figure 13: How Well Does Your Community Meet Your Expectations in the Following Wage and Employment Fields?

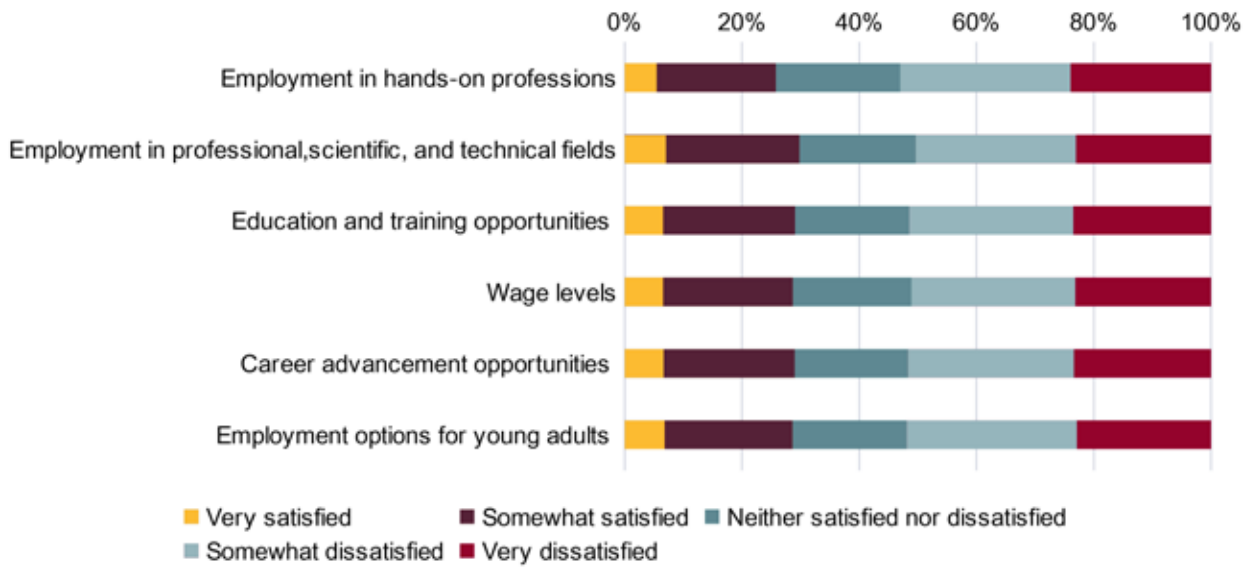


Table 12: How Well Does Your Community Meet Your Expectations in the Following Wage and Employment Fields?

Category	Very satisfied	Somewhat satisfied	Neither satisfied nor dissatisfied	Somewhat dissatisfied	Very dissatisfied	Weighted Avg.
Employment in hands-on professions	22	81	85	116	96	2.5
Employment in professional, scientific, and technical fields	20	64	56	77	65	2.6
Education and training opportunities	18	61	53	76	64	2.6
Wage levels	18	60	55	76	63	2.6
Career advancement opportunities	18	60	52	76	63	2.6
Employment options for young adults	18	57	51	75	60	2.6

Figure 14: How Resilient Do You Consider Your Community to be?

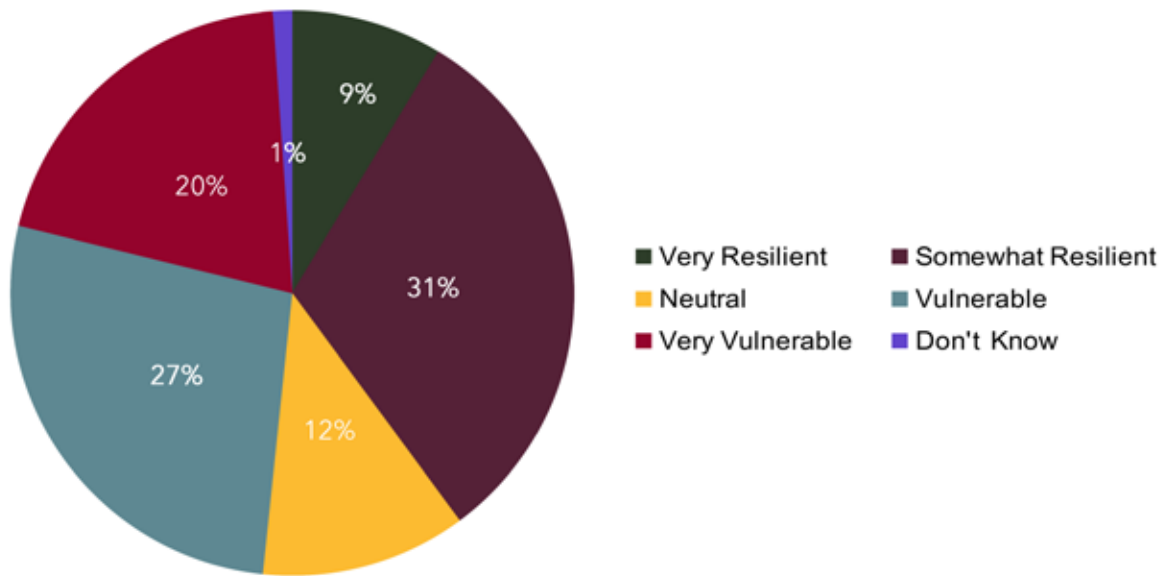


Table 13: How Resilient Do You Consider Your Community to Be?

Selection		Percent
Very Resilient	39	8.7%
Somewhat Resilient	140	31.2%
Neutral	53	11.8%
Vulnerable	122	27.2%
Very Vulnerable	90	20.0%
Don't Know	5	1.1%
Grand Total	449	--

Figure 15: What Are the Biggest Threats to Community Resiliency? (Select Multiple)



Table 14: What Are the Biggest Threats to Community Resiliency?

Threats	Number	Percent
Low income	231	49.1%
Forest fires	181	38.5%
Vacant buildings/storefronts	167	35.5%
Lack of Quality Local Leadership	131	27.9%
State-level policies	124	26.4%
Mismatch of workforce skills with present day job opportunities	111	23.6%
Aging local population	103	21.9%
Over-reliance on a small number of businesses	95	20.2%
Insufficient infrastructure	83	17.7%
Climate stressors	80	17.0%
National/macroeconomic factors	56	11.9%
Population decline	55	11.7%
Individual Respondents	325	
30 additional responses with 1 to 21 selections		

Figure 16: Coded Responses: Please list up to three of the greatest strengths of your community’s economy?

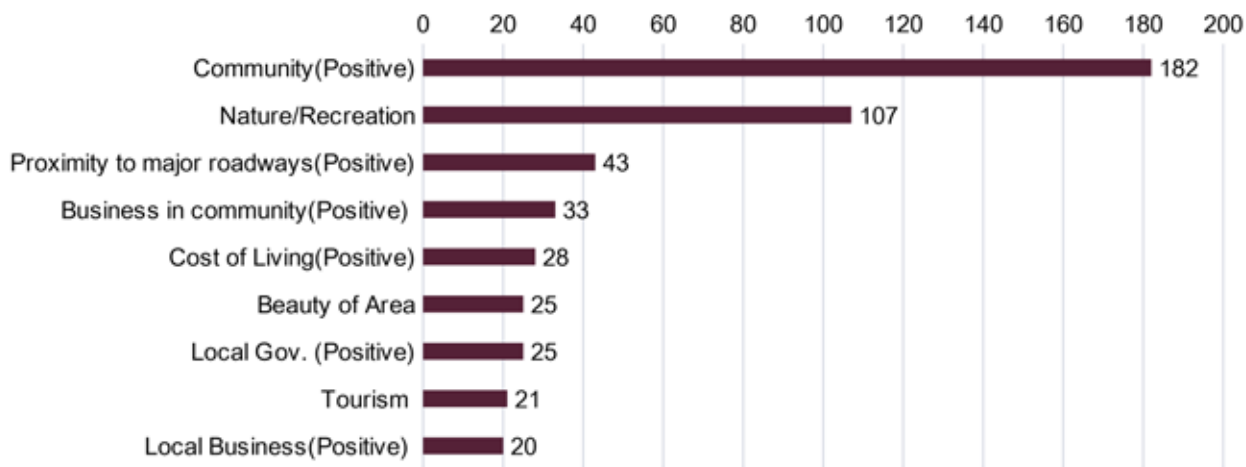


Table 15: Coded Responses: Please list up to three of the greatest strengths of your community’s economy?

Strengths	Number of Mentions	Percent
Community(Positive)	182	59.5%
Nature/Recreation	107	35.0%
Proximity to major roadways(Positive)	43	14.1%
Business in community(Positive)	33	10.8%
Cost of Living(Positive)	28	9.2%
Beauty of Area	25	8.2%
Local Gov. (Positive)	25	8.2%
Tourism	21	6.9%
Local Business(Positive)	20	6.5%
Development Opportunities(Positive)	19	6.2%
None	18	5.9%
Health Care(Positive)	17	5.6%
Higher Edu./Job Training	16	5.2%
Individual Respondents	306	--
22 additional responses with 1 to 13 selections		

Figure 17: Coded Responses: Please list up to three of the greatest weaknesses of your community's economy:

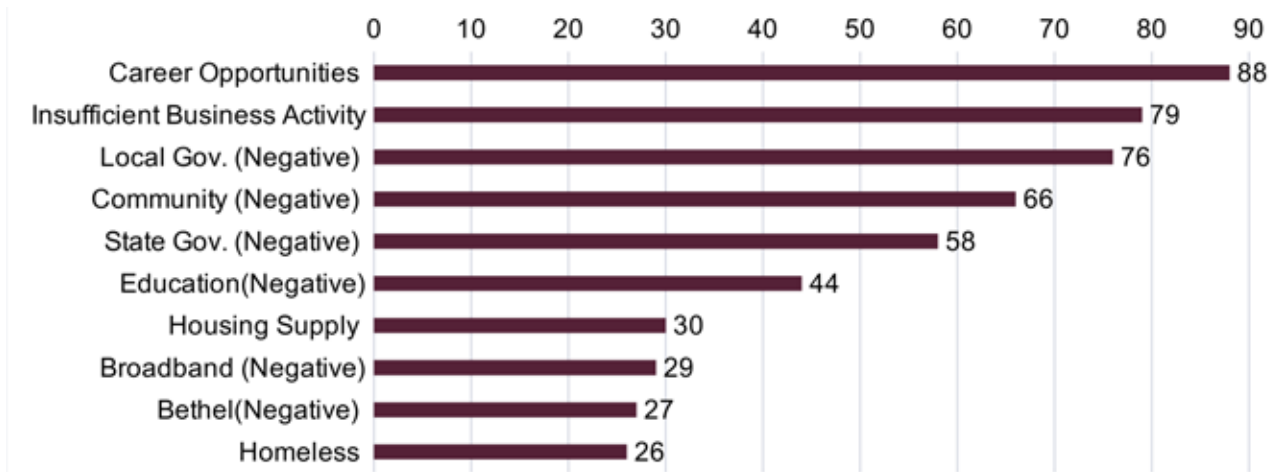


Table 16: Coded Responses: Please list up to three of the greatest weaknesses of your community's economy:

Weaknesses	Number of Mentions	Percent
Career Opportunities	88	27.1%
Insufficient Business Activity	79	24.3%
Local Gov. (Negative)	76	23.4%
Community (Negative)	66	20.3%
State Gov. (Negative)	58	17.8%
Education(Negative)	44	13.5%
Housing Supply	30	9.2%
Broadband (Negative)	29	8.9%
Bethel(Negative)	27	8.3%
Homeless	26	8.0%
Cost of living(Negative)	23	7.1%
Need for services	22	6.8%
Individual Respondents	325	
30 additional responses with 1 to 21 selections		

Figure 18: Coded Responses: Please list up to three of the greatest opportunities for your community's economy:

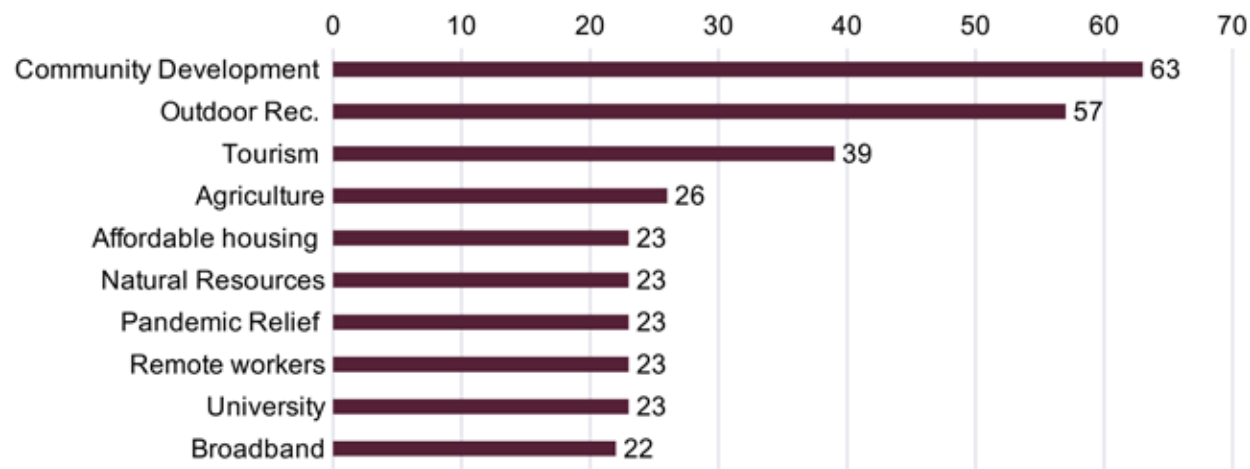


Table 17: Coded Responses: Please list up to three of the greatest opportunities for your community's economy:

Opportunity	Number of Mentions	Percent
Community Development	63	21.3%
Outdoor Rec.	57	19.3%
Tourism	39	13.2%
Agriculture	26	8.8%
Affordable Housing	23	7.8%
Natural Resources	23	7.8%
Pandemic Relief	23	7.8%
Remote workers	23	7.8%
University	23	7.8%
Broadband	22	7.4%
Community Activities	20	6.8%
Alternative Energy	19	6.4%
Individual Respondents	296	
37 additional responses with 1 to 5 responses; 19 additional responses with 6 to 19 responses		

Figure 19: Coded Responses: Please list up to three of the greatest threats for your community's economy:

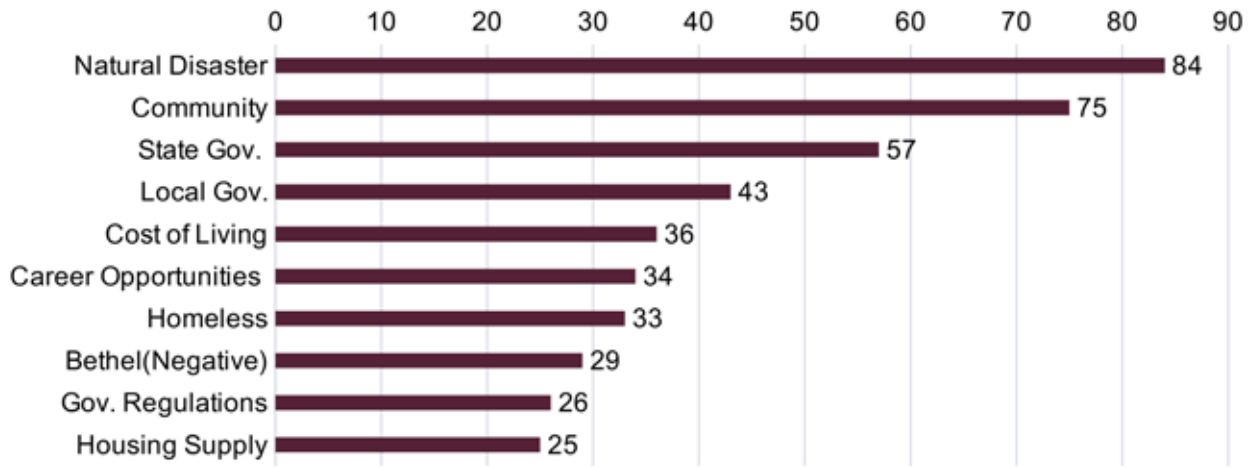


Table 18: Coded Responses: Please list up to three of the greatest threats for your community's economy:

Threats	Number of Mentions	Percent
Natural Disaster	84	26.1%
Community	75	23.3%
State Government	57	17.7%
Local Government	43	13.4%
Cost of Living	36	11.2%
Career Opportunities	34	10.6%
Homeless	33	10.2%
Bethel Church (Negative)	29	9.0%
Government Regulations	26	8.1%
Housing Supply	25	7.8%
Insufficient Local Business	23	7.1%
Business Closures	21	6.5%
Individual Respondents	322	
38 Additional Responses with 1 to 20 responses		

COUNTY SPECIFIC STATISTICS

The following tables provide labor market information for each of the four counties separately. Most columns of information are self-explanatory. For those that are not:

- LQ refers to location quotient, which is a measure of employment concentration relative to the national average. Values over 1.00 indicate an above average number of jobs.
- “Comp. Effect” is short for competitive effect, which is a measure of growth (or decline) in employment due specifically to regional causes, rather than national or industry-specific trends.



Table 19: Detailed Employment by Industry Sector, Shasta County

Industry	2020 Jobs	Past 5 Yrs. % Change	Proj. 5 Yrs. % Change	Avg. Earnings/ Job	Past 5-Yr Comp. Effect	2020 LQ
Health Care & Social Assistance	14,700	6.8%	11.5%	\$58,990	(165)	1.49
Government	13,339	0.5%	0.3%	\$79,415	(149)	1.16
Retail Trade	9,472	(3.1%)	(0.5%)	\$41,396	49	1.28
Accommodation & Food Services	5,742	(2.9%)	0.5%	\$24,094	(65)	0.95
Construction	5,178	29.2%	9.2%	\$63,136	678	1.19
Other Services (except Public Administration)	4,525	1.9%	1.2%	\$31,475	110	1.13
Admin. Services	4,390	8.1%	2.8%	\$40,050	259	0.94
Professional, Scientific, & Technical Services	3,111	(1.7%)	0.6%	\$71,904	(347)	0.61
Manufacturing	2,705	5.7%	0.4%	\$67,878	118	0.46
Finance & Insurance	2,309	14.6%	3.6%	\$81,874	156	0.74
Wholesale Trade	2,037	14.7%	10.2%	\$62,653	293	0.73
Transportation & Warehousing	1,860	19.8%	4.9%	\$66,684	9	0.62
Educational Services	1,469	(12.0%)	2.5%	\$32,239	(258)	0.76
Agriculture, Forestry, Fishing & Hunting	1,333	(5.4%)	(3.6%)	\$67,454	(36)	1.45
Arts, Entertainment, & Recreation	1,180	(2.5%)	5.7%	\$30,112	(28)	0.95
Real Estate & Rental & Leasing	1,158	7.2%	1.7%	\$57,647	(7)	0.88
Information	597	(23.3%)	(3.4%)	\$62,525	(192)	0.43
Management of Companies & Enterprises	593	65.9%	15.2%	\$99,253	207	0.53
Utilities	402	3.5%	36.4%	\$175,430	18	1.55
Mining, Quarrying, & Oil & Gas Extraction	121	(9.0%)	13.0%	\$111,636	11	0.41
Grand Total	76,221	3.6%	4.1%	\$57,330	495	--

Source: Points Consulting using Emsi Analyst, 2021 Q1



Table 20: Detailed Employment by Industry Sector, Siskiyou County

Industry	2020 Jobs	Past 5 Yrs. % Change	Proj. 5 Yrs. % Change	Avg. Earnings/ Job	Past 5-Yr Comp. Effect	2020 LQ
Government	4,274	7.1%	2.0%	\$72,520	221	1.76
Health Care & Social Assistance	2,217	6.3%	5.0%	\$57,183	(37)	1.06
Retail Trade	1,813	3.9%	2.3%	\$38,755	130	1.16
Accommodation & Food Services	1,444	(4.6%)	(1.5%)	\$26,248	(43)	1.12
Agriculture, Forestry, Fishing & Hunting	1,148	3.1%	3.1%	\$59,092	67	5.88
Manufacturing	952	23.0%	5.7%	\$62,718	169	0.76
Construction	885	16.5%	3.5%	\$53,484	32	0.96
Other Services (except Public Administration)	859	(10.7%)	(0.7%)	\$26,911	(97)	1.02
Admin. Services	583	(3.2%)	2.7%	\$36,048	(30)	0.59
Professional, Scientific, & Technical Services	448	(5.0%)	1.1%	\$59,536	(67)	0.42
Arts, Entertainment, & Recreation	286	28.1%	3.2%	\$30,961	63	1.09
Transportation & Warehousing	265	(12.5%)	(4.7%)	\$69,603	(96)	0.42
Wholesale Trade	229	(15.6%)	6.3%	\$52,407	(37)	0.39
Finance & Insurance	225	7.7%	4.5%	\$61,515	2	0.34
Real Estate & Rental & Leasing	173	2.2%	(1.5%)	\$59,109	(10)	0.62
Information	141	(10.1%)	2.7%	\$83,191	(18)	0.48
Educational Services	136	28.2%	9.3%	\$35,437	26	0.33
Utilities	51	(25.8%)	(2.4%)	\$137,724	(17)	0.94
Management of Companies & Enterprises	20	(66.9%)	0.0%	\$96,206	(45)	0.08
Mining, Quarrying, & Oil & Gas Extraction	<10	0.0%	0.0%	--	(13)	0.09
Grand Total	16,154	3.0%	2.3%	\$54,456	157	--

Source: Points Consulting using Emsi Analyst, 2021 Q1

> APPENDIX C: COUNTY SPECIFIC STATISTICS



Source: Warner Mountain Energy

Table 21: Detailed Employment by Industry Sector, Modoc County

Industry	2020 Jobs	Past 5 Yrs. % Change	Proj. 5 Yrs. % Change	Avg. Earnings/ Job	Past 5-Yr Comp. Effect	2020 LQ
Government	2,176	(0.2%)	(49.5%)	\$72,344	(16)	2.04
Health Care & Social Assistance	752	21.4%	(49.1%)	\$39,470	78	0.82
Finance & Insurance	724	889.8%	40.3%	\$84,647	648	2.48
Retail Trade	630	(9.5%)	(58.8%)	\$36,042	(21)	0.92
Agriculture, Forestry, Fishing & Hunting	532	3.3%	(2.9%)	\$52,353	15	6.21
Accommodation & Food Services	463	(0.2%)	(55.0%)	\$21,111	37	0.82
Construction	391	(9.7%)	(49.4%)	\$47,081	6	0.97
Other Services (except Public Administration)	366	(18.8%)	(38.9%)	\$28,965	(38)	0.99
Manufacturing	236	(8.5%)	(90.3%)	\$66,160	2	0.43
Admin. Services	205	100.6%	(37.2%)	\$35,367	70	0.48
Professional, Scientific, & Technical Services	195	18.6%	(62.5%)	\$58,497	(11)	0.41
Wholesale Trade	123	4.1%	(6.0%)	\$54,916	2	0.48
Arts, Entertainment, & Recreation	78	26.6%	(55.6%)	\$35,152	13	0.67
Transportation & Warehousing	61	(4.7%)	(28.3%)	\$78,022	(8)	0.22
Information	52	50.0%	(70.5%)	\$47,568	6	0.40
Real Estate & Rental & Leasing	39	(47.8%)	(65.1%)	\$61,205	(32)	0.32
Educational Services	26	(48.7%)	(32.2%)	\$36,496	(24)	0.14
Utilities	22	(41.5%)	0.0%	\$96,221	(15)	0.92
Mining, Quarrying, & Oil & Gas Extraction	13	(41.0%)	(100.0%)	\$104,779	(1)	0.46
Management of Companies & Enterprises	0	0.0%	0.0%	\$0	0	0.00
Grand Total	7,083	9.8%	(38.3%)	\$55,838	701	--

Source: Points Consulting using Emsi Analyst, 2021 Q1



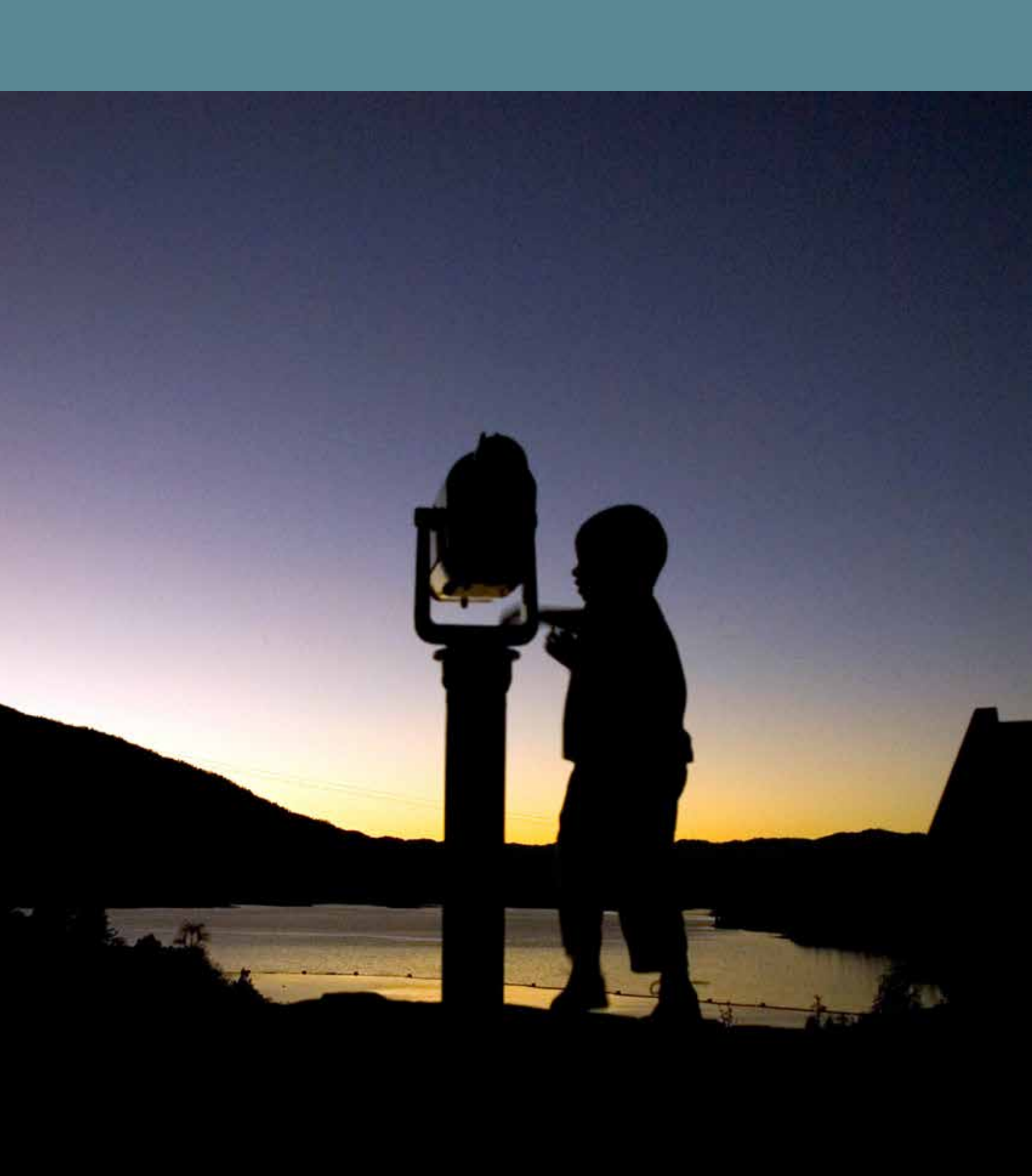
Table 22: Detailed Employment by Industry Sector, Trinity County

Industry	2020 Jobs	Past 5 Yrs. % Change	Proj. 5 Yrs. % Change	Avg. Earnings/ Job	Past 5-Yr Comp. Effect	2020 LQ
Government	1,055	(0.6%)	(3.7%)	\$76,157	(23)	2.11
Health Care & Social Assistance	446	9.1%	15.6%	\$40,013	4	1.04
Retail Trade	397	(8.2%)	4.1%	\$35,900	(20)	1.23
Accommodation & Food Services	285	(11.0%)	(4.4%)	\$21,025	(30)	1.08
Manufacturing	215	(9.9%)	7.5%	\$69,067	(26)	0.83
Construction	213	(23.9%)	(1.2%)	\$46,209	(101)	1.12
Other Services (except Public Administration)	164	(21.5%)	14.9%	\$34,916	(44)	0.94
Professional, Scientific, & Technical Services	132	36.0%	19.7%	\$57,781	26	0.60
Admin. Services	108	42.5%	20.2%	\$36,340	31	0.53
Agriculture, Forestry, Fishing & Hunting	72	27.8%	17.7%	\$52,898	17	1.79
Arts, Entertainment, & Recreation	53	6.5%	21.0%	\$31,979	3	0.99
Finance & Insurance	40	2.4%	(3.0%)	\$53,763	(2)	0.29
Transportation & Warehousing	25	(8.3%)	11.9%	\$74,294	11.9%	0.19
Information	39	38.0%	35.5%	\$45,888	10	0.64
Admin. Services	25	(8.3%)	11.9%	\$74,294	(7)	0.19
Real Estate & Rental & Leasing	23	(24.7%)	(3.3%)	\$59,110	(10)	0.40
Wholesale Trade	20	26.6%	43.0%	\$50,532	5	0.17
Mining, Quarrying, & Oil & Gas Extraction	13	(37.1%)	0.0%	\$104,779	(4)	0.99
Educational Services	12	(13.3%)	12.8%	\$31,465	(2)	0.14
Utilities	11	(5.8%)	0.0%	\$42,595	(1)	0.95
Management of Companies & Enterprises	0	0.0%	0.0%	\$0	0	0.00
GRAND TOTAL	3,322	(3.1%)	5.0%	\$53,043	(182)	--

Source: Points Consulting using Emsi Analyst, 2021 Q1

ENDNOTES

- ¹ Points Consulting using U.S. Geological Survey's Protected Areas Database (PADUS)
- ² Points Consulting using U.S. Forest Service's Land Areas Report
- ³ Sperling's Best Places, www.bestplaces.net
- ⁴ National Integrated Drought Information System, <https://www.drought.gov/states/california>
- ⁵ It is too early to determine how COVID will affect migration, in general, and for these specific age cohorts.
- ⁶ Please note that the grey bars included in Figure 3 are years during with a national recession was occurring, per the National Bureau of Economic Research (NBER).
- ⁷ California Employment Development Department, Labor Force & Employment by County Dashboard, <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>
- ⁸ Economic Development Administration, Comprehensive Economic Development Strategy Guidelines, <https://www.eda.gov/ceds>
- ⁹ Approaches recommended by EDA are listed in the CEDS Guidelines documentation, <https://eda.gov/ceds/content/economic-resilience.htm>
- ¹⁰ 2019 Economic Impact of Travel in California | Visit California
- ¹¹ Ibid., NoRTEC
- ¹² Shasta County EDC Recreational Manufacturers, <https://www.shastaedc.org/industries/recreational-manufacturing>
- ¹³ The Landing, <http://thelandingmountshasta.com>
- ¹⁴ Ibid., California Department of Agriculture County Crop Reports
- ¹⁵ US EPA Local Foods, Local Places Toolkit, <https://www.epa.gov/smartgrowth/local-foods-local-places-toolkit>
- ¹⁶ USDA National Agricultural Statistics Service 2017 County Profiles, https://www.nass.usda.gov/Publications/AgCensus/2017/Online_Resources/County_Profiles/California
- ¹⁷ Ibid., California Department of Agriculture County Crop Reports
- ¹⁸ National Integrated Drought Information System, <https://www.drought.gov/county>
- ¹⁹ California Department of Tax and Fee Administration Reports Cannabis Tax Revenues for the Fourth Quarter of 2019
- ²⁰ Simpson University Simpson University School of Nursing Earns No. 8 Ranking | SU News (www.simpsonunews.com)
- ²¹ New Modoc Medical Center on schedule to open in September | Coronavirus | www.heraldandnews.com
- ²² California Energy Commission Hydroelectric Statistics, https://ww2.energy.ca.gov/almanac/renewables_data/hydro/index_cms.php
- ²³ Surprise Valley Electrification Corporation Paisley Geothermal Project | Surprise Valley Electric Corp.
- ²⁴ Shasta Venture Hub, <https://www.shastaventurehub.com>
- ²⁵ Bethel School of Technology, <https://betheltech.net>
- ²⁶ OZ's were determined in 2018 based on Census Tract and will not be altered over the course of the next 10 years. The locations displayed in Figure 5 are sourced from Housing & Urban Development, <https://opportunityzones.hud.gov>
- ²⁷ Adam Robinson, KRCR TV, "Volumetric Modular Facility to open in Anderson by 2021", <https://krcrtv.com/news/local/volumetric-modular-facility-to-open-in-anderson-by-2021>.
- ²⁸ Please note, measurements for all macroeconomic metrics mentioned in Evaluation Framework exclude changes between 2019 and 2020. Due to the pandemic, trends during this period of time would not serve as a reliable measure of progress.
- ²⁹ ZIP code boundaries are not always contiguous with County boundaries, which is why some ZIP codes listed in Figure 6 extend outside of District boundaries.
- ³⁰ Please note that the percentages for this and other multiple selection questions are based on the number of individuals who responded to the question, rather than the number of total responses.



**WHISKEYTOWN NATIONAL RECREATION AREA,
SHASTA COUNTY**



Source: Burke Photography



2021-2026 COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS)

INCLUDING 2018/2019 ANNUAL UPDATE

Modoc, Shasta, Siskiyou & Trinity Counties