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COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (CEDS) 2023 ANNUAL UPDATE

Modoc, Shasta, Siskiyou & Trinity Counties



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CEDS & Annual Update Background

A Comprehensive Economic Development Strategy (CEDS) is a five-year economic development plan overseen by the Economic Development Administration (EDA) and considered an essential step prior to receiving federal economic development grant funding. The 5-Year CEDS for Superior California Economic Development (SCED) was completed in May 2020, which spans the 2021-2026 time period. After the initial CEDS, economic development districts are expected to submit one-year updates demonstrating progress toward the identified Goals and to serve as a general update on the region's economic conditions and opportunities.

The 2021-2026 CEDS plan incorporates quantitative data related to both households and businesses, input from residents collected via town hall events, and an electronic community survey. The CEDS has helped regional leaders navigate challenging economic times and build a future economy that is robust and resilient to disruption. The previously completed CEDS was overseen by a Strategy Committee with representation from both urban and rural areas throughout the Superior California Economic Development District (District). Specific organizations and individuals included in the original Committee and those involved in the update are listed in Appendix A of this document.

Lastly, it is important to note that 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 plan 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.

2023 Update Process

The project team conducted the following events and analysis for the 2023 CEDS annual update:

- Updated data metrics and analyses of population projections, employment, and industries for District and respective Counties
 - Using the most recent data from Census, Esri, and State of California
- On-site tours and three interviews in Shasta and Trinity County, September 2023
 - Drive thru of Shasta-Trinity National Forest, Redding, and Weaverville
- Remote individual interviews with four advisory committee members, October 2023
- On-site tours and two interviews in Modoc and Siskiyou County, November 2023

- Drive thru of Yreka, Alturas, and tour of Old Alturas Lumber mill
- Based upon interviews and discussions with County representatives, suggested alternations to Goals & Actions of the CEDS Plan

Annual Update Contents

A CEDS Annual Update is not required to all material covered in the 5-Year CEDS but is primarily focused on verifying that the Goals & Action Plan are still consistent with the interests and opportunities of local economic development leadership, and monitoring progress on the original Evaluation Framework. The structure of this Updated Plan, therefore, is as follows:

- Organizational Overview
- Key Changes to Strategy & Opportunities
- Socioeconomic & Employment Update
- Review/Update of SWOT Analysis
- Review/Update of Strategic Direction/Action Plan
- Updates to Evaluation Framework

Organizational Overview

Significant leadership and staffing changes have occurred with SCED since the 2020 CEDS was published. The organization has fewer staff and is working to rebuild the core team. Despite the changes SCED remains committed to the same mission. Through the pandemic years (2020-21) SCED staff were occupied with managing federal grants and helping local businesses through the SBA loan programs but the level of work on these fronts has slowed at the region's economy has recovered.

Mission Statement

The Superior California Economic Development District (SCEDD) assists economic development planning, coordination, and implementation. It provides small business training, counseling, and financing assistance to create stable, long-term employment opportunities in the private economic sector

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.

Key Changes and Status to Strategy & Opportunities

Changes and adjustments to the 2022-2023 CEDS strategy were made, detailed information on the adjustments is outlined in the [Evaluation Framework](#) section.

Climate Resilience: New cement plant (Fortera) broke in Shasta County, Redding ground in 2023, located next to CalPortland Cement Plant, which will cut down on carbon emissions by capturing the emissions to re-mineralize the carbon and turn back into cement.

Trinity County Economic Development Committee, United Forest Service, and other non-profits are working towards implementation of the Hazard Mitigation plan to better prepare and address impacts of wildfires in the County.

Equity: SMART Workforce Center launched the QUEST program in Fall 2023, which is a grant funding opportunity for unemployed individuals impacted by the COVID-19 pandemic to enter (re-enter) or advance in the workforce.

Workforce Development: NoRTEC developed a 2-year update to previous 2021-2024 NoRTEC Regional Plan and Local Plans. The Regional Plan update included the following service strategies:

- Helping businesses find skilled workers and access other support services, including education and training, for their current workforce
- Providing an array of employment and business services and connecting customers to work related training and education
- Continuing to align investments in workforce, education, and economic development to regional in-demand jobs
- Reinforcing partnerships and strategies to provide job seekers and workers with high quality career services, education and training, and supportive services needed to get good jobs and stay employed
- Continuing to plan, coordinate, and provide services in an integrated manner to maximize the utilization of resources and assure there will be no "wrong door" for customers seeking services from the system
- Measuring customer satisfaction and continuously improving services based upon customer feedback
- Designing and continuously improving a system that reflects statewide/regional economic development strategies and is responsive to industry sectors in the region.

In Modoc County, the Alliance for Workforce Development (AFWD) are providing business growth, expansion, and training programs to assist the recently new and operational, High Desert Lumber (previously the Old Alturas Lumber Mill), in Alturas. services provided by AFWD also include an On-the-Job Training program, which

employers will receive 50% reimbursement of wages for new employees during pre-determined training periods, and employees will receive support from the AFWD Career Center Advisor during training and one year after completion. The County is also expanding Modoc Medical Facility services, and partnership with the local Tribe to serve more of the community and members.

Broadband: Rural counties (Trinity and Modoc) still in need of more broadband to their residents, in process of funding and implementing connections to communities.

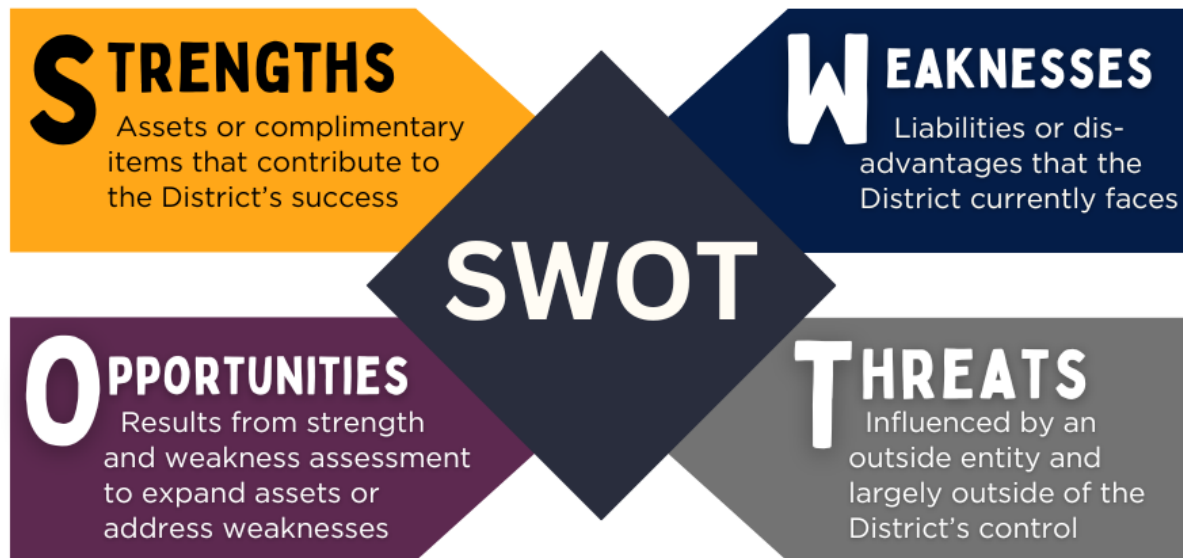
The California Public Utilities Commission - [California Advances Services Fund \(CASF\) Adoption Account](#) will provide grants, authorized \$20.024 million, for fiscal year 2023-2024 directed to increase publicly available or after-school broadband access and digital inclusion.

Housing Affordability: Housing costs have long been a challenge for residents of the region, but the problem was exacerbated between 2020 and 2022. This was due in part to increased demand, national inflation, and the boost in remote workers and second homeowners during the pandemic years. The issue has become a primary economic development problem for the region, as major employers are reporting difficulty recruiting and retaining employees due to lack of attainably priced housing.

Business Development Financing: The California Workforce Development Board is launching a [Resilient Workforce Program](#) for Fiscal Year 2024-2025, with funds available for projects in three stages:

- Planning and Development: Funding up to \$500,000 within 1 year
- Training Implementation: Funding between \$500,000 to \$5,000,000 within 2 years
- Expanding: Funding ranging from \$5,000,000 to \$15,000,000 within 3 years

SWOT Analysis



A SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis is a strategic planning tool which provides guidance for businesses, organizations, and other entities to understand their competitive advantage in the marketplace. The project team reviewed the District's current situation and identified current and relevant SWOT components with minor adjustments to the 2021 original SWOT analysis.

The following SWOT components were moved to another category, adjusted, or removed entirely from the original analysis:

Strengths:

- Positive growth in the Healthcare sector (including all four individual counties)

Weaknesses:

- Increasing outmigration of adults (particularly from Siskiyou County)
- Limited commercial air transportation options

Opportunities:

- Potential to build upon existing wood products industries
- Opportunity to retain higher-wage COVID in-migrants for the long-term

Threats:

- Loss of employment in insurance and construction at conclusion of federal/state emergency response efforts
- Potential for cost-of-living increases causing displacement of historic residents

The final updated SWOT Analysis is as follows:

STRENGTHS

- Outdoor recreation opportunities
- Steady employment within the Government industry sector
- Strong local hospitals and regional medical center
- 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)
- Continued expansion of green energy production (i.e. biomass, solar, hydroelectric, geothermal)
- 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
- Decline in healthcare sector (across all counties)
- 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
- Perception as a "high regulation" area in comparison to neighboring states
- Limited shared transit options (e.g. busses, ride share services)
- Increases in cost-of living causing displacements of youth and residents

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
- Expansion of existing wood products industries
- Influence of entrepreneurial evangelical communities on business formation and job creation
- 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
- Expanding services for commercial air transportation options

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 workforce skills mismatches to stunt economic growth
- 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 presented below is based on the version presented in the 2021-2026 plan, but emphasis is placed on Goals and Actions that have changed since that time. Additionally, some identified Actions of the 2021-2026 plan were removed, expanded upon in the Evaluation Framework benchmarking table. The adjusted action items for the District, with respect for each County, provide more attainable items to address and accomplish by 2026.

Alterations from 2020 Plan

The following points have been removed from this update. These were confirmed by multiple steering committee members to be issues of lower priority for the time being, were not accomplished within the anticipated time frame provided in the 2020 Plan, or there was sufficient reason to no longer pursue the Action Item.

- Develop more trails on private and public lands, with clear use designations (e.g. hiking, mountain biking, ATV, etc.)
- Conduct a gap analysis comparing workforce skills to job openings and then develop strategies for addressing workforce shortages
- Survey young adults to determine needs for economic and community amenities and address gaps accordingly
- Invest in digital literacy campaigns for youth and adults in rural areas
- Provide pathways for capable but low-income workers to transition away from government assistance to self-sustainability
- Work with government and large energy providers to reduce the likelihood and duration of Public Safety Power Shutoff (PSPS) events
- Address water and sewer infrastructure deficiencies in small towns, particularly those experiencing growth and in-migration
- Continue broadening passenger air service to provide residents access to a broader array of geographic areas

To reiterate what is found in the 2020 CEDS, the Strategic Direction & Action Plan accounts 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.

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

At its core, the Strategic Direction & Action Plan answers two fundamental questions: “Where do we want to go as a community?” and “How are we going to get there?”

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



Goals

Five primary regional goals were identified through the planning process:

- **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 Anywhere Within the Region

Action Plan

Goal 1: Enhance Opportunities for Residents and Visitors to Leverage Natural and Outdoor Resources for Recreation and Industry

- 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: Improve maps and other visual aids for tourists that tie together outdoor recreation, food and beverage locations, and cultural attractions

- 1.6: Encourage experimentation and adoption of alternative (or sustainable) agriculture practices
- 1.7: 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

- 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 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: Engage in local economic development strategic planning within all four individual counties
- 2.8: Municipal leaders must clarify and define local policies related to cannabis, particularly in Trinity County
- 2.9: Enhance economic resiliency by diversifying the region's industry mix

Goal 3: Broaden Interest and Opportunities for Young Professionals to Thrive within the Region

- 3.1: Improve access to higher and continuing education opportunities in remote areas through community college and four-year extension partnerships and use remote learning tools
- 3.2: Address resource needs of growing tech entrepreneurship sector in Shasta County
- 3.3: Enhance awareness and pipeline of talent to forestry and natural resource related professions
- 3.4: 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

- 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: Ensure that residents have a two-way conversation with state level policy makers and governmental organizations

- 4.3: Improve collaboration and communication between and among local and district-level community and economic development partners
- 4.4: Pursue grants and incentives through state, federal, and non-profit entities to maintain and improve historic downtown areas
- 4.5: Address the growing issue of homelessness within the region and with the help of local government, non-profits, and other local stakeholder groups
- 4.6: Participate in and help expand workforce development programs managed by NoRTEC such as the existing Next Generation Industry Sector Partnerships

Goal 5: Improve Additional Infrastructure that Enables Residents to Feasibly Live, Work, and Transport Anywhere within the Region

- 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 assessments 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: Ensure that minority and historically underserved populations have equitable access to economic opportunities
- 5.4: Seek to preserve long-term sustainability of local public utility districts
- 5.5: 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,)
- 5.6: Study commercial and residential blight solutions in the context of California communities to determine best practices and strategies for resolution
- 5.7: Study public transit needs of citizens, particularly along commuter access lines, to determine need for further investment
- 5.8: Improve winter travel reliability along State Highway 299, which is critical for commerce and commuter traffic within the District
- 5.9: Convene local economic development leaders to determine how federal stimulus funds can be deployed to benefit regional community and economic development goals and objectives

How are we doing? What can we do Better?

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

The 2022-2023 annual update, upon discussions with representatives of each County and CEDS Advisory Committee, identified the current progress of the Action Plan. The project team developed a benchmarking outline to detail progress statuses and provide recommendations on Objective adjustments for current and future updates.

SIGNIFICANT PROGRESS

Since the last CEDS, the District has made significant progress on these Action Items. Way to Go!

GOAL

1

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

- Improve access to higher and continuing education opportunities in remote areas through community college and four-year extension partnerships and use remote learning tools
- 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

2

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

- Pursue business growth and attraction for industries in the wood products industry cluster (e.g. biomass, artisan crafts, furniture)
- Partner with higher education and private sector on research and development of biomass energy production
- Engage in local economic development strategic planning within all four individual counties
- Enhance economic resiliency by diversifying the region’s industry mix

3

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

- Improve access to higher and continuing education opportunities in remote areas through community college and four-year extension partnerships and use remote learning tools

- Enhance awareness and pipeline of talent to forestry and natural resource related professions
- 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

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

- Improve collaboration and communication between and among local and district-level community and economic development partners
- Pursue grants and incentives through state, federal, and non-profit entities to maintain and improve historic downtown areas

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

- 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,)
- Convene local economic development leaders to determine how federal stimulus funds can be deployed to benefit regional community and economic development goals and objectives

LIMITED PROGRESS

Since the last CEDS, the District has continued discussion of these Action Items, but has made limited progress on them.

GOAL

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

- Develop a collaborative region-wide tourism plan that includes a resource inventory, marketing/advertising, branding, and funding model
- Improve wayfinding for outdoor adventure experiences such as trails, lakes, and natural monuments
- Develop more regional events and festivals that celebrate the outdoors and outdoor culture
- Improve maps and other visual aids for tourists that tie together outdoor recreation, food and beverage locations, and cultural attractions
- Encourage experimentation and adoption of alternative (or sustainable) agriculture practices

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

- Local economic developers will continue to focus on business retention and expansion, while seizing opportunities for business attraction
- Pursue creative financing tools that allow local economic developers to retain and attract businesses enticed by neighboring states
- Pursue green energy production (e.g. solar, wind, and geothermal) aligned with California's current and upcoming carbon emissions standards

3

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

- Convene and expand networks of existing makers, entrepreneurs, mentors, and capital providers through community-accessible locations and events

4

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

- Plan, invest and implement the development of broadband internet for both commercial and residential usage (i.e. broadband as a “vital utility”)
- Ensure that residents have a two-way conversation with state level policy makers and governmental organizations
- Address the growing issue of homelessness within the region and with the help of local government, non-profits, and other local stakeholder groups
- Participate in and help expand workforce development programs managed by NoRTEC such as the existing Next Generation Industry Sector Partnerships

5

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

- Utilize state, federal, and non-profit funding sources to incentivize affordable and attainably-priced housing development
- Ensure that minority and historically underserved populations have equitable access to economic opportunities
- Study public transit needs of citizens, particularly along commuter access lines, to determine need for further investment
- Improve winter travel reliability along State Highway 299, which is critical for commerce and commuter traffic within the District

REGIONAL

These Action Items are relevant to some Counties and not to others. Due to regional relevance, they are being maintained, but local economic development plans will need to articulate its relevance to each particular County:

GOAL

2

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

- 2.9 Municipal leaders must clarify and define local policies related to cannabis, particularly in Trinity County

3

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

- 3.4 Address resource needs of growing tech entrepreneurship sector in Shasta County

LIMITED INFORMATION

There is limited information available on these Action Items. They are maintained for 2023 but will need to be revisited in 2024:

GOAL

2

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

- 2.5 Develop an Agricultural Sector Strategy approach that promotes direct market access and value-added opportunities for farm and ranch operators

5

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

- 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 assessments focused on best practices, solutions, and recommendations
- 5.7 Seek to preserve long-term sustainability of local public utility districts
- 5.9 Study commercial and residential blight solutions in the context of California communities to determine best practices and strategies for resolution

REMOVED

Action items in this category have been removed from 2023 update due to lack of progress and/or interest.

GOAL

1

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

- Develop more trails on private and public lands, with clear use designations (e.g. hiking, mountain biking, ATV, etc.)

2

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

- Conduct a gap analysis comparing workforce skills to job openings and then develop strategies for addressing workforce shortages

3

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

- Survey young adults to determine needs for economic and community amenities and address gaps accordingly

4

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

- Invest in digital literacy campaigns for youth and adults in rural areas

- Provide pathways for capable but low-income workers to transition away from government assistance to self-sustainability

5

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

- Work with government and large energy providers to reduce the likelihood and duration of Public Safety Power Shutoff (PSPS) events
- Address water and sewer infrastructure deficiencies in small towns, particularly those experiencing growth and in-migration
- Continue broadening passenger air service to provide residents access to a broader array of geographic areas

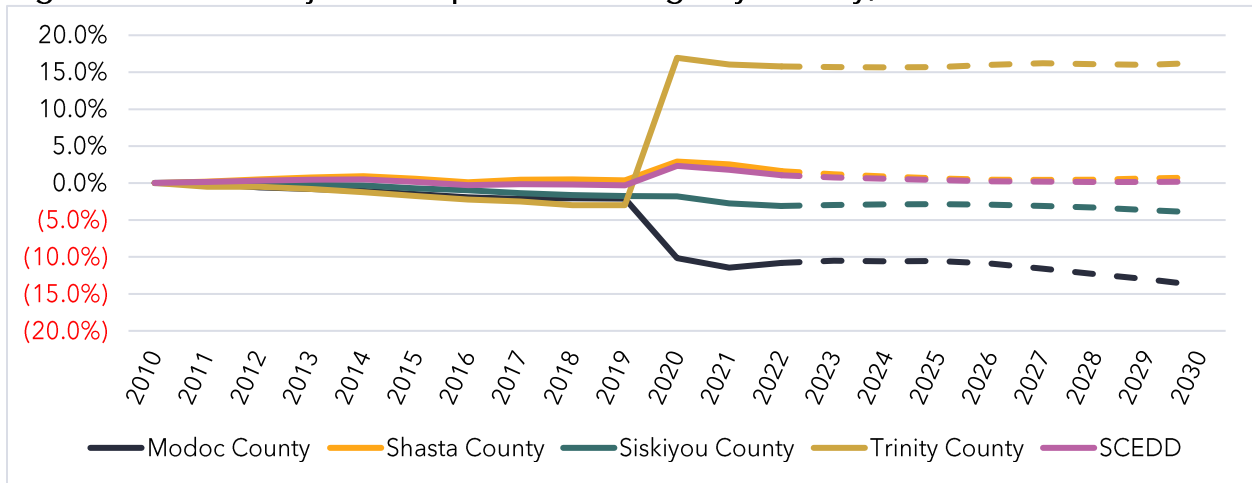
Socioeconomic Overview

Population Characteristics

Over the past 12 years, the Region has experienced a net increase in population. Gains can be attributed more to net in-migration (i.e. more people coming in than leaving) than natural increase (i.e. more deaths than births). In total, the District's population has increased by approximately 2,600 individuals since 2010. Siskiyou and Modoc counties both decreased in population due to natural population decline (more deaths than births). Trinity and Shasta Counties stand apart, with Shasta having seen small population increases from net migration between 2010 and 2022. Trinity County has seen a large population increase, though, driving the increase for the District as a whole. In fact, Trinity County led the state of California by percentage change in the 2020 Decennial Census with a population growth rate of 16.9%.ⁱ After a relatively large increase from 2019-2020, population growth has lessened, and the State Department of Finance predicts a marginal increase in population in the District between 2022 and 2030, primarily driven by growth in Trinity County (Figure 1).

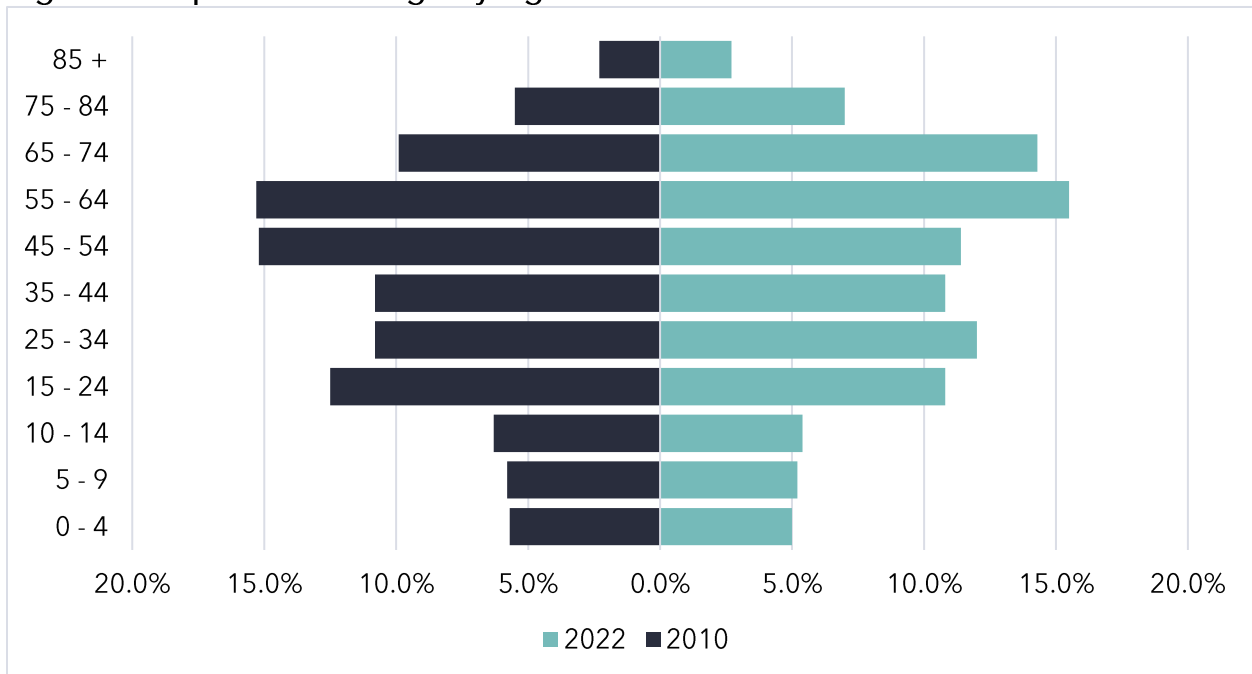
About half of all ten-year age cohorts in the District increased in the past 12 years (Figure 2). The largest increases were among residents aged 65 to 74, 75 to 80 and 25 to 34. The most notable population decreases were among residents in the 45 to 54, 15 to 24, and 10 to 14 age groups.ⁱⁱ

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



Source: Points Consulting using California Department of Finance, 2023

Figure 2: Population Change by Age Cohort within District



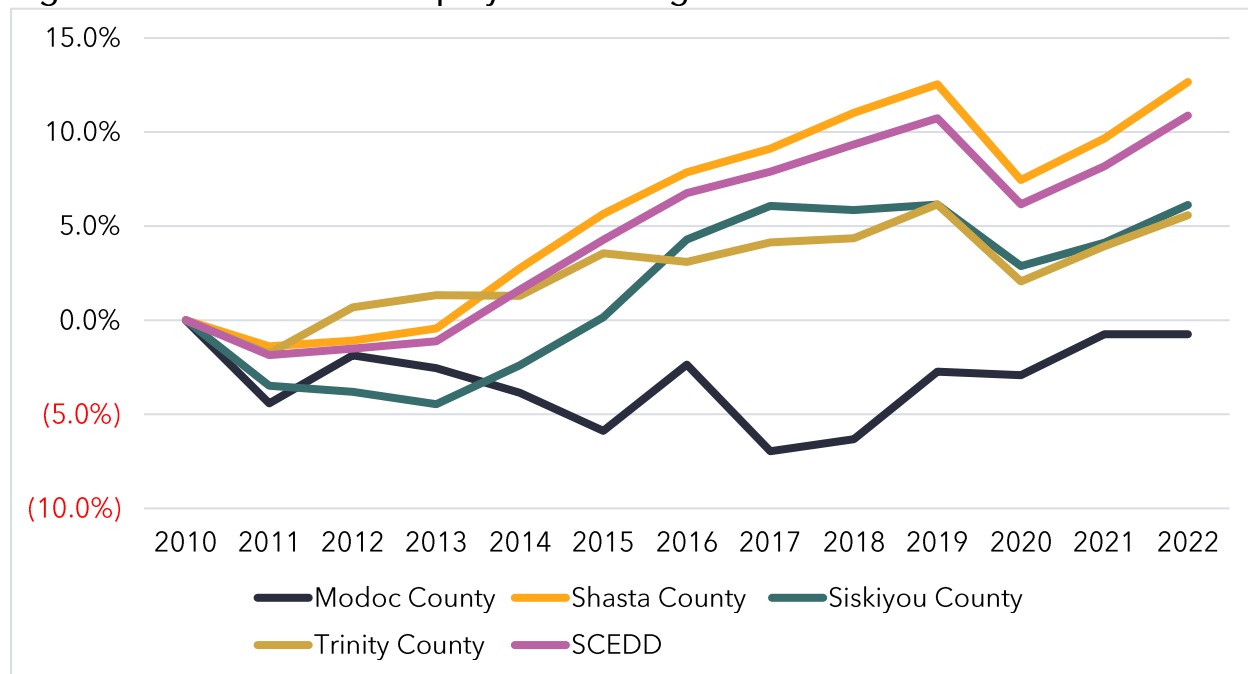
Source: Points Consulting using Esri Business Analyst, 2022

Employment Overview

The District's economy is characterized by a mixture of service-producing, goods-producing, and government industries. As of 2022, service-producing industries compose 78% of all jobs, followed by government (13%) and goods-producing (9%). In general, government employment options grew faster than private sector opportunities, which saw overall job loss in the past year. Private sector employment, in general, decreased by 3.9% between 2021 and 2022, whereas government employment increased by 9.1%.

Since the end of the Great Recession, employment increased in the District at a fairly slow rate (0.8% per year).ⁱⁱⁱ 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 1.0% annually, followed by Siskiyou (+0.5%), Trinity (+0.4%), and Modoc (-0.1%). COVID-related employment loss struck all regions in 2020, resulting in over 3,500 jobs lost in the District.

Figure 3: Year over Year Employment Change Trends



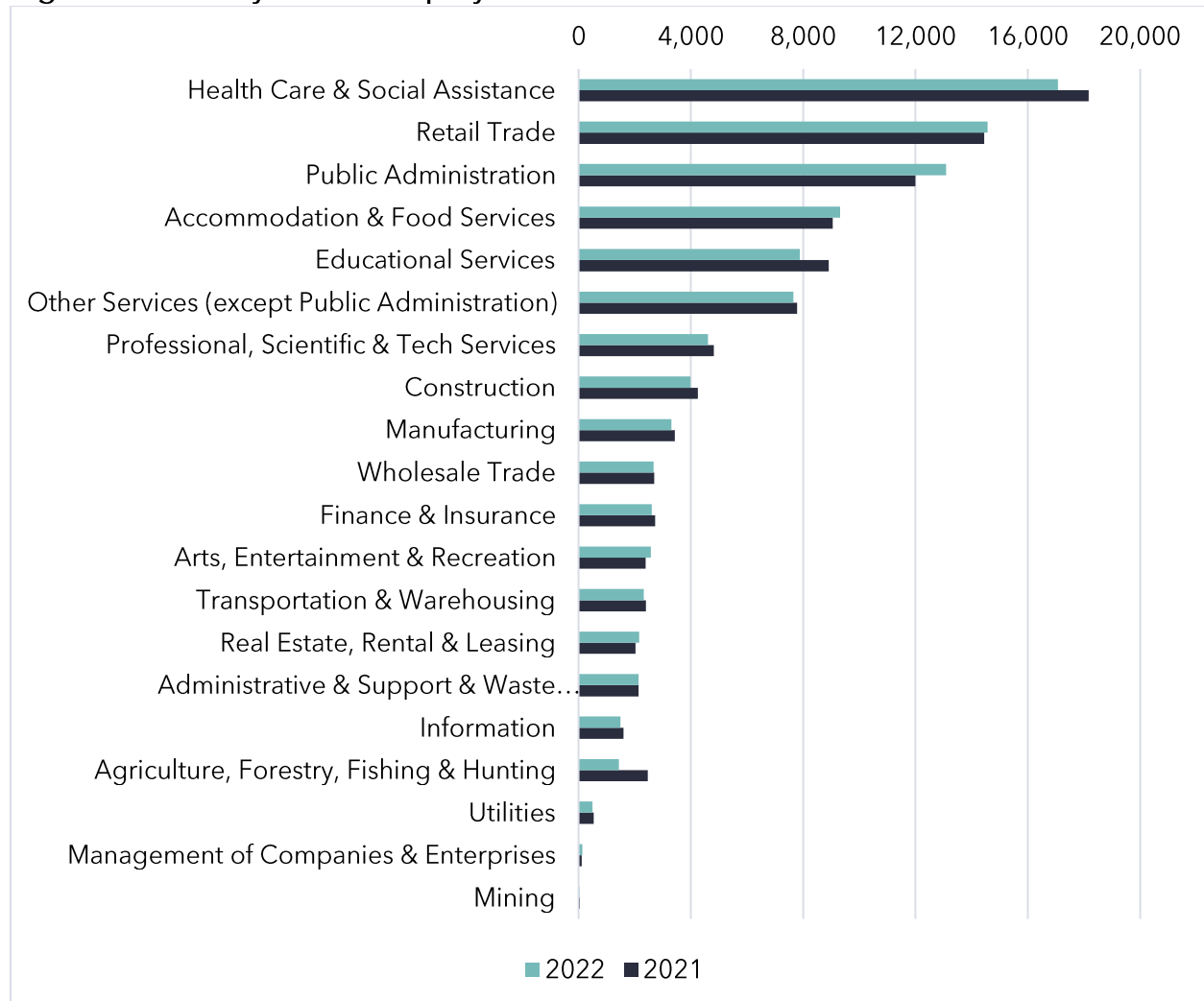
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages

The economies of all four counties continue to recover from the COVID pandemic and economic crisis. As of December 2022, around 4,500 workers remained unemployed across the District, compared to 8,000 workers in December 2020. Unemployment rates ranged from a high of 6.3% in Modoc County to a low of 4.4% in Shasta, as compared to the California average of 3.9%. Modoc County's relatively high unemployment is due partly to its overall struggles in employment, which has seen fewer jobs compared to 2010 in every year since. Modoc placed tenth highest in unemployment rates among California's 58 counties in December 2022.^{iv}

On a concentration basis, the District's government jobs are roughly equivalent to the national average. The District's three largest industry sectors include Healthcare & Social Assistance; Retail Trade; and Government, shown as Public Administration (Figure 4). Related to employment growth, Healthcare & Social Assistance jobs have declined in the last year, but there is an expansion happening with the Redding Rancheria Tribal Health System. Therefore, the District should see job growth when this expansion of the Tribal Health Village is completed.

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

Figure 4: Industry Sector Employment in District



Source: Esri BA, 2022

- Sectors which produced the most *new jobs* in the past year include Public Administration; Accommodation & Food Services; and Arts, Entertainment, & Recreation
- Based on US median earnings data from the Census Bureau, four industries employ over 1,000 workers and offer average wages over \$65k/year: Public Administration; Professional, Scientific, & Technical services; Finance & Insurance; and Information
- Relative to the national average, the most concentrated industries include Educational Services; Arts, Entertainment, & Recreation; Agriculture, Forestry, Fishing, & Hunting; and Retail Trade

- Industries which most outperformed national benchmarks in job creation include Public Administration; Management of Companies & Enterprises; and Real Estate & Leasing.

Key Industry Clusters

Through the project team’s work, the following industry clusters are identified to be driving economic prosperity within the District in the last year.

- Tourism & Recreation
- Wood Products Industries
- Hemp and Cannabis
- Healthcare

Tourism & Recreation

Tourism is an important industry across the District and each county has appealing features for visitors. Examining the two primary industry sectors associated with Tourism & Recreation, namely, Accommodation & Food Services, and Arts, Entertainment & Recreation, there were roughly 11,900 jobs in the District in 2022 (Table 1). In 2020, there were sharp declines in travel-related spending in the District due to the COVID pandemic. However, each county’s travel-related spending has been increasing since then, with Trinity County exceeding pre-pandemic levels.

In 2022, the travel-related spending was \$27.4 million in Modoc County, \$494.5 million in Shasta County, \$202.6 million in Siskiyou County, and \$65.1 million in Trinity County.^v For reference, travel-related spending in 2019 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.^{vi}

Table 1: Employment in Travel & Tourism Related Industries

Industry Sector	Modoc	Shasta	Siskiyou	Trinity	Total
Accommodation & Food Services	392	6,717	1,841	359	9,309
Arts, Entertainment, & Recreation	51	2,015	413	94	2,573
Grand Total	443	8,732	2,254	453	11,882

Source: Points Consulting using Esri Business Analyst, 2022

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 within the District at \$47.0 million (Table 2). Shasta, Siskiyou, and Trinity Counties are also among the top ten of all California counties in timber value.

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

Industry Sector	Modoc	Shasta	Siskiyou	Trinity	Total
Timber Value	\$0.3	\$14.0	\$24.3	\$8.4	\$47.0

Source: Points Consulting using California Department of Tax and Fee Administration, Timber Production Figures, 2022

In eastern Shasta County, a bioenergy facility is underway to being constructed which will utilize woody-biomass to produce electricity and sell it back to PGE, with anticipation to have the facility done by summer 2024.

Presently, Siskiyou County has an active lumber mill located in Alturas (High Desert Lumber), which produced pine lumber, as shown in Figure 5, current staff of 5 to 6 workers, and anticipation to grow employment to 10 to 15 by early 2024 and up to 30 employees within a year. The mill plans on expanding operations to utilize the adjacent railway to ship products using freight cars, and bring in more equipment to produce wood pulp, chips, and dowls. Alongside the lumber mill, seen in Figure 7, is a lumber storage structure to shield products from weather and climate. However, since the area has been out of operation for several years, there are necessary infrastructure repairs needed in order to maintain proper storage of timber products, freight, and box car restoration and maintenance.

Figure 5: High Desert Lumber - Manufacturing Equipment



Source: Points Consulting project team onsite visit 2023

Figure 6: Finished product of stacked lumber



Source: Points Consulting project team onsite visit 2023

Figure 7: Parallel Lumber Storage Infrastructure to Lumbermill



Source: Points Consulting project team onsite visit 2023

Hemp and Cannabis

Since the passage of Proposition 64 in 2016, commercial cultivation and distribution of cannabis has been legal in California. For the fourth quarter of 2022, the State brought in \$128.4 million in excise tax revenues while the sale of cannabis brought in \$120.1 million.^{vii} 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 with a 5% excise tax rate in Redding and 6% in Shasta Lake. The cannabis grown in Redding and Shasta Lake in 2021 was valued at \$8.8 million, while cannabis in 2022 was valued at \$22.5 million.^{viii} Other communities within Shasta County, such as Anderson, have placed a moratorium on the industry.

Modoc and Siskiyou Counties maintain a less welcoming approach to the industry. Cultivation, manufacturing, and distribution of the product remains limited, with exceptions of medical marijuana.

Trinity County is a part of the Emerald Triangle, a group of three California counties that have historic ties to cannabis dating back to the 1960s. 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.

Touted as a measure that would increase tax revenue and increase property values from cultivation licenses, the legalization in Trinity County and statewide has become a threat to local producers. The passage of Proposition 64 significantly grew the market size of cannabis, increasing the availability. The increase in supply has reduced the price of cannabis, leading to a decrease of 8% in California commercial sales in 2022.^{ix} Many businesses have had to lay off workers, while other local growers have sold their farms and moved to cities where it is easier to obtain licenses.

Healthcare

Despite the forecasted increase in demand for the coming years, employment numbers in healthcare for all counties in the District are down in the last year. The COVID pandemic created extreme burnout for healthcare workers and caused many to leave the industry. Some estimates show that California as a whole is facing a shortage of about 36,000 licensed nurses.^x The shortage of workers creates a vicious cycle where nurses that don't leave the industry end up working longer hours. To make the issue worse, healthcare workers are planning a strike in Los Angeles County in October 2023 due to the staffing shortages and current labor practices.^{xi} The data indicates that the District could be falling victim to a trend taking place across the whole state of California.

Table 4: Healthcare & Social Assistance Employment Trends, 2021-2022

Metric	Modoc	Shasta	Siskiyou	Trinity	Total
Employment 2022	450	14,300	2,100	300	17,150
Job Growth 2021-2022	(60)	(930)	(80)	(10)	(1,080)
% Job Growth 2021-2022	(12%)	(6%)	(4%)	(4%)	(6%)

Source: Points Consulting using Esri BA

The Redding Rancheria Tribal Health Center, located in Shasta County, provides state of the art healthcare services to American Indian communities in Shasta and Trinity counties. While serving as part of the District’s regional healthcare hub, the Redding Rancheria also unveiled plans for a brand new “Tribal Health Village” to expand its operations by 2025. This unique building will serve as a health and wellness facility, combining spaces for medicine with exercise recreation. Additionally, this new facility will be open to all members of the community, not just American Indians, creating job and service opportunities for the District.^{xii}

Appendix A: 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
- Jeremy Hayward - Redding Rancheria Economic Development Corporation
- Kelly Crosby - Alturas City Council
- Shane Star - Modoc County Supervisor
- Jesse Pike - Trinity County Community Development Corporation
- Nick Gulette - The Watershed Research & Training Center

Appendix B: 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 6: 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, 2021Q1

Table 7: 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, 2021Q1

Table 8: 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, 2021Q1

Table 9: 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, 2021Q1

Appendix C: Interview Guide

Economic Development

- In the past year what economic developments or projects have been accomplished or started?
- What type of industries have been primarily involved in developments or projects?

Workforce Development:

- How has employment changed in the last year?
- From your perspective has employment increased or decreased? Are there specific industries that you noticed under this trend?
- How have small businesses and entrepreneurs been impacted post-COVID?
- How are the wages and availability of jobs in your area?
- Has housing availability and affordability been a barrier to workers looking to move into your area?

Broadband:

- In your county, has there been any expansion or updates on Broadband and community needs?
- Where is broadband still needed?
- What are the next steps or efforts to address the need?

Climate Resiliency:

- Has there been discussions or planning in terms of addressing climate change/natural hazard mitigation?
- What have these discussions/plans consisted of?
- What are the next steps to address mitigation?

Future Economic Development:

- Are there any projects or plans aiming to start going into 2024?

Appendix D: About Points Consulting

At Points Consulting we believe in the power of peoples' interests, passions, and behaviors to shape the world around us. Now more than ever, people are the primary factor in the success of businesses, organizations and communities. For that reason, our work is focused not only on how people impact communities and organizations, but how to align their potential to create more successful outcomes.

We partner with a variety of industries including state and local government agencies; higher education not-for-profits; real estate developers; and private companies to understand and unleash the power of the workforce in our midst. Built on our experience advising hundreds of high performing organizations, Points Consulting strives to answer complex economic questions and recommend workable solutions.



Appendix E: Endnotes

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- ⁱ Associated Press, "Trinity County sees double-digit population growth in latest census," <https://krcrtv.com/news/local/trinity-county-sees-double-digit-population-growth-in-latest-census>.
- ⁱⁱ It is too early to determine how COVID will affect migration, in general, and for these specific age cohorts
- ⁱⁱⁱ 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).
- ^{iv} California Employment Development Department, Labor Force & Employment by County Dashboard: <https://www.labormarketinfo.edd.ca.gov/data/interactive-labor-market-data-tools.html>.
- ^v [2022 Economic Impact of Travel in California | Visit California](#)
- ^{vi} Dean Runyan Associates, Inc., "Economic Impact of Travel in California 2013-2022," <https://industry.visitcalifornia.com/research/economic-impact>.
- ^{vii} [California Department of Tax and Fee Administration Reports, Cannabis Tax Revenues for the First Quarter of 2023](#)
- ^{viii} County of Shasta, Agriculture/Weights & Measurements, Crop Statistics, <https://www.shastacounty.gov/agriculture/page/crop-statistics>.
- ^{ix} Alexei Koseff, "Emerald Triangle communities were built on cannabis. Legalization has pushed them to the brink," <https://calmatters.org/politics/2023/02/emerald-triangle-cannabis-communities/>.
- ^x Kristen Hwang, "California needs thousands of nurses, but leaders can't agree on how to fill jobs," <https://calmatters.org/health/2023/07/california-nursing-shortage-solution/>.
- ^{xi} Nathan Solis, "Healthcare workers kick off 5-day strike at four hospitals over staffing shortage, labor practices," <https://www.latimes.com/california/story/2023-10-09/health-care-workers-kickoff-5-day-strike-across-four-hospitals-over-staffing-shortage-unfair-labor-practices>.
- ^{xii} Mike Mangas, "First look at Redding Rancheria's new Tribal Health Village," <https://krcrtv.com/news/local/first-look-at-redding-rancherias-new-tribal-health-village>.