



LAKE COUNTY ECONOMIC DEVELOPMENT STRATEGY

PEER AND ASPIRANT COMMUNITIES

Overview

Peer and aspirant communities provide local economic development professionals with places to track and monitor as local plans move forward. Any number of combinations among the 3,200 counties and similar municipalities in the United States could be considered and may change as Lake County's economy evolves; the initial recommendations are meant to provide a baseline to consider and thinking outside the box. For any of the choices, the key is to find places that can be monitored and make good comparisons now (peer) or visions for the future (aspirant).

Recommendations

Peer:

- Yuba County, California;
- Tehama County, California; and
- Yamhill County, Oregon.

Aspirant:

- Mono County, California;
- Deschutes County, Oregon (Bend); and
- Kootenai County, Idaho (Coeur d'Alene).

Peer Communities

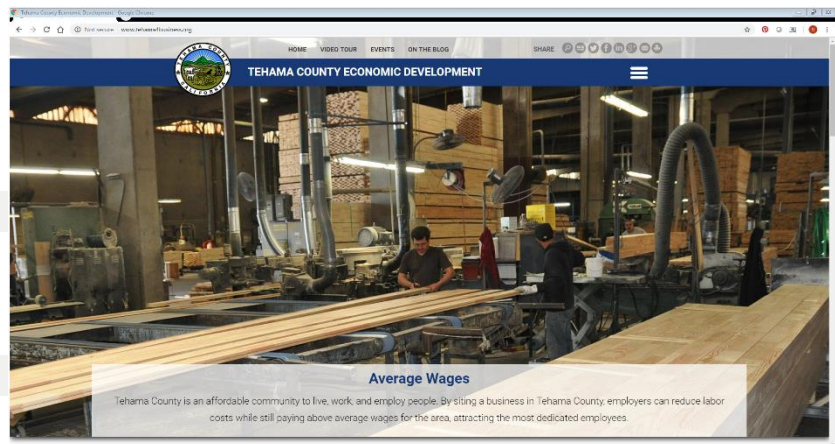
What makes a peer community for Lake County?

Peer communities are those that have similar demographic, geographic and socioeconomic situations as Lake County. Notice the choices here are in California and also in Oregon; these communities are a sample of what could be chosen from the 3,200+ counties and townships in the United States, and can change. The key is considering some set (this study recommends three places) as a way to compare and contrast progress.

Community Choices

Tehama County

Tehama County is in northern California and has a long-standing agricultural history. Most of Tehama's population lives close to Interstate 5, a potential advantage in terms of logistics and attracting businesses in the agricultural and manufacturing supply chains. Tehama has an economic development organization (please see <http://www.tehama4business.org/tced> for more), which is part of the County of Tehama.



The organization is called “Tehama4Business”, and has two staff members. Their website is to help attract businesses outside of Tehama County that want to locate their new or expanding business. Tehama County’s Economic Development program is active on social media. There are videos to market Tehama County; featuring education and healthy living, economic development, parks and recreation. There are no stated targeted industries or an obvious economic development plan for the county overall. Tehama County has three incorporated cities: Corning, Red Bluff and Tehama. Tehama has less than 1,000 people; Corning and Red Bluff are like Clearlake and Lakeport respectively, and there are many smaller communities. The city of Corning claims to have has the following “incentives” for businesses that come to Corning:

- Exceptionally Affordable Housing Prices (avg. \$162,000);
- Low Property Taxes;
- Low Development Impact Fees; Low Rent Per Square Foot;
- Accessible City Council and Staff to help develop creative approaches to development;
- No Cost Pre-Application Meetings with City Staff;
- Abundant Outdoor Recreational Opportunities; and

- Average Daily Traffic of over 26,000 vehicles.

Some summary data for Tehama County include:

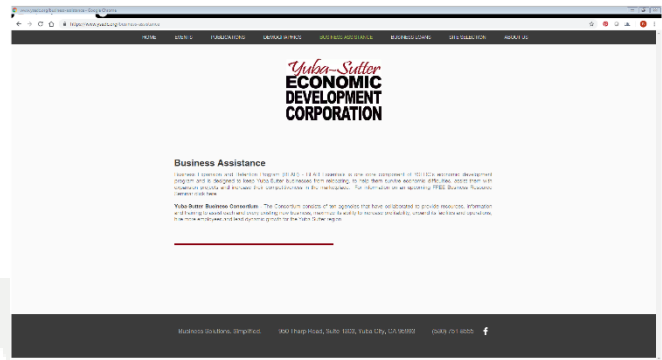
<ul style="list-style-type: none"> • 63,276 people as of 2016; • \$40,687 median household income in 2016; • 23,573 occupied housing units; • 23,094 employed residents in 2016; • 14,000 people employed in Tehama County in Quarter 1 2018; 	<ul style="list-style-type: none"> • 1,760 payroll employers in Quarter 1 2018; • Average weekly wages of \$760 in Quarter 1 2018; and • \$208,500 median home price, August 2018
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Yuba County

Yuba County, like Tehama County, is close to the confluence of two major transportation arteries for California: Interstate 5 and Interstate 70. Yuba County (in partnership with Sutter County) does have a CEDS report on file updated in April 2018 (attached in the Appendix), where Yuba and Sutter counties are like sister counties in many respects.

There is also a Yuba-Sutter Economic Development Corporation, a joint partnership between the county governments. They have a website that is their economic development portal:

<http://www.chooseyubasutter.com>.



Sutter County is slightly larger than Yuba, in terms of population, economy and jobs; an easy comparison is Mendocino and Lake County. Yuba County has an air force base (Beale) in the county as one of its major employers (approximate 10.6 percent of total employment).

Agriculture is the key industry cluster in Yuba County. Health Care is also forecasted to see employment demand rise. The stated, targeted industries are medical research, agri-tourism and military base support; a large part of this strategy depends on the base and its remaining the same size or growing.

Yuba County also utilizes its proximity to Sacramento, SAC airport, Sacramento State University, UC Davis, other colleges and city assets. Yuba County Airport upgrades for flights, and also a coming business park there, is one strategy in place; Yuba County airport may have potential as a regional distribution hub.

The military base is seen as an asset by which there can be an expansion of cell tower and wireless service. Tourism in general is seen as part of a broader economic development plan; like Lake County, focus on farm to fork or healthy food and links to tourism are evolving strategies. A large number of wastewater and water projects are also considered as fundamental to a broader strategy; roadway and transportation expansion in breadth and quality are also stated projects. Disaster recovery and resilience is also a large focus of Yuba County.

Some summary data for Yuba County include:

<ul style="list-style-type: none">• 75,275 people as of 2016;• \$48,793 median household income in 2016;• 25,655 occupied housing units;• 26,389 people employed;• 10,903 people employed in Yuba County in Quarter 1 2018;	<ul style="list-style-type: none">• 1,533 payroll employers in Quarter 1 2018;• Average weekly wages of \$864 in Quarter 1 2018; and• \$269,000 median home price, August 2018
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Yamhill County

Yamhill County, Oregon is surrounded by a diverse and urban setting, with Portland, Oregon nearby. This proximity means that surrounding areas like Yamhill support Portland's metropolitan area. Yamhill County is agriculturally based, with the Willamette Valley centered there; Marion County is three times the population but has the state capitol inside it (Salem). Yamhill is where Oregon's wine country meets urban Oregon, and where those that come to Portland to experience Oregon's wine country can get their first stop after landing. Tourism is basically a given as a targeted industry in Yamhill County, but support needs remain.

Yamhill, Polk and Marion counties produced a recent CEDS report (April 2018) to describe their regional strategy. Yamhill County has fewer bachelor degree holders than its regional partners or Oregon on average. Its home values are slightly higher than the region due to its proximity to Portland and commuters. Yamhill's median household income is approximately \$55,000 in 2016; unemployment is below 4.5 percent.

Stated industry clusters include manufacturing and health care. Because the wine industry is a part of Yamhill County, the labor data are going to show manufacturing doing well there; healthcare, like Lake County, has rising demand potential as the population is projected to age. Transportation and warehousing, as well as food manufacturing and agricultural supply chain businesses are also being considered as targets for economic development activities. In a SWOT analysis, the region has the following weaknesses, all of which have a familiar ring:

- Sell ourselves short ("step-child" to Portland), need to be proud of and market region better;
- Reliance on personal vehicles and limited public transit availability;
- Shifts in local government policy (e.g. no growth policies make it difficult to plan for regional impacts of growth);
- Lack of adequate infrastructure (power, water/sewer) in rural areas/Provision of broadband to rural areas;
- Industrial land availability/readiness region-wide (limitations on expansion to meet current and future land demand); and
- Urban-rural differences and need to support both (also an opportunity).

In 2017, Yamhill County with partners developed the YES (Yamhill Enrichment Society) Collaborative, a program focused on two measurable outcomes:

1. Building an effective and sustainable economic development collaborative; and
2. Implementing key actions identified in each of five priority community development areas: **Transportation, Workforce and Talent Development, Housing, Infrastructure, and Land Availability/Use.**



Their regional CEDS report suggested that this collaborative allows “the County to take advantage of economic opportunities associated with the County’s rich agricultural and tourism related assets.”

<ul style="list-style-type: none"> • 106,555 people as of 2016; • \$55,000 median household income in 2016; • 25,655 occupied housing units; • 26,389 people employed; • 10,903 people employed in Yamhill County in Quarter 1 2018; 	<ul style="list-style-type: none"> • 1,533 payroll employers in Quarter 1 2018; • Average weekly wages of \$864 in Quarter 1 2018; and • \$269,000 median home price, August 2018
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Aspirant Communities

What Makes for an Aspirant Community for Lake County?

An aspirant community is one that is a vision of Lake County, where economic development is balanced among many industries in a setting that is also tourism driven. Some characteristics may be similar to Lake County: income per capita, wages, proximity to a larger urban or suburban center. What these place have done is draw from a larger, super-regional audience and utilized their assets to draw in a wide array of businesses. While Mono County may seem like an outlier versus Kootenai County in Idaho (where Coeur d'Alene is) and Deschutes County in Oregon (where Bend is), it is a small California County that has tried to reset its image and how it draws in tourism. The other two choices are more robust economic areas where their isolation (Deschutes County) and their proximity to a larger area (Kootenai County) can act as additional assets.



Mono County

Mono County is in the southern Sierra Mountains and close to Los Angeles in southern California. There is a county department that is the economic development organization with a staff of two; see <http://www.monocountyeconomicdevelopment.com/> for more. This organization is tied primarily to tourism and film commissioner. Their main message is similar to Lake County: clean air, get away from the “rat race”, but also stay connected. There is an airport that has daily flights to Los Angeles and seasonal flights to San Diego, San Francisco and Denver. Alaska Airlines operates these flights. Mono County has gigabit broadband and is advertising this capability. US highway 395 is the main artery, much like CA Highways 29 and 53 and 20 are for Lake County. Their slogan is “Wild by Nature”.

Mono County is one of the smallest counties in California, with 13,981 people in 2016 and only 4,950 households. Median household income was estimated in 2016 at \$58,937. Agriculture also plays a role in Mono County, mainly livestock. The important concept here is that a small, rural area in California has an ability to support tourism with both an airport and gigabit broadband and is using a similar strategy to the suggested one here to attract and retain businesses.

Notice this picture on the Mono County website for economic development. She is working on a laptop, untethered and with a coffee. Escape but stay connected. In many ways, this is the essence of what Lake County wants to be for both tourists and new businesses coming to have a better lifestyle but continue their global lives.

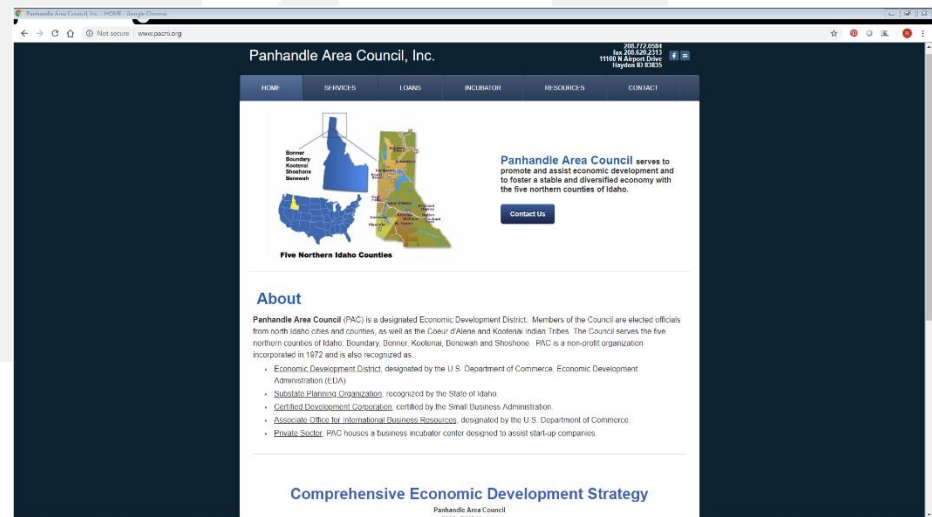


Kootenai County, Idaho

Coeur d'Alene is a major tourism area in the "panhandle" of Idaho and a lakefront community. Its proximity to Spokane, Washington and its assets (airport, universities, etc.) all help to provide infrastructure and access to this county; Spokane is as regional hub also provides a population of people from which to draw an external market. Kootenai County is part of a regional partnership called Panhandle Area Council. There are five counties, where Kootenai County is the centerpiece. Its focal industries are: tourism; wood products/manufacturing; mining; health care; and aerospace. The presence of a military base (Fairchild) and Boeing's operations in Spokane gave some foundation to aerospace in terms of manufacturing. There is not much talk of design or a connection to senior engineering using Kootenai County as a living and working area yet.

These counties have a CEDS report, where focal industries are stated: tourism; health care; wood products; and aerospace. Similarities exist to Lake County; part of a regional, rural set of communities where movement to the north and east is more rural. Educational achievement is a concern in terms of workforce. US Interstate 90 is the main transportation route, which connects Kootenai to Seattle in the west and ultimately Chicago to the east. This route provides many possibilities for economic development. US Highway 95 is the north-south route and these come together in Coeur d'Alene. The Panhandle CEDS speaks of the local airport, but Spokane's airport provides international access.

Disaster resiliency is also a factor in Kootenai County regional planning with its partners. One of the aspirant characteristics is a partnership among less populated areas to recognize similar concerns. Lake Coeur



d'Alene is their major tourism draw. What Kootenai County has done is become that region's hub among many rural counties.

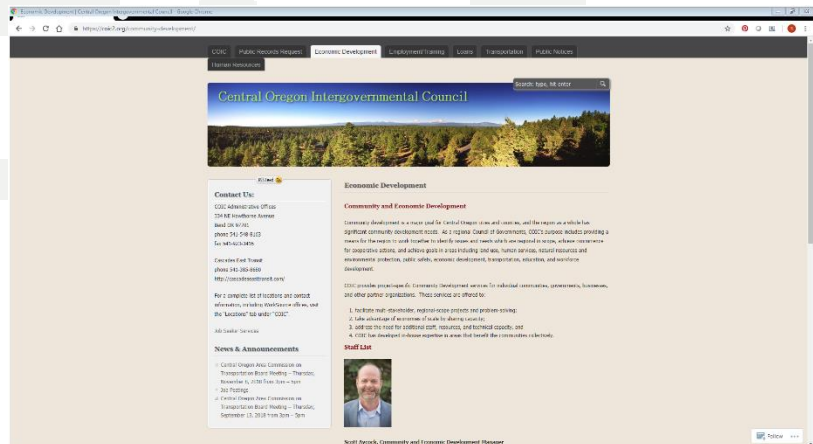
Lake County could find itself a hub of rural, northern California activity by becoming an access point for its northern and eastern county partners: Colusa; Glenn; and Tehama counties to start.

Deschutes County, Oregon

This county in Oregon is part of a multi-county partnership called the “Central Oregon Intergovernmental Council” or COIC. This group concluded a CEDS report as of August 2017. COIC identified major and minor goals of its strategy for this region:

- Housing Affordability and Availability;
- Emerging Workforce;
- Regional Transportation: Access to Work and School;
- Minor Goals:
 - Economic Development-Related Public Infrastructure
 - Move-In Ready Commercial and Industrial Buildings; Incubator and Shared Work Space
 - Freight Mobility
 - Broadband Capacity
 - Rural Community Amenities
 - Natural Resources: Environmental Assets and Resource Utilization
 - Regional Coordination and Cooperation

Deschutes County is heavily forested in its western half with Bend, Oregon as its hub. Bend is just over 30,000 people in population; the county as a whole has over 176,000 people spread over its eastern valley. Bend is a major tourism stop for Oregonians and people traveling to and around the western United States, with



over 4.5 million visitors annually.¹ Bioscience, aerospace, technology businesses, and some call centers are in Bend. Lifestyle and connections to Oregon State University and a new, satellite campus in Bend, help economic and workforce development strategies. Diversification of the local economy continues from generally agricultural roots.

Hospitality, construction, health care, and professional and business services are seen as the largest job growth industries into the 2020s. One of the strengths in the community is its regional airport, providing business and tourism access to the area. Lifestyle and collaborative communities are also given as strengths. Isolation, lack of an educated workforce, broadband capability, are all seen as weaknesses. Regional collaboration is seen as a must.

¹ Bend has as robust visitor support organization, see <http://www.visitbend.com/About-Us/Press/Media-Articles/> for more