



LAKE COUNTY ECONOMIC DEVELOPMENT STRATEGY

1. PLANNING PROCESS AND COMMUNITY FORUMS

Overview

EFA approached this project by trying to answer four questions for Lake County:

- What businesses (or sectors) will come to, stay and grow in Lake County?
- Who will these businesses employ?
- How will government help these evolutions?
- What infrastructure investments are needed to help Lake County remain a sustainable (earth and people = place) community?

The process included data analysis, community forums, considerations of peer and aspirant communities, workforce development opportunities and challenges, infrastructure needs and foci versus projects already underway, government (at all levels) as a partner in any strategy going forward.

In June 2018 and October 2018, five community forums were held in Lake County. There was one for each supervisorial district. The forums focused on gathering community voices on specific questions in a World Café style: all participants were able to provide feedback on all questions asked. Final feedback became themes from each forum; those themes are reported below with raw notes and all feedback available as an appendix the overall strategy.

Recommendations

- Hold annual community forums as a way to update residents by supervisorial district;
- Consider stories that come from residents that are positive voices; and
- Consider quarterly updates on the strategy's movement to be send to all in Lake County.

Process

Phase I: Assets and Realities

The initial data-gathering phase of this project was two parts. The first was quantitative data gathering, including a recent WANB report, the recent CEDS report done by the County of Lake, strategic plans done by the cities of Lakeport and Clearlake, and many other data points from EMSI and the Caltrans/Economic Forecast Project joint venture.

It is important that this plan not be only about past data. This plan must be about how those data, and some forecasts that exist about both Lake County's communities and its employment levels, provide signposts along the path to a better Lake County. Historic data are just that: the past. Forecasts are only as good as their assumptions. But the data tell stories that others can see quickly, and may substantiate or dispel generally-accepted perceptions about Lake County, thus helping to shape this plan's final recommendations and key performance metrics.

Phase II: Planning and Reporting

The report is meant to identify what Lake County can and cannot be from the data, but also identify what metrics are the most significant to both measure progress but also forecast concerns and reasons to change direction.

Workforce development/training programs alignment is very important. Jobs growth is unlikely to change quickly in Lake County in any strategy, due to housing and transportation constraints. Much like other assets, simple questions need to be considered with workforce development:

- How important is labor in some industries in 10 years?
- Does Lake County rely on outside education and training programs to prepare workers?
- Can Lake County prepare workers that stay local even after trained?

The planning phase was assisted by community forum meetings to gain broad community feedback and hear residential and local business voices. Planning for public relations and outreach is just as important as planning for jobs growth. Five (5) town-hall meetings allowed for public engagement:

- Meetings were held in a World Café style to engage all who came; and
- These meetings help with community buy-in and positive momentum.

Phase III: Finalize and Execute the Plan

The final has initiatives and realism about what Lake County can actually do. There is a two-year window to start, as anything more than that is unrealistic given all the effects the county faces on a daily basis. A strategy and path to complete tasks is provided in the "Strategy" document of this project. This is an economic development and workforce development integrative strategy, with specific tactics and a schedule for the community to monitor. The "path" is guidance in a step-by-step way to get the effort started and linked to investments, community support, and ultimately telling more stories about Lake County as a place to live and work.

Project Guidance: Task Force

A task force of community leaders guided this process, met regularly, provided communications links and insight for each community in Lake County, and also provided their own feedback and expertise as Lake County residents. All task force members (see the Appendix) are either Lake County residents or lead businesses and organizations in Lake County. In meetings throughout this process, opportunities and challenges were identified and used in finalizing the strategy and plan.

Task Force Members

First	Last	Affiliation
Kaj	Ahlmann	Six Sigma Ranch
Stephanie	Ashworth	Bank of the West
Robin	Bartolow	North Coast Builders Exchange
Stacey	Caico	Workforce Alliance of the North Bay
Brock	Falkenberg	Lake County Office of Education
Alan	Flora	City of Clearlake
Greg	Folsom	City of Clearlake
Melissa	Fulton	Lake County Chamber of Commerce
Carol	Huchingson	County of Lake
Kevin	Ingram	City of Lakeport
Judith	Kanavle	Mendocino College
Annette	Lee	Yuba-Woodland Community College
Andy	Lucas	Lake County EDC
Jeff	Lucas	Lake County EDC
Ernesto	Padilla	County of Lake, Tribal Health
Monica	Rosenthal	Lake County EDC
Michelle	Scully	County of Lake
Wilda	Shock	Lake County EDC
Margaret	Silveira	City of Lakeport
Moke	Simon	Lake County Supervisor
Brenna	Sullivan	Lake County Farm Bureau
Bruce	Wilson	Workforce Alliance of the North Bay
Keith	Woods	North Coast Builders Exchange

One of the initial, key challenges of this group was to consider how important Clear Lake itself is as a tourist attraction in drawing residents and businesses. Perhaps surprisingly, the task force felt initially it was not that important. We see in the strategy document Clear Lake is a major asset, but has a specific set of purposes beyond an identifying, **differentiable** asset for Lake County.

This task force helped to shape the community forums held in the early stages to provide broader community feedback and guidance for this strategy.

Community Forums

The five (5) community forums were set up as “World Café” gatherings as described above, where four questions were asked at the three forums held in three different place in Lake County:

- What would draw a business to Lake County?
- What would draw a resident to Lake County?
- What challenges does Lake County face?
- What is the most important improvement Lake County can make for businesses?
- What types of businesses can thrive in Lake County long-term?
- What are your top three concerns about Lake County long-term?

These data from the community forum helped this plan do three things:

- Provided qualitative data on perceptions, knowledge, behaviors and attitudes of local residents and business owners;
- Acted like a survey instrument, but did so by gathering together people that are wanting to see Lake County improve; and
- Provided a way to talk about this plan and what it can and cannot do, and the philosophy behind the plan.

Conclusions and themes from the forums are as follows:

June 21 Community Forum in Middletown/Twin Pine Casino

<p>What about Lake County draws businesses to come, stay and grow in Lake County?</p> <ul style="list-style-type: none"> • Development potential • Cost of Doing Business • Quality of Life • Lack of Competition/Ease of Market Entry • ROI as a general theme, both monetary and non-pecuniary 	<p>What concerns do you have if more tourists come to Lake County?</p> <ul style="list-style-type: none"> • Infrastructure <ul style="list-style-type: none"> • Where will they stay, shop and eat? • Transportation • Residential Impact: Quality of Life <ul style="list-style-type: none"> • Traffic, adequate roads, law enforcement, housing • Will they come back? <ul style="list-style-type: none"> • Did they get what they wanted while in Lake County? • Were they pampered? • Impact on general resources: workforce and natural resources
<p>What is missing in Lake County that can help businesses stay and grow?</p> <ul style="list-style-type: none"> • Communications Technology • Infrastructure • Quality Workforce • Transportation 	<p>Why do people come to live and stay in Lake County?</p> <ul style="list-style-type: none"> • Quality Environmental Aspects • Quality/Family/Small Town/Safe/Affordable • Centrally located to large urban areas by not impacted • Agricultural attributes

June 26 Community Forum In Lakeport

<p>What about Lake County draws businesses to come, stay and grow in Lake County?</p> <ul style="list-style-type: none"> • Affordability (land and labor) • Demographics that fit their business model • Lifestyle • Room for growth 	<p>What concerns do you have if more tourists come to Lake County?</p> <ul style="list-style-type: none"> • We're not ready to serve or accommodate more tourists • Impacts on traffic, parking and housing availability • Stress on public services and infrastructure • Negative impacts on the lake
<p>What is missing in Lake County that can help businesses stay and grow?</p> <ul style="list-style-type: none"> • Infrastructure <ul style="list-style-type: none"> • Broadband • Roads • Housing • Airport • Code Enforcement • Workforce <ul style="list-style-type: none"> • Recruit/Retain • Training, Skills, Education • Vibrant, artistic community <ul style="list-style-type: none"> • Education system with arts programs • Marketing • Venues • Major Conference Center 	<p>Why do people come to live and stay in Lake County?</p> <ul style="list-style-type: none"> • Affordability • Outdoor Recreation/Natural Environment • Lifestyle/Sense of Community

June 27 Community Forum in Clear Lake

<p>What about Lake County draws businesses to come, stay and grow in Lake County?</p> <ul style="list-style-type: none"> • Affordability • Natural beauty and resources • Lifestyle: Small town and community • Growth potential 	<p>What concerns do you have if more tourists come to Lake County?</p> <ul style="list-style-type: none"> • Balance and steady: the choices available • Local, local involvement • Communicate to locals and residents: re Tourism
<p>What is missing in Lake County that can help businesses stay and grow?</p> <ul style="list-style-type: none"> • Technology: Broadband and WI-Fi • Business infrastructure: Clean-up community • Employee and Business/Employer Development: Customer service • Policies: Business friendly, clear and consistent, environment advantages 	<p>Why do people come to live and stay in Lake County?</p> <ul style="list-style-type: none"> • Environment: Lake, Night Sky, Nature and Wildlife, Weather, Location • Economic Benefit: Low-cost housing, Veteran's Support, Affordable, Big Fish in Little Pond • Agriculture: Land, wine, cannabis, GMO-Free and Organic potential • Community: Friendliness, education, pride, small size, history

October 24 Community Forum in Upper Lake

<p>What types of businesses can thrive in Lake County long-term?</p> <ul style="list-style-type: none"> • Agriculture and food system • Wine, pears, development of grocery co-ops, etc. • Tourism • Outdoor activities, arts • Call Center/Telecom Support • Data and tech otherwise (not city dependent)/science • Urgent care • Light manufacturing 	<p>What concerns do you have if more tourists come to Lake County?</p> <ul style="list-style-type: none"> • Housing • Safety • Things to do for visitors not here • Branding for the "right" kind of visitor • Limited labor force
<p>What is missing in Lake County that can help businesses stay and grow?</p> <ul style="list-style-type: none"> • Infrastructure • Water/sewer, airport, access to capital, housing • Educated labor force • Medical and health care services availability • Place making and value-added products • Tourists: general 	<p>What are your top three concerns about Lake County long-term?</p> <ul style="list-style-type: none"> • Won't get a handle on fire season: more fires • Won't band together to change image, utilize all assets • Won't proactively address lack of infrastructure (need a lot and need to start, but where?) • Safety: losing officers every day (crime high)

October 25 Community Forum in Kelseyville

<p>What types of businesses can thrive in Lake County long-term?</p> <ul style="list-style-type: none"> • Services (incl construction) • Tourism • Agriculture/Nat Resources • Technology/Distance Work 	<p>What concerns do you have if more tourists come to Lake County?</p> <ul style="list-style-type: none"> • Transportation • Public Safety • Support services • Maintain the ecology • Marketing: positive messaging pre and positive feelings post
<p>What is missing in Lake County that can help businesses stay and grow?</p> <ul style="list-style-type: none"> • Nurture to increase skill set of workers to meet the demand of businesses • Marketing (county and businesses develop a partnership to market together or separate, with a common vision) • Utilities: broadband, transportation (public), facilitation to work through the process (licensing, permitting, etc.) • More engagement faster • Quicker processing (utilize technology in process) 	<p>What are your top three concerns about Lake County long-term?</p> <ul style="list-style-type: none"> • Infrastructure • Roads, parks, etc. • Business Dev • Growth, deal with downturns, seasons, etc. • Environmental • Preservation of ecology, Lake, air quality, global warming mitigation, etc. • Defining what Lake County is or can be?

Three meta-themes stood out from the forums:

- Infrastructure to support businesses and residents a major concern;
- Concerns over fires and repeating annually becoming real in resident's minds; and
- As the economy changes, residents concerned over quality of life changing negatively.

Summary

The planning process, the community forums and the final strategy were all meant to be collaborative processes with inclusion of many voices. Many of the task force members participated in the community forums; the forums had over 120 in attendance in sum. Going forward, it is critical that all in Lake County participate in making their voices heard, speaking positively about Lake County where possible, and recognize that everyone needs to be involved in economic development to succeed.



LAKE COUNTY ECONOMIC DEVELOPMENT STRATEGY

2. TARGETED INDUSTRIES

The following industries are recommended as targets of economic development efforts due to each providing these benefits using these ideas as primary filters:

- Export focus, leading to large multiplier or ripple effects in the local economy;
- Increasing economic mobility for workers;
- Utilizing assets Lake County has now as a foundation; and
- Lake County is made differentiable regionally.

The larger the revenue multiplier, the more the local business utilizes local supply chain links and also looks at markets outside Lake County for revenues.

Targeted Industries

- **Agricultural Supply Chain**
 - Manufacturing, distribution beyond the field or vineyard
 - May include cannabis: think beyond the pipe
 - Play to strengths and consider niche: regional processing for regional farmers
- **Tourism: Ag to Health Care**
 - Expanding why people come to Lake County
 - Coordination of events, includes transportation
- **University-based science: drawing in science using Lake County's assets**
 - Build partnerships with three or four major universities
 - Tied to tourism, but more like business development
- **Home-based professional businesses with outside markets**
 - Need reliable broadband, residents that have businesses will demand this
 - Ties to workforce development here also

Targeted Industries: The Foci of Economic Development Efforts

After many discussions and considerations of what industries would both best fit Lake County and also have some resilience in Lake County's economy, the following choices continued to come up:

- Tourism, with an emphasis on Konocti re-opening strongly;
- Agriculture, with some links to tourism;
- Manufacturing (in many forms, but most likely food and beverage); and
- Health care.

The idea of targeting industries in economic development is not new. In the early 2000s, a nascent movement became manifest generally toward "triple-bottom line" development brought green building, environmental sustainability, and other practices with a focus on the planet/natural environment into vogue. We found that many companies were heading that way and the word "sustainability" became a household word in strategic planning. For Lake County, these concepts may have more specific meaning: can Lake County become a place where businesses that use the county's natural assets, beauty and environment

The metrics to make decisions and evolve these choices are also debated and shift from time to time. The idea of a "location quotient" (LQ), where relative employment in the local area to a broader marketplace may point toward opportunity gave way to "shift share" concepts. Shift share uses the LQ and expands to include macroeconomic trends and regional data more completely. Shift share is a standard regional analysis method that attempts to determine how much of regional job growth can be attributed to national trends and how much is due to unique regional factors. Shift share helps answer why employment is growing or declining in a regional industry, cluster, or occupation.

Economic Modeling ([EMSI](#)) is a service used by the Workforce alliance of the North Bay that estimates "shift share" by splitting regional job growth into three components: (1) industrial mix effect, (2) national growth effect, and (3) regional competitive effect. In addition, a time frame (start year and end year) is required to perform shift share analysis, since shift share deals with job growth over time. The list below shows Lake County's top-ten industries for shift share:

- Services for the Elderly and Persons with Disabilities;
- Local Government, Excluding Education and Hospitals;
- General Medical and Surgical Hospitals;
- Farm Labor Contractors and Crew Leaders;
- All Other Outpatient Care Centers;
- Elementary and Secondary Schools (Local Government);
- Soil Preparation, Planting, and Cultivating;
- Geothermal Electric Power Generation;
- Full-Service Restaurants; and
- Supermarkets and Other Grocery (except Convenience) Stores.

The ten industries with the smallest shift share, according to EMSI, are:

- Site Preparation Contractors;
- Commercial Banking;
- Newspaper Publishers;
- Offices of Physicians;
- Child Day Care Services;
- Offices of Real Estate Agents and Brokers;
- Religious Organizations;
- Hotels and Motels;
- Private Household Employment (full-time personal assistants);
- Crop Production.

For the top-ten industries, the predicted jobs growth between 2018 and 2023 for Lake County is 1,913 more jobs, where the bottom ten is 441 fewer jobs in those industries. Shift share is computed in the following ways, the sum of the effect “scores”:

- Industry mix effect = the number of jobs affected by how the specific industry is performing at the national level (i.e., what the percentage growth or decline in hospitals is predicted to be nationally like a location quotient);
- National mix effect = the number of jobs affected by how the national economy is predicted to perform, i.e. is the industry growing with or against the economic cycle and by what “multiplier”; and
- Regional Competitiveness effect = the number of jobs that are based on how well an industry performs regionally, as different from the national trends, much like a dynamic location quotient.

In each case, you take the current employment level, multiply it by the estimated percentage growth or decline in the industry, national economy, and then regional economy, and add up the numbers as a way to calculate the “share” of the local economy’s “shift” to higher or lower employment.

So What on Shift Share

Like any other statistic, this should be measured and discussed in a relative way. Relatively large shift share data is going to be driven by national trends under the assumption that the local economy ultimately follows the national and state economies, with some portion of regional effects helping guide the data. Qualitatively, economic development strategies and support ultimately dictate how the local economy is able to harness national trends that affect either current businesses or potential new businesses that find a local market.

Industry Multipliers and "Bang for Buck"

The multiplier effect is how the expansion of one industry can expand others. In some cases, this does not involve employment initially; a commercial space may be built that houses a cannery using a machine and very few workers. However, those workers live locally and spend their wages. The business uses local vendors and service providers when needed, and purchases supplies locally, which employs more people and provides more local profits. In turn, these additional economic flows also provide more government revenue across all municipalities.

However, there are leakages from the system. Supply chain links can be broken locally and lead to resources flowing away from the local area. In rural settings, agriculture may have strong supply chains locally; wineries are self-contained with local vineyards and bottling operations, vineyard management, fencing, trellis systems businesses, plumbing, and other maintenance is all local. Trucking may come from outside the county, as might glass, barrels, labeling, marketing expertise, social media consulting, distribution, and broader retail. Some of these leakages are the fate of rural California; leakages exist in major metropolitan, urban areas also. Part of economic development is to reduce those leakages, as the multiplier effects and amount of dollars circulating and jobs supported rise as a result.

For Lake County, below is a sample of top "revenue" multiplier businesses in the private sector (thus excluding local and state government because those revenues originate from the local economy or in Sacramento or both), where in Table 1 an additional dollar in revenue provides more than \$1 to Lake County. This includes new taxes, wages and profits.

- Distilleries
- Wireless Telecommunications Carriers (except Satellite);
- Breweries;
- Coffee and Tea Manufacturing;
- Logging;
- Timber Tract Operations;
- Meat Processed from Carcasses;
- Animal (except Poultry) Slaughtering;
- Casinos;
- Wired Telecommunications Carriers;
- Truck, Utility Trailer, and RV (Recreational Vehicle) Rental and Leasing;

Table 1 is sorted by the revenue multiplier, where the targeted industries can be seen throughout the lists toward the top.

Table 1: Revenue, Jobs and Wages Multipliers, 2017 Data, EMSI, Total Impacts of \$1 more

Industry	Revenues	Jobs	Wages
Real Estate	1.43	1.49	1.51
Performing Arts and Spectator Sports	1.42	1.25	1.46
Oil and Gas Extraction	1.38	1.23	1.33
Direct to Consumer Retailers	1.38	1.22	1.34
Crop Production	1.37	1.51	1.58
Electronic Markets and Agents/Brokers	1.37	1.38	1.32
Rail Transportation	1.37	1.94	1.34
Electronics and Appliance Stores	1.36	1.37	1.32
Health and Personal Care Stores	1.36	1.27	1.32
Gasoline Stations	1.36	1.31	1.32
Miscellaneous Store Retailers	1.36	1.22	1.32
Fishing, Hunting and Trapping	1.35	1.11	1.23
ISPs, Search Portals, & Data Processing	1.34	1.23	1.29
Forestry and Logging	1.33	0.97	1.16
Accommodation/Hotels	1.33	1.12	1.17
Motor Vehicle and Parts Dealers	1.32	1.15	1.11
Animal Production and Aquaculture	1.31	1.35	1.45
Postal Service	1.31	1.22	1.18
Sporting Goods/Hobby/Book/Music Stores	1.30	0.99	1.11
Couriers and Messengers	1.30	1.21	1.23
Merchant Wholesalers, Nondurable Goods	1.29	1.00	1.02
Telecommunications	1.29	2.11	1.26
Educational Services	1.29	0.96	1.06
Personal and Laundry Services	1.29	0.97	1.07
Specialty Trade Contractors	1.28	1.19	1.19
Clothing and Clothing Accessories Stores	1.28	0.90	1.02
Utilities	1.27	1.26	0.94
Construction of Buildings	1.27	1.16	1.18
Heavy and Civil Engineering Construction	1.27	1.13	1.18
Furniture and Home Furnishings Stores	1.27	0.98	0.99
Truck Transportation	1.27	1.39	1.25
Insurance Carriers & Related Activities	1.27	0.88	0.77
Professional and Technical Services	1.27	1.09	1.10
Administrative and Support Services	1.27	1.06	1.11
Nursing and Residential Care Facilities	1.27	1.00	0.99
Scenic and Sightseeing Transportation	1.26	0.79	0.89
Rental and Leasing Services	1.26	1.11	0.93
Ambulatory Health Care Services	1.26	1.20	1.07
Social Assistance	1.25	1.05	1.05
Building Material & Garden Supply Stores	1.24	0.90	0.88
Warehousing and Storage	1.24	0.89	0.89
Food Services and Drinking Places	1.24	0.97	1.04
Food and Beverage Stores	1.23	0.77	0.83
General Merchandise Stores	1.23	0.82	0.86
Publishing Industries	1.23	0.84	0.91
Repair and Maintenance	1.23	1.11	1.11
Credit Intermediation & Related Activity	1.22	0.91	0.82

Table 1: Revenue, Jobs and Wages Multipliers, 2017 Data, EMSI, Total Impacts of \$1 more (cont.)

Industry	Revenues	Jobs	Wages
Motion Picture & Sound Recording	1.21	0.68	0.71
Agriculture & Forestry Support Activity	1.20	0.96	0.96
Museums, Parks and Historical Sites	1.20	0.62	0.65
Amusement, Gambling & Recreation Ind	1.20	0.65	0.70
Membership Organizations & Associations	1.19	0.71	0.75
Private Households	1.19	1.04	1.07
Federal Govt	1.19	1.48	1.33
Local Govt	1.19	0.89	0.85
Printing and Related Support Activities	1.18	0.89	0.89
Merchant Wholesalers, Durable Goods	1.17	0.58	0.60
Beverage & Tobacco Product Manufacturing (Mfg)	1.16	1.27	0.94
Waste Management and Remediation Service	1.16	0.73	0.60
Transit and Ground Passenger Transport	1.13	0.40	0.45
Financial Investment & Related Activity	1.13	0.66	0.73
Textile Product Mills	1.12	0.71	0.73
Pipeline Transportation	1.11	0.71	0.37
State Govt	1.11	0.83	0.64
Management Consulting	1.09	0.47	0.40
Hospitals	1.09	0.51	0.40
Miscellaneous Manufacturing	1.08	0.49	0.51
Support Activities for Transportation	1.08	0.31	0.30
Broadcasting (except Internet)	1.08	0.37	0.35
Other Information Services	1.08	0.31	0.31
Mining (except Oil and Gas)	1.07	0.28	0.26
Wood Product Manufacturing	1.07	0.41	0.38
Chemical Manufacturing	1.07	0.41	0.33
Nonmetallic Mineral Product Mfg	1.07	0.33	0.35
Furniture and Related Product Mfg	1.07	0.49	0.49
Water Transportation	1.07	0.37	0.31
Support Activities for Mining	1.06	0.26	0.23
Food Manufacturing	1.06	0.70	0.38
Apparel Manufacturing	1.06	0.36	0.38
Petroleum & Coal Products Manufacturing	1.05	0.30	0.26
Fabricated Metal Product Manufacturing	1.05	0.27	0.27
Machinery Manufacturing	1.05	0.36	0.33
Computer and Electronic Product Mfg	1.05	0.23	0.19
Textile Mills	1.03	0.16	0.18
Funds, Trusts & Other Financial Vehicles	1.03	0.24	0.21
Plastics & Rubber Products Manufacturing	1.01	0.09	0.08
Transportation Equipment Manufacturing	1.01	0.05	0.04
Leather and Allied Product Manufacturing	1.00	0.00	0.00
Paper Manufacturing	1.00	0.00	0.00
Primary Metal Manufacturing	1.00	0.00	0.00
Electrical Equipment and Appliances	1.00	0.00	0.00
Air Transportation	1.00	0.00	0.00



LAKE COUNTY ECONOMIC DEVELOPMENT STRATEGY

WORKFORCE DEVELOPMENT

Overview

Lake County's labor market has many links to its neighboring counties. Such links create challenges and opportunities for any economic development strategy. For Lake County, major employers are government, health care, retail, and personal services businesses. Some of these businesses support tourism also, where there is a mix local support and visitor support happening in season. Agriculture is another large employer, where there is also a focus on "export" products; manufacturing is part of this in the labor market information due mainly to the wine industry. Construction employment is like an export industry based on regional demand for construction work.

Recommendations

- Speak with industries in targeted areas primarily, and stay close to local employers
- Agricultural Supply Chain
 - Manufacturing jobs here if anywhere
 - Manufacturing and processing depends on choice of ag expansion
 - Logistics the next big issue: NE Lake County
- Tourism Supply Chain
 - Customer service focus to management: Lake County as a living lab
 - Event coordination: event planning and community development
 - May include some ride-sharing self-proprietors
- Science and Professional Business Supply Chain
 - Coding in Python and R, AutoCad and design, Adobe Creative Cloud suite
 - Lab workers: exportable jobs here also
 - Expansion of science curriculum at community college campuses

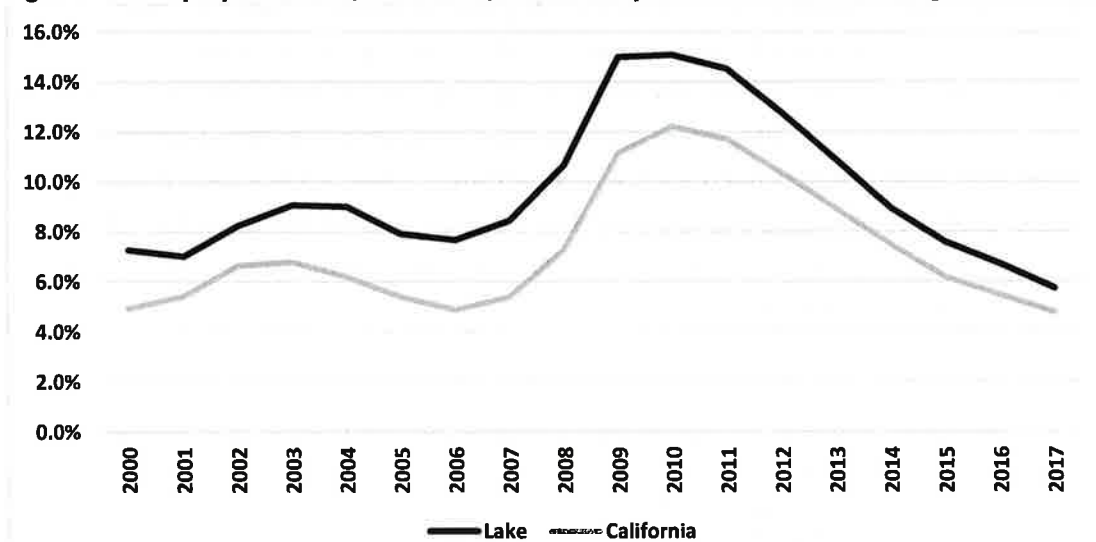
Workforce Development and Labor Markets

Lake County has challenges as a rural county close to a growing suburban area in California. Training programs for local workers need to be adaptive to changing economics and demographics and stay connected to **both** local and regional employers. We see in the data that wages are relatively low versus the region. The county's labor force is also less-educated and older than the regional or state average.

Using data from EMSI (see <http://www.economicmodeling.com> for more), the figures below compare and contrast Lake County's labor market information with other counties and California overall. Wage data provides a way to look at both employer groupings and occupations and what pay is provided. These data show the evolution of real wages, or after-inflation wages levels. Real wages are a reflection of purchasing power and shows what employers and occupations make above the median level for Lake County.

Figure 1 shows that Lake County, at least since 2000, has followed the state trend at losing jobs and also regaining jobs per the unemployment rate. The gap has narrowed since 2015, narrowing may be due to many factors.

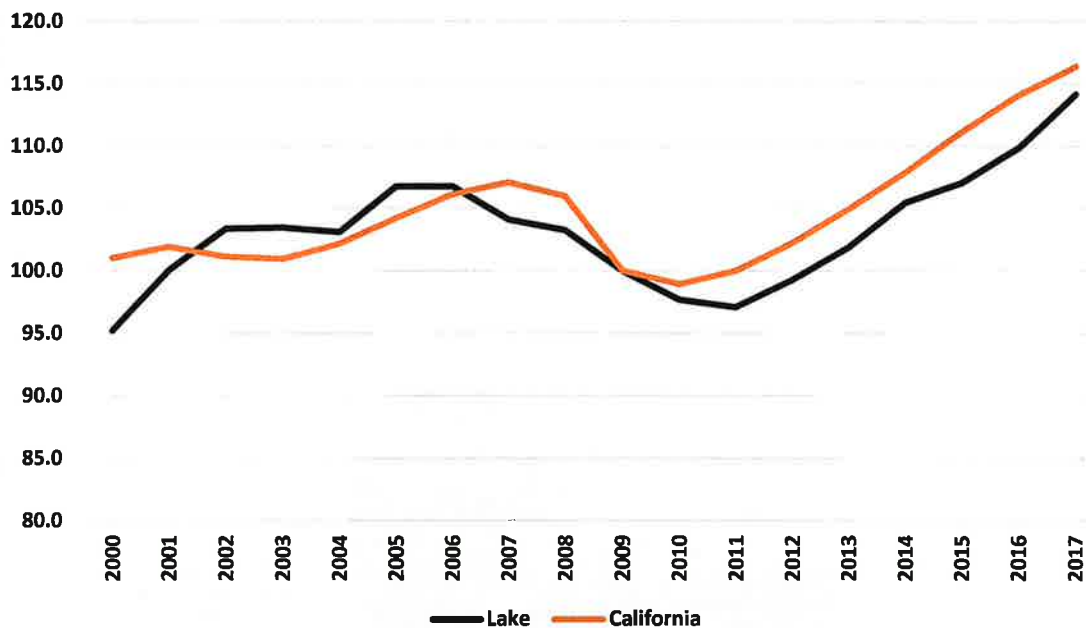
Figure 1: Unemployment Rate, 2000-2017, Lake County and California, Percentage of Labor Force



Source: California EDD (<http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1005>) and Author's Calculations

Figure 2 shows Lake County increasing the number of workers annually, speeding up after 2015. Figure 2 is non-farm employment, and a measure of how local employers are employing people, not how residents are finding or not finding work (which is reflected partially in the unemployment rate). Figure 2's data do not reflect self-employment.

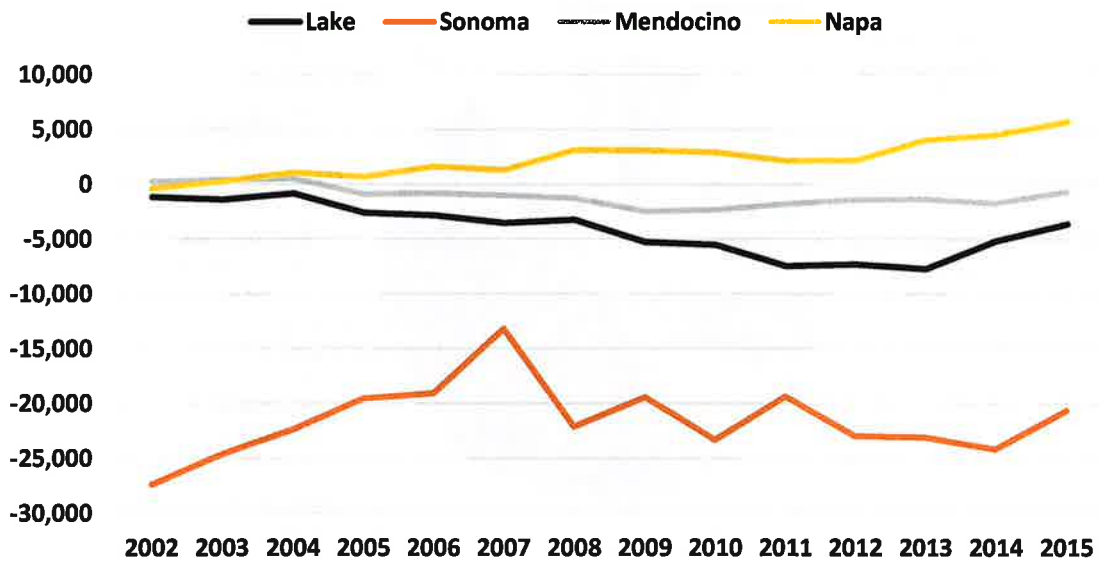
Figure 2: Non-Farm Employees, Lake and California, 2000-2017



Source: California EDD (<http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1005>) and Author's Calculations

Figure 3 is the movement of workers, in net, inside the indicated area and outside. Lake County saw more outflow of residents to work from 2004 to 2013, and that trend reversed a bit in 2014. Notice Sonoma County has a net outflow of workers, as there are more working residents in Sonoma County than work available given regional competition in labor markets.

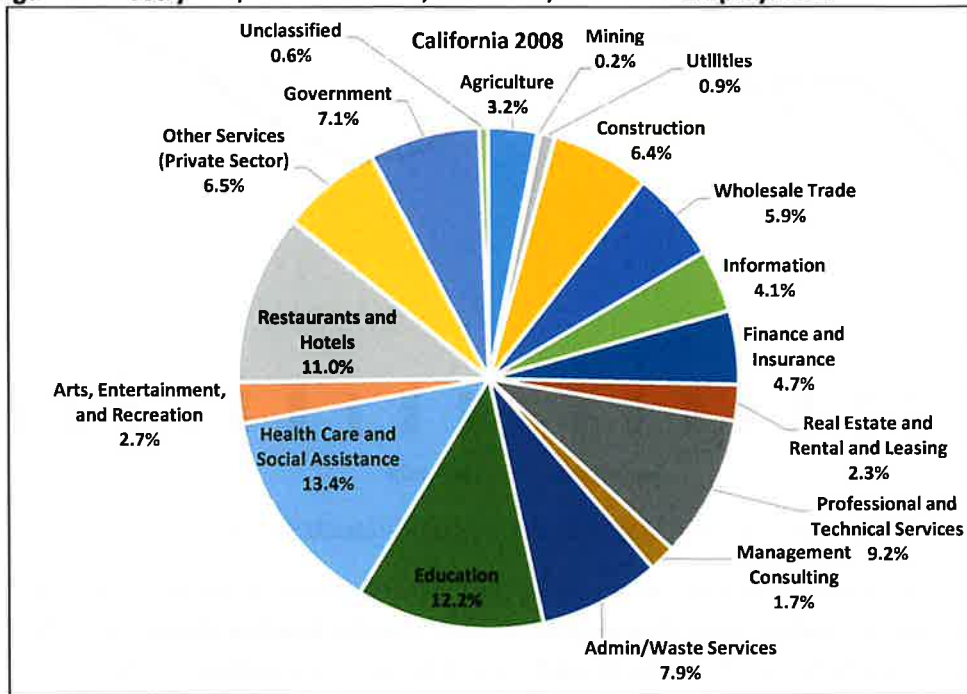
Figure 3: Net Inflow (+) or Outflow (-) workers as percentage of total employment, Lake County and Selected Counties, Number of Workers, 2002-15



Source: Census Bureau (<https://onthemap.ces.census.gov/>) and Author's Calculations

Figure 4 shows the evolution of California's economy in terms of jobs mix. The first panel is 2008 (just before the Great Recession and then 2017 (the latest annual data). Figure 5 shows the same for Lake County.

Figure 4 Industry Mix, 2008 and 2017, California, % of Total Employment



Source: EMSI (www.economicmodeling.com) and Author's Calculations

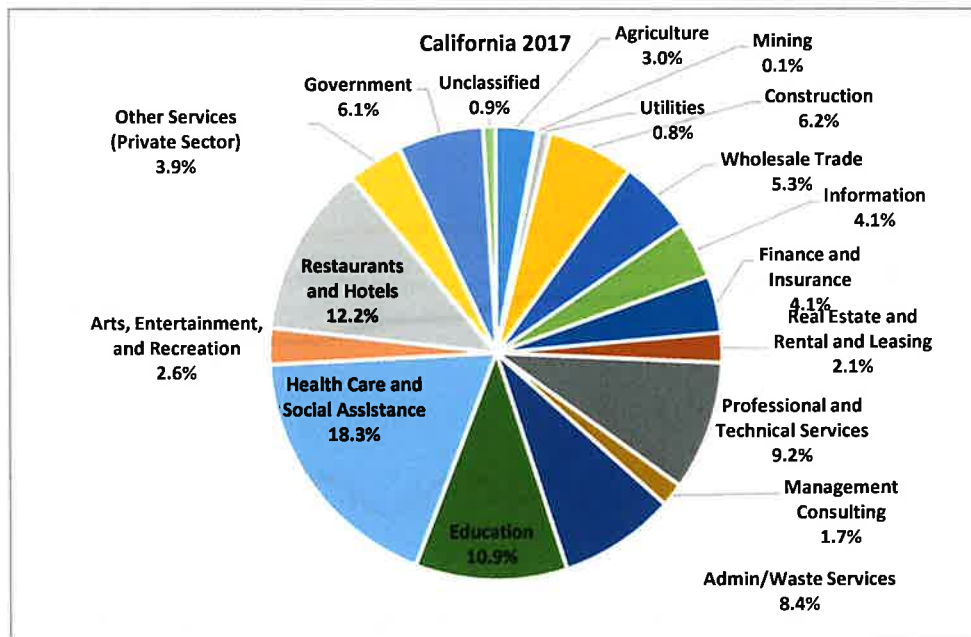
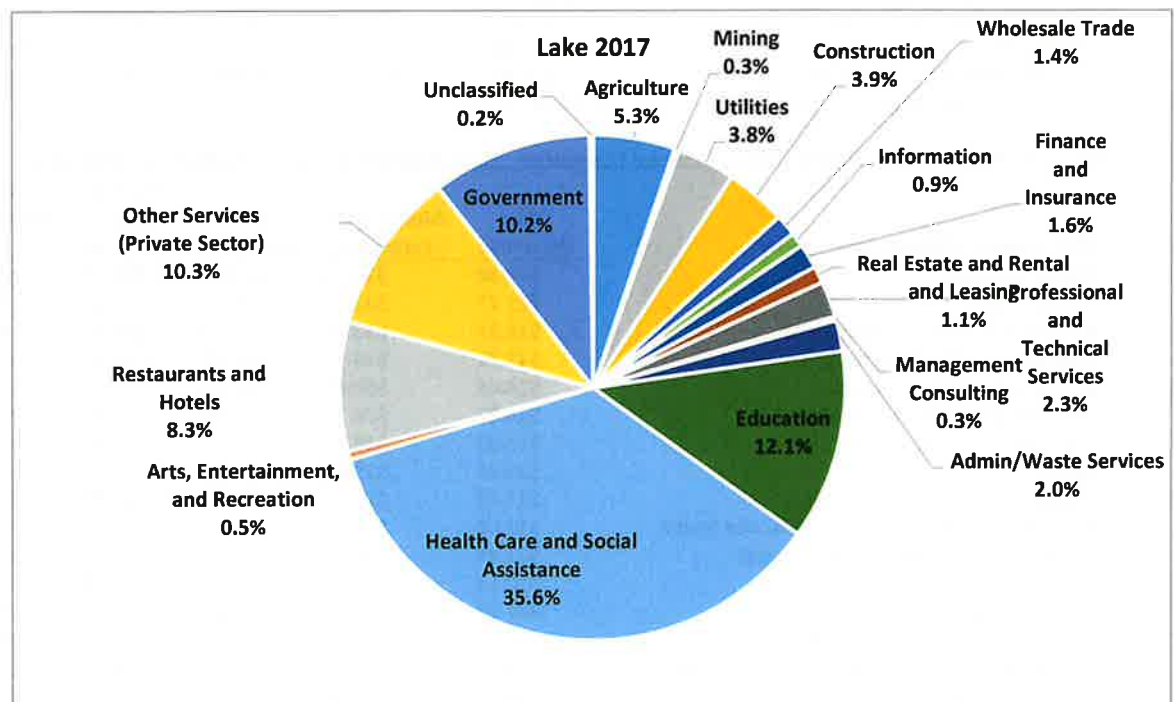
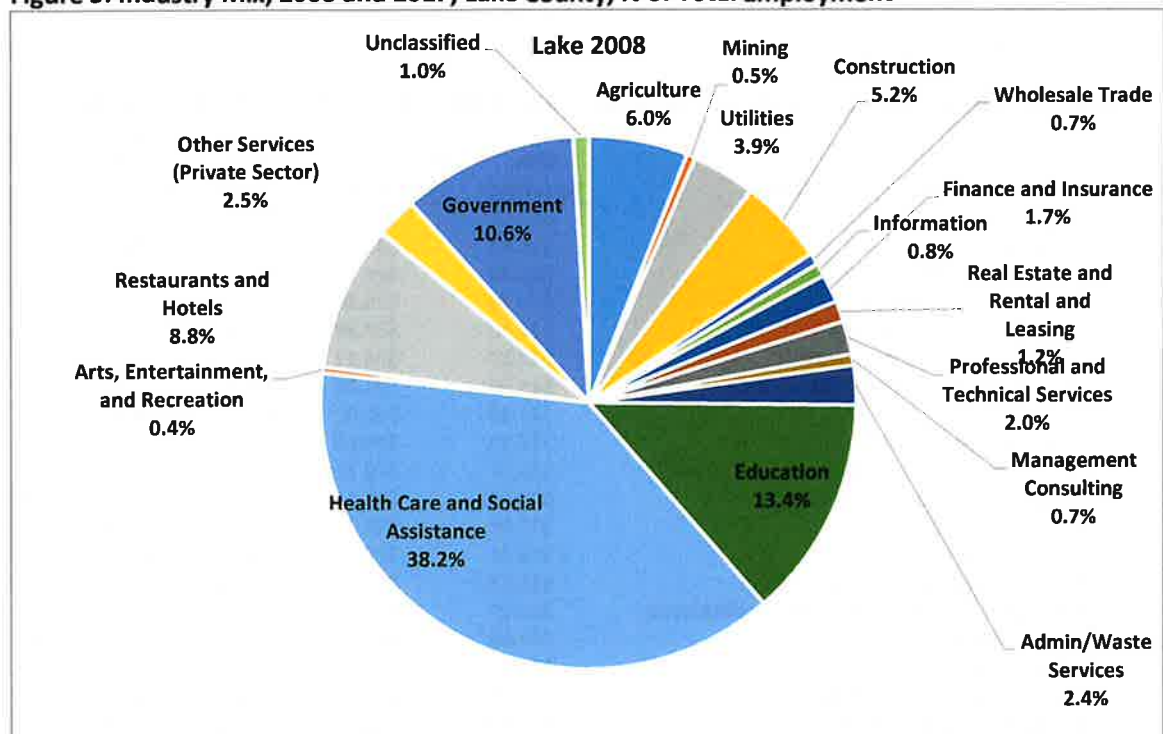


Figure 5: Industry Mix, 2008 and 2017, Lake County, % of Total Employment



Source: EMSI (www.economicmodeling.com) and Author's Calculations

Figure 6 and 7 compare wages in 2010 and 2018 Quarter 1. Due to minimum wage laws and California's economy growing more quickly than Lake County's after the recession, Lake County wages lag the state in many occupations. This is an opportunity to showcase a currently, less-

expensive workforce as economic development, and median wages should be monitored as employment grows.

Figure 6: Wages in Lake County, Occupational Categories, 2018 Quarter 1, Current Dollars, % of Median

2018 Quarter 1 Wages, Lake County	25th Percentile	Median 50th Percentile	75th Percentile	Median Wages California	Lake County % of CA
Overall Average	\$12.17	\$17.33	\$27.03	\$28.12	61.6%
Management	\$26.43	\$36.50	\$52.45	\$64.88	56.3%
Business and Financial Operations	\$20.76	\$26.78	\$34.36	\$40.97	65.4%
Computer and Mathematical	\$22.73	\$29.80	\$38.75	\$51.44	57.9%
Architecture and Engineering	\$27.40	\$37.88	\$51.15	\$48.61	77.9%
Life, Physical, and Social Science	\$17.87	\$28.12	\$40.13	\$40.28	69.8%
Community and Social Services	\$15.59	\$21.24	\$28.11	\$26.85	79.1%
Legal	\$27.88	\$35.02	\$45.45	\$63.05	55.5%
Education, Training, and Library	\$16.59	\$26.86	\$38.20	\$31.06	86.5%
Arts, Design, Entertainment, Sports, and Media	\$14.52	\$19.34	\$27.00	\$35.42	54.6%
Healthcare Practitioners and Technical	\$24.99	\$37.11	\$54.60	\$46.93	79.1%
Healthcare Support	\$12.95	\$15.77	\$19.39	\$18.34	86.0%
Protective Service	\$18.31	\$29.39	\$42.16	\$29.11	101.0%
Food Preparation and Serving-Related	\$11.13	\$12.00	\$14.06	\$13.98	85.8%
Building and Grounds Cleaning and Maintenance	\$11.24	\$12.57	\$16.59	\$16.31	77.1%
Personal Care and Service	\$11.08	\$11.81	\$13.14	\$14.25	82.9%
Sales and Related	\$11.22	\$12.70	\$17.80	\$21.60	58.8%
Office and Administrative Support	\$13.15	\$17.17	\$21.68	\$20.58	83.4%
Farming, Fishing, and Forestry	\$11.39	\$13.51	\$18.42	\$12.84	105.2%
Construction and Extraction	\$18.11	\$23.87	\$29.55	\$28.39	84.1%
Installation, Maintenance, and Repair	\$15.18	\$19.50	\$26.62	\$25.72	75.8%
Production	\$12.68	\$16.39	\$21.63	\$18.92	86.6%
Transportation and Material Moving	\$12.42	\$16.77	\$22.18	\$18.86	88.9%

Source: EMSI (www.economicmodeling.com) and Author's Calculations

Figure 7: Wages in Lake County, Occupational Categories, 2010 Quarter 1, Current Dollars, % of Median

2010 Quarter 1 Wages, Lake County	25th Percentile	Median 50th Percentile	75th Percentile	Median Wages California	Lake County % of CA
Overall Average	\$10.38	\$15.19	\$23.32	\$18.12	83.8%
Management	\$21.77	\$32.65	\$45.71	\$50.17	65.1%
Business and Financial Operations	\$18.35	\$23.33	\$30.14	\$31.47	74.1%
Computer and Mathematical	\$17.71	\$24.52	\$32.89	\$40.45	60.6%
Architecture and Engineering	\$24.44	\$32.49	\$44.85	\$39.74	81.8%
Life, Physical, and Social Science	\$16.97	\$24.17	\$32.88	\$32.64	74.1%
Community and Social Services	\$13.92	\$18.43	\$25.03	\$22.55	81.7%
Legal	\$19.30	\$29.28	\$36.09	\$46.61	62.8%
Education, Training, and Library	\$13.48	\$21.93	\$30.25	\$25.19	87.1%
Arts, Design, Entertainment, Sports, and Media	\$12.04	\$16.19	\$23.33	\$24.72	65.5%
Healthcare Practitioners and Technical	\$22.44	\$31.62	\$44.71	\$35.61	88.8%
Healthcare Support	\$10.14	\$12.74	\$15.52	\$13.39	95.1%
Protective Service	\$14.98	\$23.79	\$35.66	\$22.26	106.9%
Food Preparation and Serving-Related	\$8.71	\$9.29	\$10.37	\$9.43	98.5%
Building and Grounds Cleaning and Maintenance	\$9.79	\$12.61	\$15.72	\$11.72	107.6%
Personal Care and Service	\$9.11	\$10.40	\$12.92	\$10.95	95.0%
Sales and Related	\$9.11	\$11.09	\$15.52	\$12.84	86.4%
Office and Administrative Support	\$11.29	\$14.64	\$18.80	\$16.47	88.9%
Farming, Fishing, and Forestry	\$9.19	\$11.44	\$16.05	\$9.08	126.0%
Construction and Extraction	\$15.76	\$20.63	\$26.20	\$23.17	89.0%
Installation, Maintenance, and Repair	\$13.33	\$17.86	\$24.01	\$21.64	82.5%
Production	\$10.68	\$14.47	\$20.07	\$13.64	106.1%
Transportation and Material Moving	\$10.88	\$14.74	\$18.77	\$13.75	107.2%

Source: EMSI (www.economicmodeling.com) and Author's Calculations

For Lake County, labor force forecasts like Figure 8's data suggest that the total jobs to come by 2022 in Lake County is 1,579 additional jobs. Most of those jobs will be in personal services, healthcare, office and administrative support, and community and social services under the current assumptions. While these are one of many possible fates for Lake County employment by occupation, economic development efforts can help shape these outcomes.

Figure 8: Jobs by Occupation in Lake County, Occupational Categories, 2010, 2017, 2022, Full-Time Equivalent workers

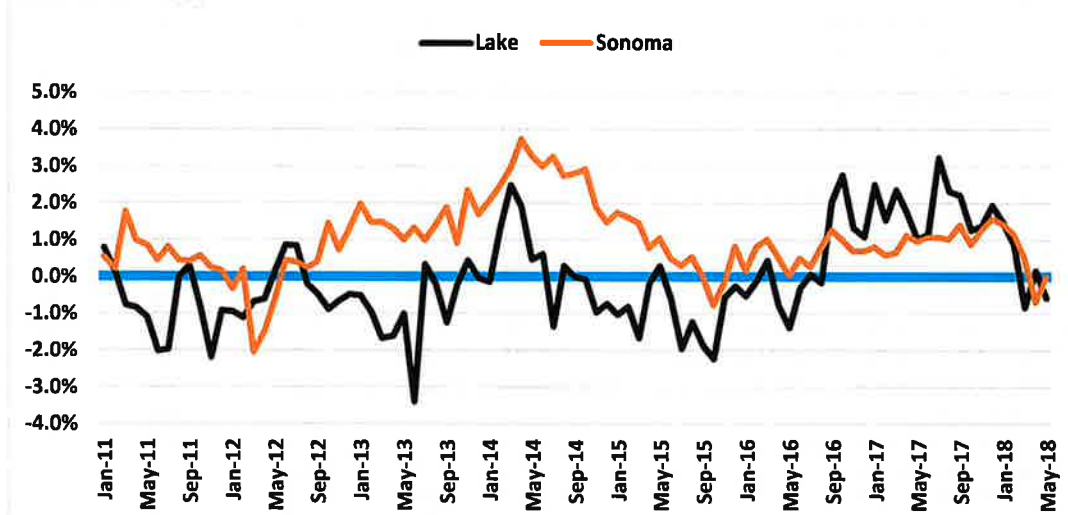
Occupations	2010	2017	2022	Change 2010-17	Change 2017-22
Total Jobs	15,948	17,897	19,476	1,949	1,579
Management	878	1,059	1,130	181	71
Business and Financial Operations	396	441	462	45	21
Computer and Mathematical	111	110	120	-1	10
Architecture and Engineering	40	51	56	11	5
Life, Physical, and Social Science	113	119	125	6	6
Community and Social Services	303	717	828	414	111
Legal	82	75	71	-7	-4
Education, Training, and Library	1,345	1,450	1,534	105	84
Arts, Design, Entertainment, Sports, and Media	155	156	177	1	21
Healthcare Practitioners and Technical	685	1,065	1,230	380	165
Healthcare Support	333	524	636	191	112
Protective Service	464	520	562	56	42
Food Preparation and Serving-Related	1,281	1,441	1,533	160	92
Building and Grounds Cleaning and Maintenance	1,143	901	914	-242	13
Personal Care and Service	1,414	1,018	1,263	-396	245
Sales and Related	1,676	1,824	1,940	148	116
Office and Administrative Support	2,074	2,564	2,717	490	153
Farming, Fishing, and Forestry	796	795	869	-1	74
Construction and Extraction	842	929	975	87	46
Installation, Maintenance, and Repair	703	821	883	118	62
Production	425	507	559	181	71
Transportation and Material Moving	690	810	891	45	21

Source: EMSI (www.economicmodeling.com) and Author's Calculations

Effects of the fires on Jobs

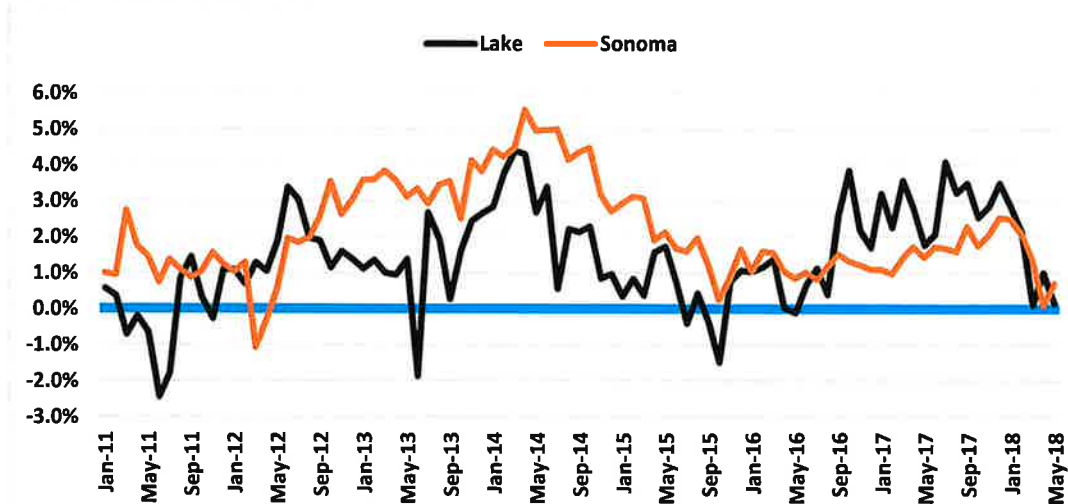
After four years of fires, Lake County jobs growth has continued. However, there were some changes along the way. Figure 9 through 11 shows the evolution of three data series compared to Sonoma County as a way to see how the fires may have affected Lake County different than Sonoma County through the 2017 data. It is labor force retention that has become a question; such changes could be aging population and lower population where potential workers are leaving.

Figure 9: Labor Force, Annual Percentage Change, Monthly Data, 2001 to 2018, Lake and Sonoma counties



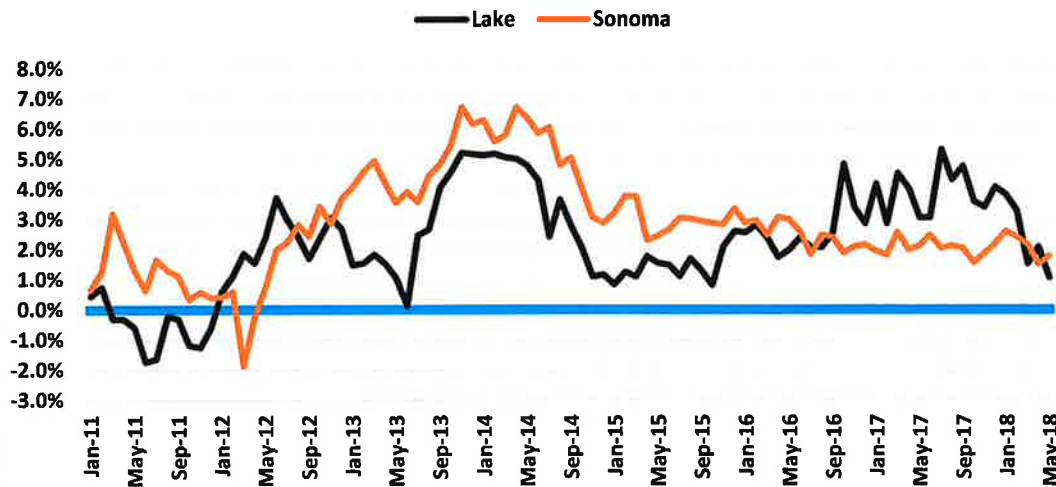
Source: California EDD (<http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1005>) and Author's Calculations

Figure 10: Residential Employment, Annual Percentage Change, Monthly Data, 2001 to 2018, Lake and Sonoma counties



Source: California EDD (<http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1005>) and Author's Calculations

Figure 11: Non-Farm Employment, Annual Percentage Change, Monthly Data, 2001 to 2018, Lake and Sonoma counties



Source: California EDD (<http://www.labormarketinfo.edd.ca.gov/Content.asp?pageid=1005>) and Author's Calculations

The fires have started to show a short-term effect in labor force and employment of residents, while overall non-farm employment is still growing, albeit less quickly than in 2016 and early 2017. One concern is that these data may also be indicative of a shrinking labor force due to the local economy being close to full employment.

Opportunities

Lake County has opportunities in labor markets tied to targeted industries for training and broader educational programs. An emphasis should be placed on globally-marketable skills and certificates, and specific majors for transfer to potential partnerships. Science, both laboratory and computer-based, must become more emphasized. Such education can be linked to economic development attracting and retaining university-based science coming to Lake County to study specific phenomena that differentiates Lake County from its regional partners and is a story to tell.

- Speak with industries in targeted areas primarily, and stay close to local employers
- Agricultural Supply Chain
 - Manufacturing jobs here if anywhere
 - Manufacturing and processing depends on choice of ag expansion
 - Logistics the next big issue: NE Lake County
- Tourism Supply Chain
 - Customer service focus to management: Lake County as a living lab
 - Event coordination: event planning and community development
 - May include some ride-sharing self-proprietors
- Science and Professional Business Supply Chain
 - Coding in Python and R, AutoCad and design, Adobe Creative Cloud suite
 - Lab workers: exportable jobs here also
 - Expansion of science curriculum at community college campuses



LAKE COUNTY ECONOMIC DEVELOPMENT STRATEGY

METRICS TO WATCH

Overview

Many reports provide a deluge of data and information that may or may not inform strategy and how that strategy is evolving. The task force for this project suggest the following list that may become a dashboard to follow, or a way to understand progress as time moves on. These should be compared to other places, including the peer and aspirant choices as possible, and also obvious places like California on average and surrounding counties.

Monitoring Lake County's economy and comparisons to other places (peer and aspirant) give policy makers and economic development professionals ways to discuss both progress and challenges quantitatively. Some data do not exist easily and may come through deeper partnerships (commercial real estate data, e.g.); the recommended list connects to targeted industry growth. A "So What?" statement is made to provide why the metrics are important.

Recommendations

- TOT growth: are tourism strategies becoming overnight stays?
- Sales tax growth: is retail spending rising, specifically in visitor-based categories?
- Education level of the workforce: are growing industries generating more educated workers?
- Growth of workforce in targeted sectors:
- Proportion of jobs with export focus: are these jobs growing?
- Commercial RE vacancy: is space filling and should all spaces continue to be counted?
- Comparative Quality of Life metric: air quality, traffic, home prices, crime, government payments, broadband, etc.
 - This metric can tell stories when rising, might be a struggle when falling.

Data about Lake County: Metrics and Key Indicators

Economic development plans, such as CEDS reports, tend to be data heavy because there is a lot of data available. In 2017, the Workforce Alliance of the North Bay (WANB) asked Economic Forensics and Analytics (EFA) to generate economic and social indicators to monitor for workforce development purposes. The indicators gathered included the following:

- Employment Demand Forecast;
- Occupations Forecasts;
- Commuting Patterns and Transportation;
- Demographics;
- Incomes;
- Housing;
- Establishments;
- Current Employment and Wages;
- Agriculture;
- Federal/State/Nonprofit Spending; and
- Business Vitality.

The following are highlights from that WANB report:

Lake County's residents are 19.6 percent Hispanic versus 37.6 percent for California overall;

- Lake County employment is forecasted to grow by 3,131 people before 2024;
- Jobs growth was just over 600 workers from May 2016 to May 2017, approximately 4 percent growth;
- Including self-employed, there are 3,610 more workers forecasted across all occupations in Lake County by 2024;
- Lake County is forecasted to have 77,000 people by 2060 as residents;
- There are 1,300 more students forecasted in K-12 by 2025 for Lake County;
- Per capita personal income has grown since 2012 in Lake County to \$38,000 as of 2015, which is \$16,000 less than California on average;
- Poverty rates have fallen in Lake County while the state has seen a slight increase;
- Housing price growth in Lake County was rising before 2015, and have fallen since;
- Agricultural revenues have continued to increase since the Great Recession through 2015, though 2016 is likely to be lower due to the 2015 fires; and
- Non-profit spending is higher per person in Lake County as compared to Napa and Marin counties.

Lake County Economy and Demography: Data

This section provides some data highlights from an array of variables. In 2017, Workforce Alliance of the North Bay (WANB) funded a three-county economic indicators series, including Lake County. This study is available at the [WANB website](#). Given this project is focused on economic development concerns and planning, the data shown here are about five major sector or variables in the local economy:

- Residential income;
- Workforce Data and Labor Market Activity;
- Housing;
- Government Data; and
- Demography.

So What?

These five major areas connect back to the targeted industries and the strategy path recommended by this project.

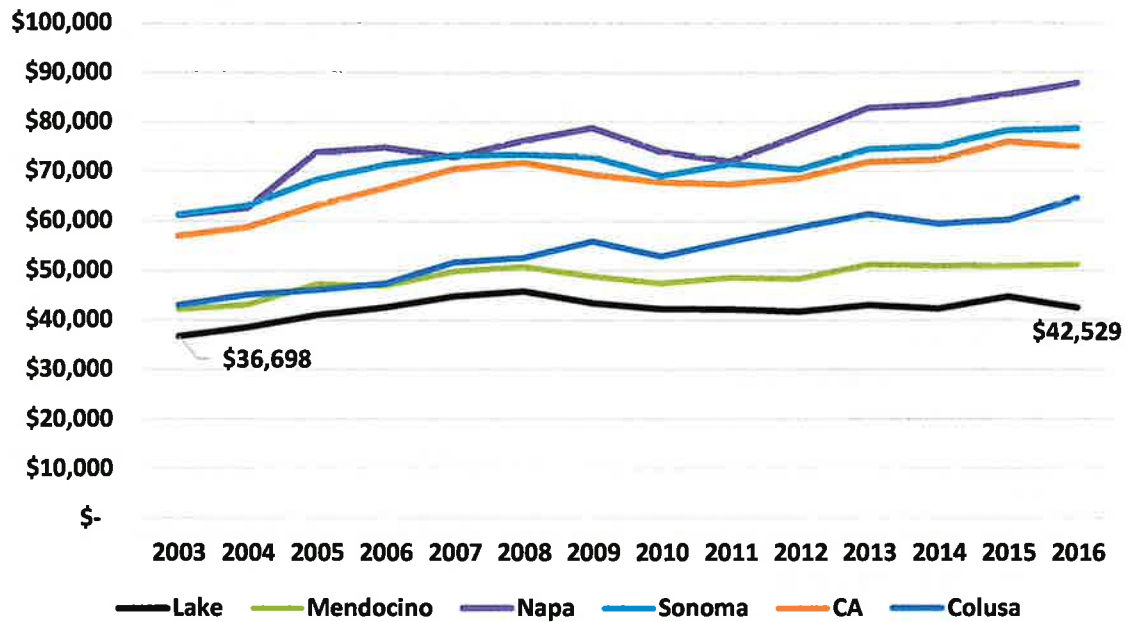
Residential Income

Data on Lake County incomes are provided in Figures 1 – 5. Median household income (MHI) is a measure of the middle of the household income distribution; the income distribution for households in Lake County are shown in Figure 2. Personal income, or what individuals retain of gross product at to spend, save and pay taxes. Measuring this level of income per person provides a way to consider the spending capacity of each person that is a local resident; there is also a measure of the proportion of personal income is from a government source.

Farm incomes are also shown, as Lake County considers itself a place with agriculture and some agriculture possibilities. These are also shown per person to compare across other counties and the state economy overall. Finally, we include poverty rates to consider progress in lifting up the lower income residents and how these households are performing against the federal poverty line definition.

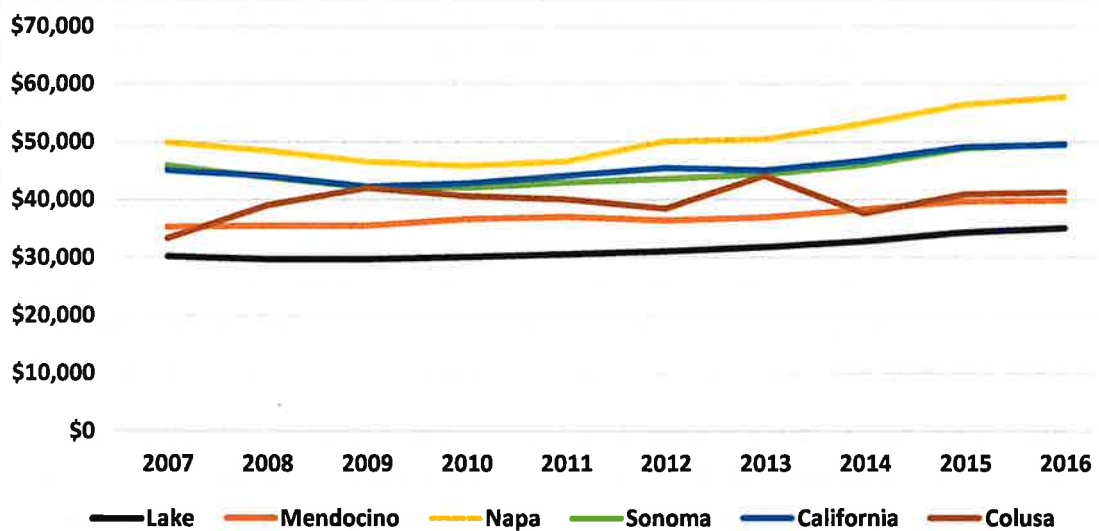
Figure 6 shows poverty rates according to the Census Bureau's American Community Survey. These data can be considered at the census block level also and are estimates. Poverty rates can be deceiving in that they are based on income and not wealth; someone who has aged in place may now live on a small pension or Social Security payments, but have a home fully paid off and have relatively large net worth. However, for policy making, rising poverty rates can be troublesome but can also allow for more federal grant money to come in for training, infrastructure and other needs to provide more local and regional resources for lifting people out of poverty with job opportunities.

Figure 1: Median Household Income 2003 to 2016, Lake, Mendocino, Sonoma, Colusa, Napa Counties and California overall, 2009 Dollars



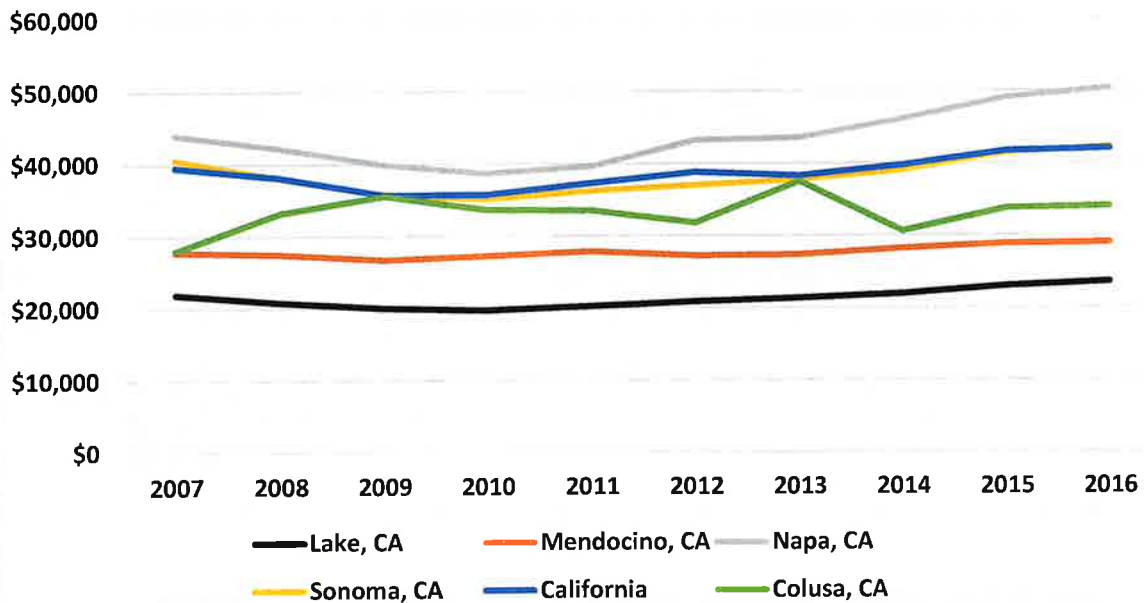
Source: American Community Survey (<http://factfinder.census.gov>), California Department of Finance (<http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/>) and Author's Calculations.

Figure 2: Personal Income per Person, Lake County and Selected counties in California, 2009 Dollars, 2007-16



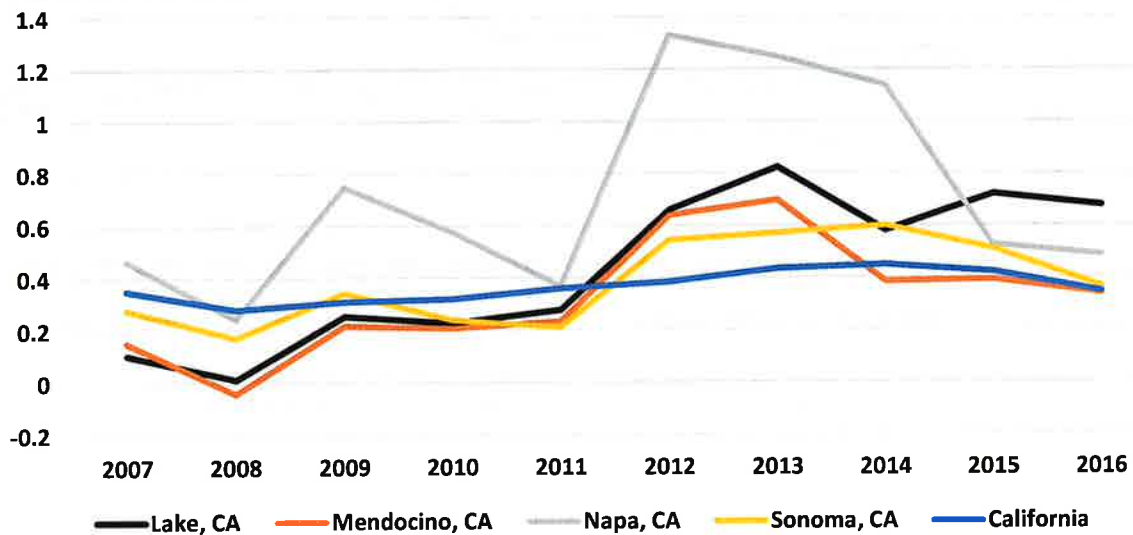
Source: Bureau of Economic Analysis (<https://www.bea.gov/regional/index.htm>), California Department of Finance (<http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/>) and Author's Calculations.

Figure 3: Personal Income after Transfer Payments, Lake County and Selected Counties, 2009 Dollars, 2007-16



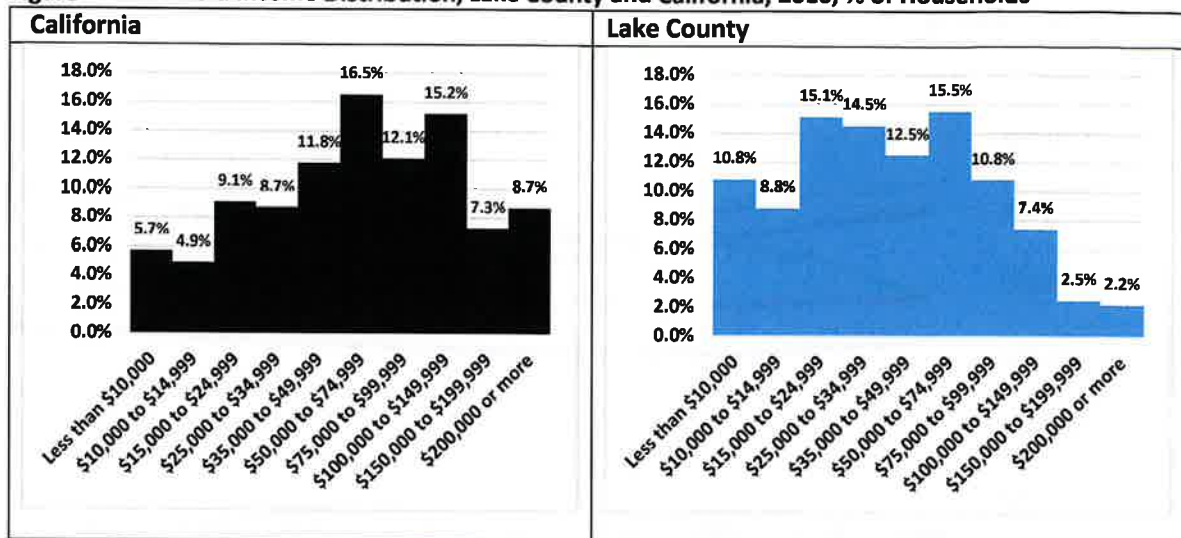
Source: Bureau of Economic Analysis (<https://www.bea.gov/regional/index.htm>), California Department of Finance (<http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/>) and Author's Calculations.

Figure 4: Farm Incomes per Capita, Lake county and Selected Counties, 2009 Dollars, 2007-16



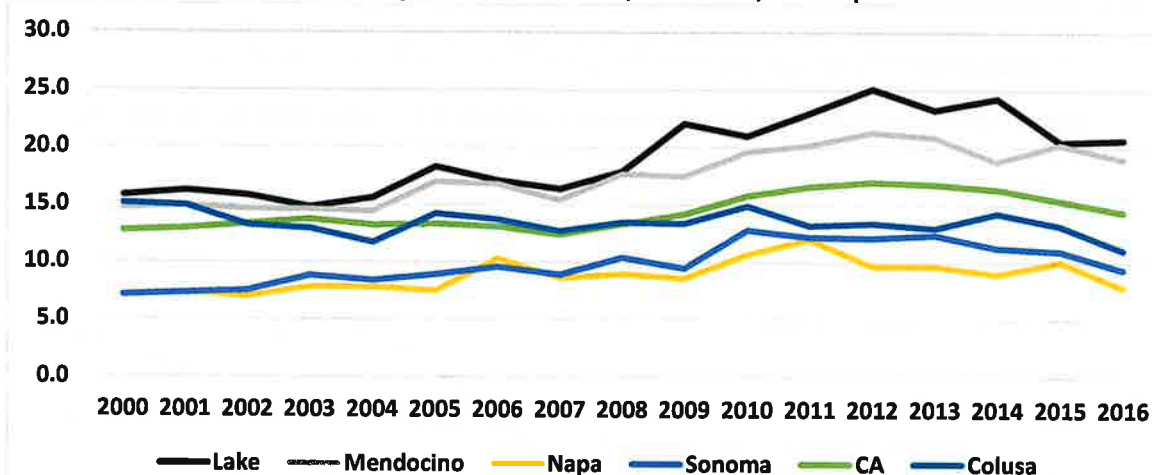
Source: Bureau of Economic Analysis (<https://www.bea.gov/regional/index.htm>), California Department of Finance (<http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/>) and Author's Calculations.

Figure 5: Household Income Distribution, Lake County and California, 2016, % of Households



Source: American Community Survey (<http://factfinder.census.gov>) and Author's Calculations.

Figure 6: Poverty Rates, Lake County and Selected Areas, 2000-2016, % of Population



Source: American Community Survey (<http://factfinder.census.gov>), California Department of Finance (<http://www.dof.ca.gov/Forecasting/Economics/Indicators/Inflation/>) and Author's Calculations.

So What?

These income measures suggest Lake County has some catching up to do and regionally there is an opportunity to attract employers as a low-cost alternative. That alternative must ultimately be marketed as high-quality workers and place to have a business also.

Housing

These data on housing show pricing, supply, mix and building permits. There is also a look at the loss from the 2015 to 2017 fires as a way of showing the ground to be made up by new building because the number of units in Lake County remain below their 2015 level. Figure 7 and 8 show that vacancy rates are relatively high (Sonoma and Napa counties are below 5 percent in most categories) and that mobile homes are a dominant housing type in both the city of Clearlake and the unincorporated county.

Figure 7: Housing Units Data, 2018 Summary

Lake County	HOUSING UNITS							Vacancy Rate	Persons per Household
	Total	Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes	Occupied		
Clearlake	7,914	4,131	163	410	752	2,458	5,748	27.4%	2.69
Lakeport	2,442	1,487	109	183	240	423	1,998	18.2%	2.50
Balance Of County	24,204	17,784	186	554	615	5,065	16,848	30.4%	2.58
Incorporated	10,356	5,618	272	593	992	2,881	7,746	25.2%	2.64
County Total	34,560	23,402	458	1,147	1,607	7,946	24,594	28.8%	2.60

Sources: California Department of Finance (<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/>) and Author's Calculations.

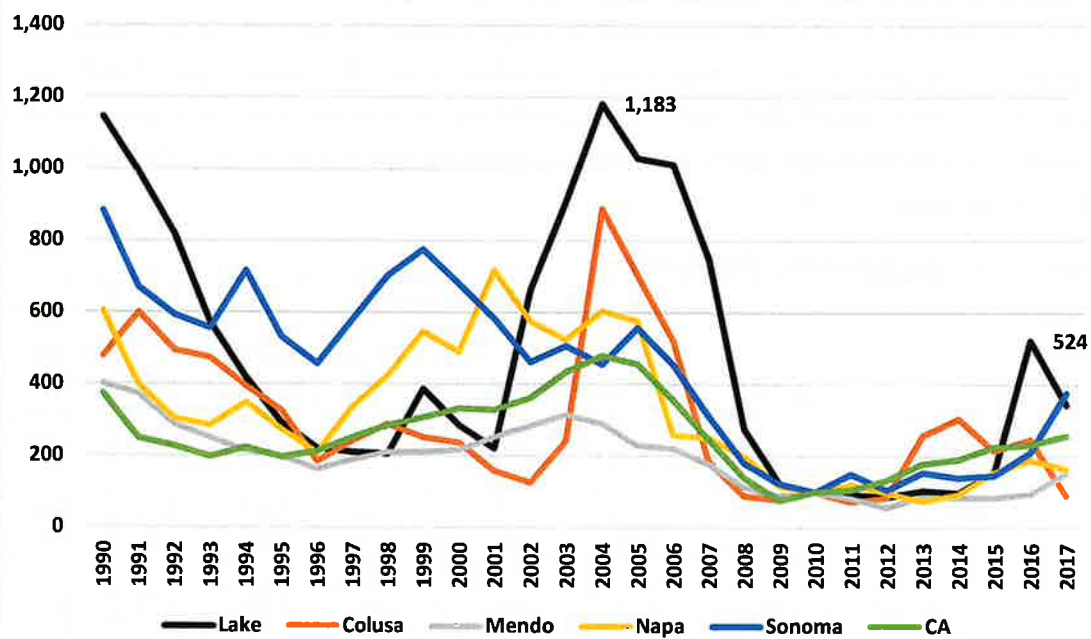
Figure 8: Change in Housing Units Data, 2010 – 2018

Lake County	HOUSING UNITS							Vacancy Rate	Persons per Household
	Total	Single Detached	Single Attached	Two to Four	Five Plus	Mobile Homes	Occupied		
Clearlake	-121	-59	1	0	0	-63	-222	1.70%	0.21
Lakeport	47	-1	1	0	48	-1	-4	1.80%	0.19
Balance Of County	-858	-710	-174	-20	0	46	-1,728	4.50%	0.20
Incorporated	-74	-60	2	0	48	-64	-226	1.60%	0.21
County Total	-932	-770	-172	-20	48	-18	-1,954	3.60%	0.21

Sources: California Department of Finance (<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/>) and Author's Calculations.

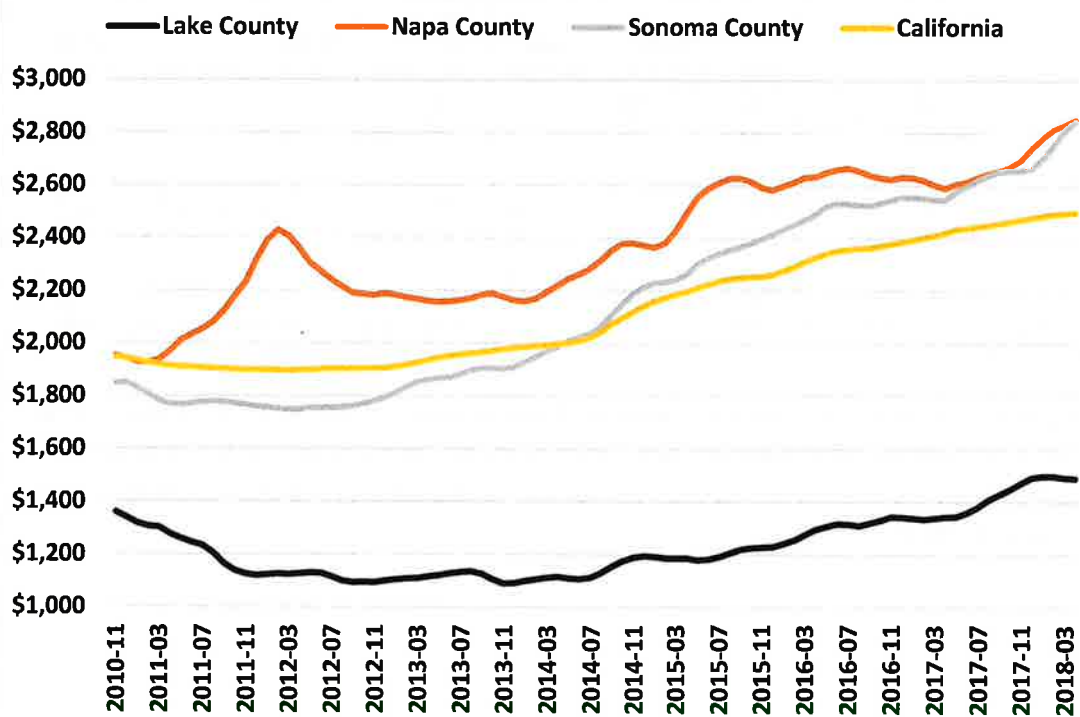
Figures 9 through 11 show the slow progress of new housing units since 2010, and how rental and home purchase prices have reacted. Lake County has relatively low rents and prices to purchase, but the housing mix (as seen above) may not be attractive to new residents with business interests.

Figure 9: Number of New Housing Units Permitted, 1990-2017, Lake County and Selected Areas, Index 2010 = 100



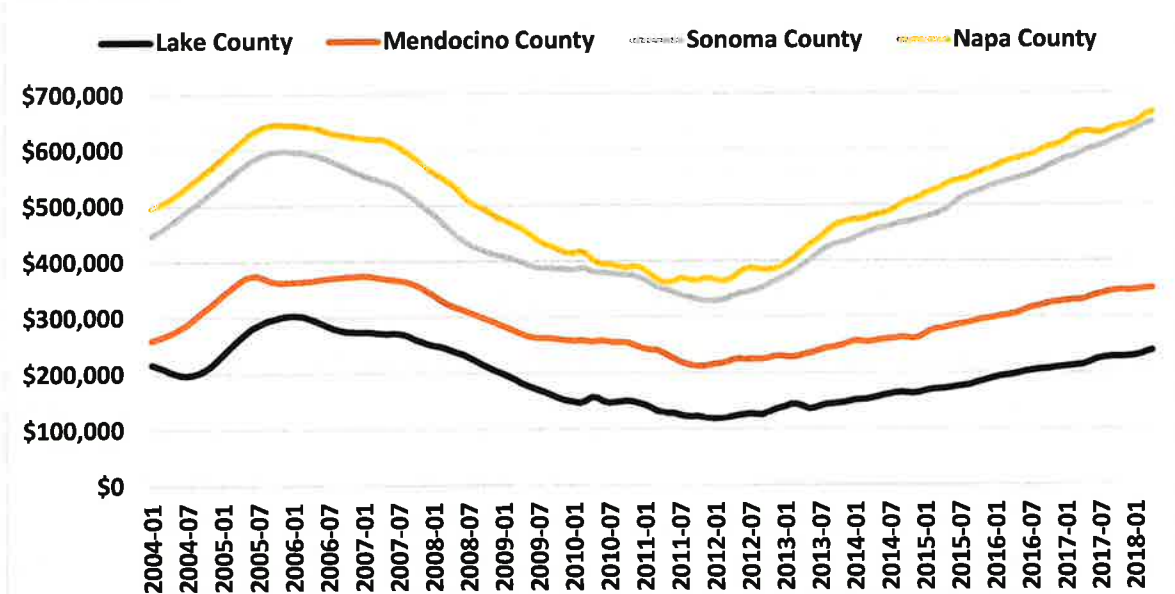
Sources: Economagic (www.economagic.com) and Author's Calculations.

Figure 10: Rental Pricing, 2010-2018, Lake County and Selected Areas, Current Dollars



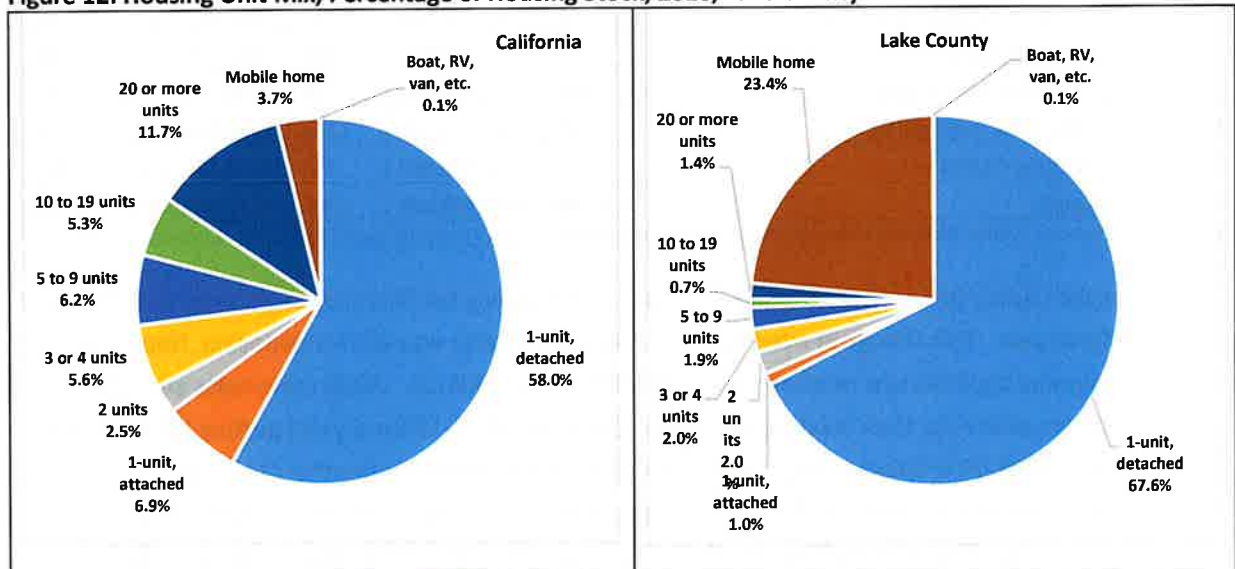
Sources: Zillow Research (<https://www.zillow.com/research/data/>) and Author's Calculations.

Figure 11: Median Home Prices, All Homes, 2004 – 2018, Lake County and Selected Areas, Current Dollars



Sources: Zillow Research (<https://www.zillow.com/research/data/>) and Author's Calculations.

Figure 12: Housing Unit Mix, Percentage of Housing Stock, 2016, Lake County and California



Source: American Community Survey (<http://factfinder.census.gov>) and Author's Calculations.

So What?

Housing in Lake County is a concern due to its mix and losses in four successive years of fires. There are opportunities to use housing vacancy as a short-term attraction for residents and businesses; as that vacancy fades, new housing should be outside mobile homes and toward single-family.

Government Revenue Data

These data suggest that retail sales in Lake County have come primarily from a wide array of small retailers and not any single group of retailers. Food services are a relatively large category of countywide taxable retail sales. While the number of permits have increased, the classic categories tracked by the state Board of Equalization have seen losses since 2010; such losses are indicative of a shift away from larger retailers in Lake County to smaller ones, which is good for local business owners. A challenge is that such businesses are generally smaller employers than larger stores and restaurants. Figure 13 shows taxable sales data.

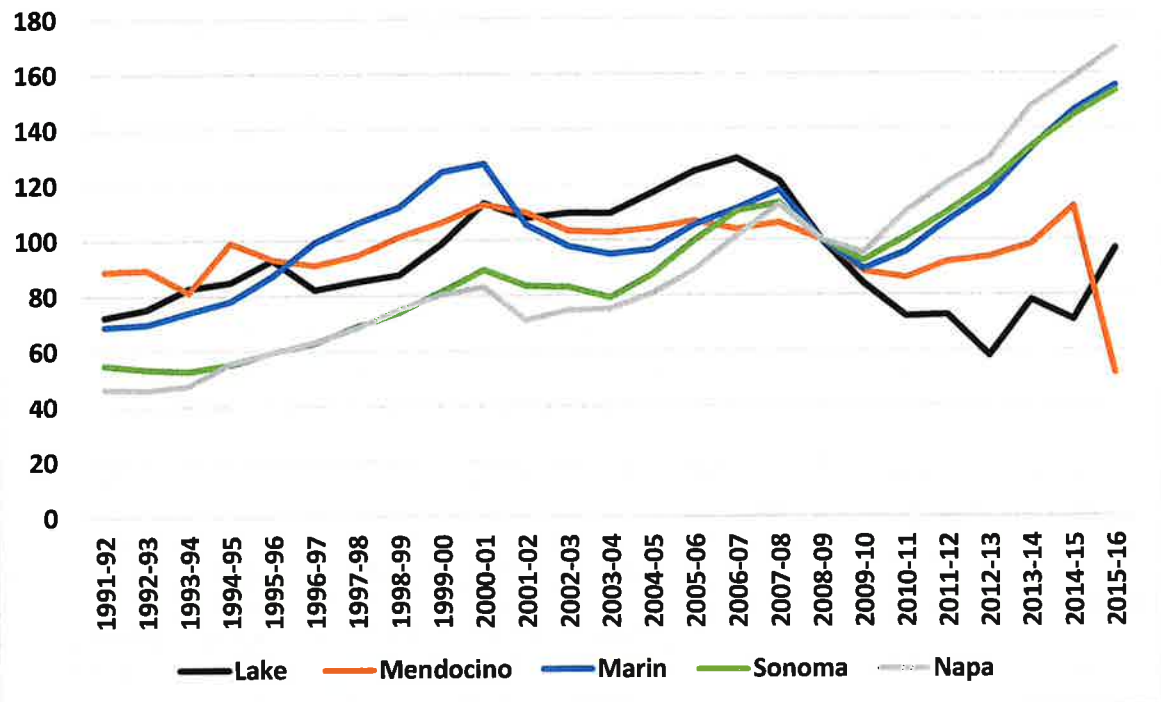
Figure 13: Taxable Sales Data, 2014, 2015 and 2016, Lake County, Current Dollars

Category	2014		2015		2016	
	Permits	Taxable Sales	Permits	Taxable Sales	Permits	Taxable Sales
Motor Vehicle and Parts Dealers	54	\$39,252,000	54	\$42,449,001	55	\$46,761,186
Home Furnishings and Appliance Stores	43	\$11,830,000	59	\$14,869,158	61	\$16,974,874
Bldg. Materials and Garden Equip.	38	\$45,819,000	47	\$49,306,989	52	\$58,141,452
Food and Beverage Stores	55	\$61,376,000	66	\$62,031,979	65	\$64,843,132
Gasoline Stations	23	\$63,227,000	28	\$58,551,104	28	\$73,495,468
Clothing and Clothing Accessories Stores	41	\$4,061,000	103	\$4,590,993	98	\$5,094,190
General Merchandise Stores	14	\$66,624,000	26	\$70,727,092	27	\$72,163,300
Food Services and Drinking Places	152	\$46,707,000	163	\$52,479,537	162	\$54,730,359
Other Retail Group	821	\$43,431,000	616	\$46,213,357	646	\$52,308,105
Total Retail and Food Services	1,241	\$382,325,000	1,162	\$401,219,210	1,194	\$444,512,066
All Other Outlets	538	\$155,680,000	733	\$173,224,713	735	\$148,215,124
Totals	1,779	\$538,006,000	1,895	\$574,443,923	1,929	\$592,727,190

Sources: California Board of Equalization (<https://www.boe.ca.gov/news/tsalescont.htm>) and Author's Calculations.

Lake County has seen an increase in transient occupancy tax (TOT) revenues since the 2012-13 fiscal year. This change in overnight stays for Lake County was after Mendocino, Napa and Sonoma counties saw recovery from the recession in 2008-10. While room sales and TOT revenues are up, their level is just recently (as of the 2015-16 fiscal year) getting back to fiscal year 2008-09 in inflation-adjusted dollars. Such a downturn is indicative of a long-term recession in local tourism that is just now turning around. Also, the fires of 2015-17 may be somewhat distortionary in terms of the true revenues from visitors and not those staying in county hotel spaces combatting fires.

Figure 14: Transient Occupancy Tax (TOT) Revenues, Lake County and Selected Counties, Index Fiscal Year 2008-09 = 100, 2009 Dollars, Fiscal Years 1991-92 to 2015-16



Sources: Dean Runyan Associates (www.deanrunyanassociates.com) and Author's Calculations

So What?

While growth of government revenue from economic flows has increased, property taxes have been affected downward by both the fires reducing housing stock and the shift of stock toward naturally lower-value homes (mobile homes). These trends generate public safety and funding challenges.

Demography Overview from Census Data

There is a large amount of data about Lake County estimated by the Census Bureau in its American Community Survey. It is important to recognize these are estimates and not actual "Census" data in the classic sense done every 10 years. However, some of the data below provide some additional details for this plan's consideration and also the current state of the Lake County population and demographics. Figure 15 through 17 show education levels, current age demographics and recent projections from CalTrans and the California Economy Project (linked to the California Economic Summit) for Lake County through 2050. Because there is a lot of emphasis on internet connectivity in the strategic path and the overall project as infrastructure, Figure 18 shows some comparative data on households and their investment in computers and internet connectivity as of 2016 from the American Community Survey.

Figure 15: Educational Attainment of Population Over 25 years old, Lake County and California, 2010 and 2016, Percent of Population

Category	2010	2010	2016	2016	Change	Change
	California	Lake County	California	Lake County	2010-16	2010-16
Total Population	36,637,290	64,371	38,654,206	64,076	2,016,916	-295
Over 25 years	64.1%	70.6%	66.1%	72.1%	2.00%	1.50%
Less than 9th grade	10.4%	4.9%	9.9%	6.1%	-0.50%	1.20%
9th to 12th grade, no diploma	8.9%	8.8%	8.0%	10.1%	-0.90%	1.30%
High school graduate (includes equivalency)	21.5%	32.9%	20.6%	27.8%	-0.90%	-5.10%
Some college, no degree	21.5%	28.9%	21.7%	27.4%	0.20%	-1.50%
Associate's degree	7.7%	8.1%	7.8%	12.3%	0.10%	4.20%
Bachelor's degree	19.2%	11.7%	20.1%	10.4%	0.90%	-1.30%
Graduate or professional degree	10.8%	4.7%	11.9%	5.7%	1.10%	1.00%

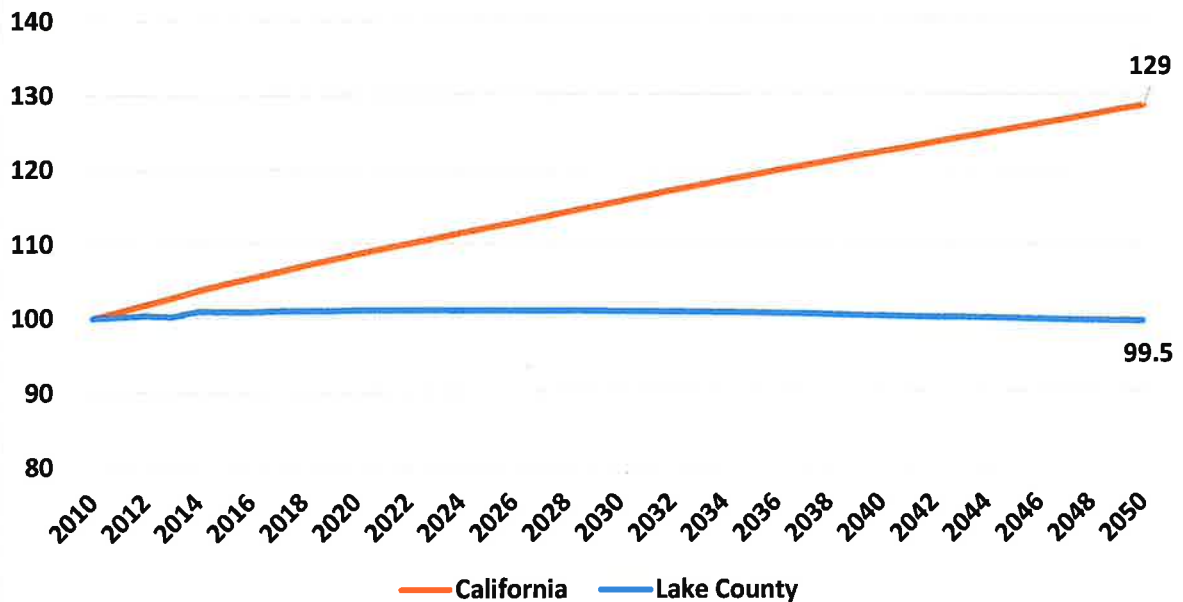
Source: American Community Survey (<http://factfinder.census.gov>) and Author's Calculations.

Figure 16: Population Age Ranges, 2010 and 2016, Number of People and Percent of Population, Lake County and California.

Age Range	2010		2016		Change	Change
	California	Lake	California	Lake	2010-16	2010-16
Under 5 years	6.9%	5.5%	6.5%	5.6%	-45,504	71
5 to 9 years	6.8%	6.1%	6.6%	5.5%	55,429	-422
10 to 14 years	7.1%	5.9%	6.6%	5.6%	-72,133	-227
15 to 19 years	7.7%	6.8%	6.8%	5.9%	-169,874	-623
20 to 24 years	7.4%	5.0%	7.5%	5.3%	192,531	162
25 to 34 years	14.3%	9.8%	14.7%	10.9%	464,258	640
35 to 44 years	14.4%	11.8%	13.3%	10.1%	-129,109	-1,149
45 to 54 years	14.0%	16.2%	13.5%	13.6%	67,744	-1,685
55 to 59 years	5.7%	7.6%	6.3%	8.8%	325,214	726
60 to 64 years	4.6%	8.1%	5.4%	8.3%	411,974	114
65 to 74 years	5.8%	9.7%	7.3%	12.4%	686,859	1,685
75 to 84 years	3.7%	4.9%	3.8%	5.9%	108,876	581
85 years and over	1.5%	2.5%	1.8%	2.2%	120,651	-168

Source: American Community Survey (<http://factfinder.census.gov>) and Author's Calculations.

Figure 17: Population Forecasts, Lake County and California, Index 2010 =100, 2010-2050



Sources: Caltrans/CA Economy Project (http://www.dot.ca.gov/hq/tpp/offices/eab/socio_economic.html) and Author's Calculations

Figure 18: Households with a Computer or Internet Connection or Both, 2013 and 2016, Lake County and California

Category	2013	2013	2016	2016	Change	Change
	California	Lake County	California	Lake County	2013-16	2013-16
Has a computer:	89.8%	81.4%	94.9%	90.4%	8%	11%
With dial-up Internet subscription alone	0.8%	1.2%	0.2%	0.2%	-71%	-86%
With a broadband subscription	80.2%	71.3%	88.1%	81.2%	13%	14%
With a fixed broadband Internet subscription	74.9%	61.9%	77.7%	67.8%	6%	10%
With a cellular data plan	33.8%	16.9%	67.2%	51.3%	104%	204%
Without a cellular data plan	41.1%	44.9%	10.5%	16.5%	-74%	-63%
Cellular data plan alone or with dial-up	5.3%	9.5%	10.4%	13.5%	102%	42%
Without Internet subscription	8.9%	8.9%	6.5%	9.0%	-24%	1%
No Computer	10.2%	18.6%	5.1%	9.6%	-49%	-48%

Source: American Community Survey (<http://factfinder.census.gov>) and Author's Calculations.

So What?

Population demography may be among Lake County's largest challenges. With an aging workforce, a slow to no-growth forecast for population, and lagging internet and computer investment, Lake County must guard against becoming more rural over time.

