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## Chapter 9. Economic Development Element

### 9.1 Purpose

This Element provides an overview of the economy, characterizing the trends, land, and infrastructure needs that will shape the future. A set of goals, policies, and implementation measures are included to promote and sustain economic prosperity.

### 9.2 Relationship to Other Elements

The Economic Development Element was prepared to ensure the General Plan considered the needs of the economy. General Plan policies can have significant effects on economic well-being and the sustainability of economic activity. For example, the Governance Chapter establishes regulatory and permit processing policies, which affect the cost of gaining regulatory approvals. The Land Use Element plays a central role in economic activity and growth by establishing rules for the location and manner of development. Housing Element policies affect the supply of housing and, therefore, housing cost. The policies of the General Plan, and this Element specifically, are intended to achieve a balance between the need to sustain and promote Humboldt County's economy and the need to protect and advance the community's collective interests.

The Economic Element also achieves consistency between the General Plan and the County's economic development strategy. In this light, the policies of every element and chapter of the General Plan should support the County's economic development strategy in the same way the policies should support the County's health, safety, welfare, and environmental protection strategies.

### 9.3 Background

During the last 40 years, Humboldt County has experienced a dramatic restructuring and diversification of its economy. Historically, the local economy was built on natural resources that supported timber production and manufacturing, dairy farming, cattle ranching, and fishing. These industries served as the county's export base, importing capital that helped grow the rest of the economy.

While this historic economic base has diminished and no one industry dominates the local economy today, these industries still contribute substantially to the County's economy. New local industries have emerged that export more knowledge-based, specialty, and technology-driven products and services. In fact, our traditional industries have provided the basis for many of these emerging businesses. Habitat restoration, sustainable forest management, organic milk production, and computer network services are all examples of innovative local products and services that the world needs and wants to buy. These new industries have joined traditional natural resource and agricultural industries to diversify and integrate the County into the global economy.

## Diverse Economy

A diversified local economy is desirable because it is stable. A stable local economy sees slower, steadier economic growth and less volatility. In the early 1980s, Humboldt County's unemployment rate was around 12%. Today, our unemployment rate is similar to the state average, ranging from 4 to 7%. From 2000-2007, our lowest rate was 5.5% and the state's was 4.9%. During the recession, after the economic peak in 2007, Humboldt's unemployment rate reached a high of 11%, but just below it ranges between 4% and 7%—just at or above the state average of 11.4%. The recession of 2008-2010 affected the sectors related to financial services, housing construction and retail, same as the national economy. In the Framework General Plan of 1984, the economic development element reflected the realities of the downturn in the timber and fishing industries. The contraction of these sectors has leveled off ~~in recent years~~ in the last decade. The fishing industry has shrunk by two-thirds, and though hit hard by the recent national recession, the forest products industry has provideds approximately 11% of the direct payroll in the County today, about equal to the education and research and health care industries.

Though the traditional natural resource industries have declined, they still play a vital role in the local economy. Their contributions are substantial and can remain so for many decades to come. Therefore, it is vital that the County retain an essential quantity, or "critical mass," of land and infrastructure to allow the forest products, agriculture, and fishing industries to remain viable.

## Comprehensive Economic Development Strategy

In 1999, the County Board of Supervisors adopted a *Comprehensive Economic Development Strategy* (CEDS) to guide local economic development investments, including those from the U.S. Economic Development Administration. Entitled, *Prosperity! The North Coast Strategy*, the CEDS laid out a strategy that prioritizes the needs of nine "base" industry clusters—those that export products and services to customers outside the region. This strategy applies the leading economic theory and research on how economies function and grow. Base industry clusters compete for customers globally and labor locally, thereby driving greater growth in wages, productivity, and jobs in the local economy. According to data from the CA Employment Development Department (CA-EDD), from 2003 to 2006, average wages in the local county economy increased 13.4% (from \$25,220 to \$28,600). For the same period, average wages in the base industries increased 16.7% (from \$27,663 to \$32,277). Even when the data includes the beginning of the recession, the base industries still consistently increase wages over the whole economy. Thus, base industries are a natural target for strategic investment of limited economic development resources. The county's base industries include:

- Forest products
- Education and research
- Tourism
- Niche manufacturing
- Dairy and dairy processing
- Specialty agriculture
- Fisheries, fish processing, and aquaculture
- Information technology
- Arts and culture

These industries were identified based on their export value, their concentration in the region, their competitive advantage in national and international markets, and their

potential for future growth (Identification of industries and analysis of data is conducted through the CEDS update process.) The CEDS concluded that entrepreneurship, innovation, and quality of life are critical requirements of the new economy. In turn, individuals, businesses, local governments, and other organizations have been helping to build the County's reputation in these areas. They understand that the County's economic competitiveness depends a great deal on its beautiful natural setting, small-town character, and vibrant creative culture.

The local economy also includes industries that grow primarily from the demands of the local population or export businesses based here. They circulate capital within the local economy, and provide critical services, jobs, and resources for the economy, such as healthcare, childcare, retail, and construction. Support industries include:

Retail	Child Care
Transportation	Real Estate
Business Services	Finance
Insurance	Construction
Government	Wholesale
Health Care	Utilities

## Regional Role

Economies form around natural geographic boundaries, clusters of similar industries, natural resource assets, infrastructure, and a common culture or history. These pieces work together to define a regional economy, which often includes and crosses several jurisdictional boundaries of cities and counties. Nationally, economists and the federal government emphasize the value of aligning strategies and resources with the needs of regional economies.

Humboldt County is part of a regional economy that includes the neighboring counties of Del Norte, Mendocino, western Trinity and Siskiyou counties, and the cities within those boundaries. The export industries of the County span the region with many companies operating both here and in neighboring counties. Many economic assets, such as productive timber and agricultural lands, microclimates that provide long growing seasons, recreational opportunities, a desirable quality of life, and high levels of innovation and entrepreneurship are shared across the region. Obstacles such as lack of interstate truck access, widespread and redundant broadband Internet service, a serviceable railroad, and deteriorating infrastructure and geographic isolation are also shared with our neighboring counties. These shared assets and obstacles provide good reason to coordinate economic development strategies and investments.

## Economic Trends

The General Plan must consider local, state, national, and international trends to maximize and sustain traditional natural resource industries and support growth in emerging industries. Land use policies and infrastructure investments must both protect and enhance the ability of traditional industries to compete and allow emerging industries to thrive.

State, national, and international trends have a significant impact on the local economy. Though market forces are beyond the control of local governments, Humboldt County can implement measures to protect and enhance the region's competitive advantages.

## Quality of Life

Quality of life is one of Humboldt County's most important assets for economic development. "Quality of life" can relate to almost every aspect of our lives, from public safety to natural beauty, and may be defined differently for different people. This Element does not attempt to define quality of life in every aspect, but rather to focus on the economic implications of quality-of-life factors. In economic terms, quality of life is primarily and inextricably linked to the workforce. It is about the value inherent in the natural, the built, and the cultural environments that attract creative, entrepreneurial talent. Research on rural economies consistently shows that rivers, beaches, forests, mountains, and a community "sense of place" are highly attractive to talented, innovative, creative people who are deciding where to live and start a business. In short, communities that emphasize social and cultural amenities are attractive to talented workers and entrepreneurial businesses.

The built environment of talent-attractive communities is typically "human scale." Hallmarks of human-scale communities include mixed commercial and housing uses, allowing people to work close to home; use multiple modes of transportation, including walking and biking; access childcare, recreation, and commercial services during business hours; and conduct business in cafes and other small meeting spaces.

As the global economy increasingly values knowledge-based workers to provide innovations and solutions, businesses and industry have increasingly sought to employ these creative, technologically savvy workers, the so-called "creative class." Businesses follow this talent base wherever it exists, knowing it provides them with a competitive advantage. The "creative class," in turn, is mobile, willing, and able to locate where the amenities and community appreciate and stimulate their creativity.

## Workforce and Targets of Opportunity

Prior to the recession of 2008-2010, the United States is was anticipating experiencing a massive labor shortage, particularly at middle to upper management levels, from the retirement of the Baby Boom Generation. While retirements have not occurred due to the dramatic drop in stock market values, as retirement funds rebound, it is likely that people will retire and open up many positions. Local employers in many sectors currently struggle to fill entry-level and advanced positions, a situation only blunted for a few years by the recession. Labor shortages at all levels are starting to affect local industries and will likely be exacerbated by the national shortage over the next ten years or more.

A 2007 labor market study, produced by the Humboldt County Workforce Investment Board, identified six fast-growth industries in the Redwood Coast region (Humboldt, Del Norte, Mendocino, Trinity, and Siskiyou counties). These industries have been emerging from our base industries and capitalizing on new, global markets. Called "Targets of Opportunity," these six emerging industries represent a sustained, structural shift in our economy. They are: (1) diversified health care; (2) building and systems construction and maintenance; (3) specialty food, flowers, and beverages; (4) investment support services; (5) management and innovation services; and (6) niche manufacturing. The study showed that these industries account for 53% of wages and almost 40% of the jobs in the private sector of the region. Their employment grew by 37%, firms by 23%, and wages by up to 26% in the last 15 years, compared to 4% job growth, 1.5% firm growth, and 6% wage growth for the overall regional economy. Just in Humboldt County, from 1995 to 2008, the six Targets of Opportunity industries grew wages from \$39,711 to \$46,524

up 17.2 percent, over 3% faster than the Humboldt County economy as a whole, based on data from the CA-EDD.

While these growth industries offer real opportunities for prosperity, they are not an absolute guarantee of success. In focus groups for the study, employers universally identified the chronic need for workers as constraining their growth. Our region has workforce in transition from one shrinking industry, like forest products, and into emerging industries, management & innovation services. This workforce needs re-training to find meaningful careers and meet employer needs. Nationally, four groups in particular are expected to continue to suffer a shortage of employees: (1) health care, (2) manufacturing, (3) energy, and (4) public sector. In addition to future anticipated losses due to retirements, skilled workforce shortages already exist (and will continue) in decision sciences (e.g., finance, accounting, marketing, etc.), hard sciences, and engineering.

Education and training, both professional and vocational, determine an individual's ability to earn a living wage and provide value to business. While Humboldt County has a high proportion of people with a bachelor's degree or higher, it has low high school graduation and continuation to college rates. Only 48% of the county's high school graduates go on to college or vocational school, compared to 56% statewide.

The County must continue to invest in workforce-training services to ensure that workers have the ability to acquire skills and advance throughout their careers. In addition, protecting and enhancing quality-of-life assets is the best way to attract and retain skilled workers.

### **Regulatory Policy**

Federal, state, and local regulatory policies and codes have a significant effect on the economy. Efforts to mitigate the environmental effects of timber harvesting have resulted in compliance costs that threaten the economic viability of the industry. Fisheries management efforts control harvest levels and the size of the fishing industry. Ranching and dairy industries are under increasing regulatory scrutiny. The building industry feels mounting pressure from increasing fees and mitigation requirements, cumbersome permit processes, and complaints from project neighbors. Small businesses and microenterprises are often discouraged from legitimizing their businesses because of the high costs and complexity of regulatory permitting.

Regulations may have unintended economic consequences. For example, conversion of forest and rangeland to residential uses is being accelerated by the rising costs of timber harvesting. Permit timeframes for land development are out of step with the pace of business, which can stifle investment and put Humboldt County at a competitive disadvantage. Excessive small business compliance costs promote an underground economy that marginalizes economic benefits.

Many disagree on the cost and benefits of regulations, but there is widespread agreement and support for regulatory systems that are simple, transparent, and efficient.

### **Microenterprises and Home-based Businesses**

Microenterprises and home-based businesses with five or fewer employees provide an important source of family income, and they often grow with time and investment. From 1997 to 2001, microenterprises accounted for 22% of the job growth, and provided 18% of

employment in California. Microenterprises can double household income and help keep families above the poverty line. Typically, microenterprises account for a higher proportion of the jobs in rural counties. Humboldt County's high rate of new firm creation underscores the importance of microenterprises.

## **Energy**

Energy costs affect all levels of production and distribution of goods and services. Energy costs are expected to continue to increase and impact business operations. This trend will impact the goods distribution sector the most. Rising energy costs are another reason Humboldt County should focus on knowledge-based industries that utilize broadband Internet. Providing broadband services to all communities will also help residents and visitors rely less on cars and reduce the number of vehicle trips required for work and necessities. Energy strategies that move the county from an energy importer to an energy exporter could build significant economic wealth. Policies supporting this transition are included in the Energy Element.

## **Global Warming**

Global warming and climate change has the potential to directly impact Humboldt County. The potential for more intense storms could result in more frequent disruptions and damage to critical infrastructure such as energy, Internet, and road systems. The County should plan for and invest in emergency management systems to minimize damage and reduce the risk of a catastrophic disruption. The health of our forests may be affected through increased susceptibility to disease or forest fires. Climate change initiatives, such as carbon cap and trade schemes, may represent an economic opportunity for the county because of the sequestration value of our forests and the export potential of our energy efficiency and alternative energy expertise.

## **Workforce Housing**

Like most of California, Humboldt County struggles with providing opportunities for first-time homebuyers as well as multi-family housing options. In the past, investment in real estate has increased equity and property values but exacerbated constraints on housing for the poor, elderly, and working families. Though still lower than much of California, the county's housing prices have risen to a level where it can no longer market low-cost housing to attract businesses and a workforce. In order to provide housing for the workforce of emerging industries, the County must produce new types of housing in a mix of affordable ranges and work with cities to provide more mixed-use and multi-family housing developments. The County should also provide affordable housing opportunities in the urban unincorporated areas.

## **Childcare**

Childcare enables parents to work productively and is an essential support service industry for a functioning economy. Unscheduled absences result in significant costs to both small businesses and large companies. In Humboldt County, one in five workers have children under age 18 and live in a household where both parents work.

The need for childcare in the County is expected to grow as the demand for labor increases. There is a need for subsidized care for parents working in lower paying service and retail trade sectors, as well as a need for affordable care for middle-income working parents.

## **Aging Population**

While census data does not indicate that Humboldt County is acquiring a disproportionately large population of retirees, the national trend of an aging Baby Boomer population is happening here. The percentage of retirement age persons is just 1.8% above the state. The median age is 35.7 years, the lowest in the region, and only 1.3 years older than the state average age. The economic consequences of an aging population include a shift in the demand for local goods and services. The main demands are expected to be health and aged care, home support services, subsidy of medical services, community transport, and a range of cultural and recreation services. Providing these services presents an opportunity to serve the local population and attract seniors seeking desirable retirement communities.

## **Marijuana**

The production and sale of medicinal and illicit marijuana contribute significantly to Humboldt County's economy. The impact is difficult to measure but its effects are unmistakable. For example, the size of the retail and restaurant sector is out of proportion to official income levels. While the production and sale of medicinal marijuana is legal and local jurisdictions are collecting data that can be used to measure the size of this industry, the size of the illegal industry cannot be measured directly. Many assume it is the largest single industry in Humboldt County.

While cash circulating is undisputedly good for the local economy, the industry's use of residential, agricultural and timberlands can result in environmental impacts land use conflicts. The competition for labor can also be problematic, for example there is a strong appeal to local youth to enter the marijuana trade instead of preparing themselves for a legal career.

If statewide efforts to legalize marijuana are successful, the County may enjoy a legal and economically viable industry based on the expertise, quality and market reputation that Humboldt County gained in the production of illicit marijuana. While there are practical and legal limitations on the County's ability to support illicit cultivation, support for legal cultivation should be a part of the County's overall economic policy.

## **Large Format Retail**

The transition from small-scale decentralized locally owned businesses to large-format, chain-operated businesses is driven by economic factors beyond the control of Humboldt County. These factors include, but are not limited to, corporate globalization and how the state allocates property tax revenue. So-called "big box" developments can occupy more than 50,000 square feet, with typical ranges between 90,000 and 200,000 square feet depending on the product line of the retailer. Business operations derive profits from high sales volumes rather than price mark up.

Big box development can have profound impacts on the character of a community. Hallmarks of big box development include large windowless, single-story buildings; standardized facades; reliance on automobile-based shopping; significant acreage dedicated to parking; minimal site development lacking community or pedestrian amenities; and difficulty in marketing sites if an operation shuts down.

Big box developments can provide low prices and convenience to local consumers as well as sales tax revenue to local governments. They can also recapture sales made to big box stores by local residents outside the local area. Whether these benefits outweigh the social, community, economic, and environmental impacts of big box development is highly disputed. For example, reliance on the automobile for these developments can have a tremendous impact on the capacity of transportation facilities and contribute to air pollution. Large format retailers that focus on one product line can become “category killers” for existing decentralized small businesses. Local capital spent on purchases at big box stores leaves the region prematurely, without circulating amongst support and secondary businesses. Permit processes for big box retail should consider impacts on the existing retail economy, as well as design, location, and economic standards to mitigate the potential impacts.

## **Infrastructure**

The efficient and reliable movement of goods, people, and ideas is essential to all industries. Transportation and freight facilities, highways and roads, Internet and utilities, and water and wastewater facilities are all examples of critical economic infrastructure.

### **Broadband Internet**

The Internet is the backbone of business today. Through broadband Internet connectivity, small and large companies can have employees and consultants distributed around the world. The location of a company's headquarters is no longer determined by access to raw materials, but driven by a range of considerations, including access to talent, customers, industry networks, and quality of life for the principal owner and key talent of the company.

With quality of life as a competitive advantage, Humboldt County is positioned to attract and grow entrepreneurs and businesses with products and services marketed through the Internet. Already, the county is home to numerous companies organized this way, with employees and consultants who telecommute.

To take full advantage of the broadband internet trend, the county must invest in telecommunications, including construction of a second fiber optic line to the county and internet access for outlying communities.

### **Water and Wastewater**

Many water and wastewater systems for cities and unincorporated communities have either reached the limit of their planned capacity or are failing. The situation is resulting in pollution concerns, where residents are being exposed to health hazards in some communities, while imposing limits on new housing and business development in others. Lack of adequate and expandable water and wastewater infrastructure severely inhibits communities' ability to maintain or enhance quality of life, or provide space for businesses to locate. The upgrading, expansion, and construction of new water and wastewater facilities is necessary to build affordable housing and livable communities, as well as to expand opportunities for business to locate and to grow.

### **Highways**

Because of its rural and remote location on the North Coast of California, Humboldt County is at a disadvantage in the transportation of freight, particularly by truck.

Standard-size interstate trucks are not allowed to pass through several tight turns on highways 101 and 299, making the import and export of equipment, products, and cattle more expensive, time consuming, or impossible in some cases. Highway restrictions are reported as a concern by every industry in the region and are a substantial and serious constraint to economic growth and sustainability.

Facilities construction and other solutions are planned for sections on both highways, but not all are funded at this time. The bypass of Confusion Hill on U.S. 101 is scheduled for completion by 2008. While it will address the issue of frequent landslides and reduce one area of constraint for interstate trucks, the bypass will not relieve the restriction on interstate trucks completely. As obtaining state highway funding is a highly competitive process and lobbying by metropolitan areas often diverts funding away from North Coast priority projects, the need for regional transportation solutions and advocacy is urgent.

### **Rail**

The only rail line into Humboldt County has been closed since 1990 due to storm damage in the Eel River canyon. The North Coast Railroad Authority (NCRA) estimates the cost of re-opening the complete line to Arcata/Samoa to range between \$151 and \$500 million, depending on the standard to which the line is prepared. Despite sustained efforts, the funds for all phases are not committed at this time.

The funding and demand for rail transportation appears to change in cycles as a result of national and international factors. Currently, national policy focuses on funding for highways and truck transportation. Should national (and state) policies change to favor rail infrastructure, perhaps as a result of energy costs, the prospects for funding the re-opening of the line to the County could improve.

Rail is typically a cost-effective and environmentally preferable mode of transportation for both goods and people. In order to take advantage of opportunities as cycles change, County policy should be to maintain the railroad right-of-way and remain supportive of re-opening the line when it can be economically justified. At the same time, the County must pursue improvements in other transportation modes. (For additional discussion of the use of county railways see the Circulation Element, Chapter 7.)

### **Port and Bay of Humboldt**

Humboldt Bay is the only deep-water port on California's North Coast, and as the second largest natural bay in the state, it is an economic asset that supports commerce, conservation, and valuable cultural and recreational amenities.

For commerce, the Port of Humboldt Bay provides essential infrastructure to the forest products industry (for exporting ~~wood pulp~~ and importing raw logs to local mills), and to the fishing and aquaculture industry (for fishing boat facilities, fish processing, and growing shellfish). Humboldt Bay's capacity to be a major import or export facility for container ships is limited by other transportation infrastructure. As mentioned previously, there is currently no railroad to carry goods into or out of Humboldt Bay, and the restriction on interstate trucks makes exporting goods by truck inefficient.

Continuing and enhancing the existing commercial value of the port requires substantial maintenance investment, such as periodic dredging, dock repairs, and development of appropriate facilities. Ready-to-build land, capable of supporting marine-dependent

coastal industries, is also a critical constraint. The infrastructure for the fishing industry (docks, fueling stations, and ice supply) has deteriorated to a critical state. Maintaining and enhancing the port infrastructure is critical to the continuation and recovery of these industries.

Mariculture (shellfish farming) has particularly strong potential in Humboldt Bay. These operations depend on protecting the water quality of the bay. Expansion of this industry should be supported with permit coordination and streamlining, improved dock and processing facilities, and public education.

Rural regions with more access to natural water amenities (bays, rivers, and oceans) tend to attract higher paying, knowledge-based jobs and companies. Accessing Humboldt Bay for recreational activities, such as kayaking, bird watching, walking, cycling, and fishing, supports all local industries in their efforts to attract and retain talent, customers, and innovate, new products and services. Combined with the historical and cultural sites currently being developed, Humboldt Bay could become an anchor attraction for local residents, workforce talent, and tourists.

Commercial usage and recreational access should be carefully planned to allow maximum access for both purposes and avoid use conflicts. Development of bicycle and pedestrian trails, docks, and other access points, in coordination with the railroad and other rights-of-way, should be supported and facilitated in order to maximize Humboldt Bay as a quality-of-life and tourism asset. (For additional discussion see the Circulation Element, Chapter 7.)

## **Airport**

The Arcata/Eureka Airport serves the entire North Coast region. ~~Three~~ One commercial air carriers, United Express and ~~Horizon Air~~, and Delta, ~~currently~~ consistently provide direct scheduled service to ~~Salt Lake City~~, Portland, Los Angeles, Sacramento, and San Francisco (with other carriers intermittently serving additional flights to Salt Lake City). The airport is a critical economic asset, allowing the movement of people who do business with customers and partners outside the region.

The U.S. Department of Agriculture reports that airports are key components of a transportation infrastructure that can substantially improve the economic potential of a rural region. Access to an airport both increases businesses' ability to market their products and services to global customers and makes air commuting possible for those who depend on urban centers but seek a rural lifestyle and its amenities. While 98.2% of Humboldt County's residents live and work inside Humboldt County, the 300–400 people who live here and work elsewhere commute to distant cities like Los Angeles and Sacramento, likely via airline.

Additionally, five general aviation airports in Garberville, Murray Field (Eureka), Rohnerville, Kneeland, and Dinsmore provide important services for air couriers, air ambulance, air charter, law enforcement, and private pilots. Each airport is critical to the community it serves during natural disasters due to the rural nature of the county.

The County must actively work to protect and enhance our airports' service capacity so that more flight destinations become available, weather-related delays are minimized, adjacent land use conflicts are avoided, and overall reliability and safety increases. (For additional discussion see the Circulation Element, Chapter 8.)

## Lands

The approach to determining industrial and other employment land needs involves inventorying current land supply, projecting future demand, and then comparing the current supply with anticipated demand.

### Supply and Demand of Land for Employment

The February 2002 *Building Communities* report—prepared for the General Plan Update—projects a net increase in the number of jobs in Humboldt County for the next 25 years. This trend will be accompanied by an increased demand for land for industrial and other employment-related uses.

The report found that, in unincorporated areas of the county, a total of 244 acres would be required to meet anticipated future development. Of this total acreage, 15 acres would be required to meet the demand for retail space, 181 acres needed for office/business park space, and 48 acres needed for industrial purposes.

Ensuring that land is available where job and retail growth is likely to occur, and that the size and configuration of lots is suitable for the likely uses, is critical. The supply of industrial and other employment sites is described in the Commercial and Industrial Sites Database, an online searchable inventory of all the commercial and industrial sites maintained by the County. To ensure an adequate land base for commercial and industrial demands, the inventory should be maintained to support suitability analyses of individual lots and supply and demand evaluations of the entire inventory. Plan and zone changes of individual properties should be conducted to maintain a 20-year supply of industrial commercial properties.

### Conversion of Prime Employment Lands

The conversion of prime employment lands to other uses is an issue facing many jurisdictions along the West Coast. Prime employment lands are the most economically productive. These lands possess unique characteristics, such as location, soils, access to infrastructure, or other factors that make them difficult to replace within a planning area or region if converted. Prime employment lands include, but are not limited to, large industrial sites; productive agricultural, timber, and mineral resource lands; and coastal dependent lands.

The conversion of land through the changing of a general plan or zoning designation is *not* always undesirable. In some cases up-zoning a property with brownfield issues (discussed below) can enable cleanup and redevelopment. In other cases, changing a designation represents flexibility in the land use system to respond to changes in the market over time. The conversion of productive and suitable employment lands, however, should not reduce the available quantity below a minimum critical landmass for industries. Conversions should also avoid creating deficits in certain land categories, leaving the County poorly positioned for business recruitment, expansion, and retention.

In addition to the threat of conversion, prime employment lands must also be protected from the encroachment of incompatible uses. Residential uses can conflict with industry and agriculture if effective buffers or transition areas are not adequately planned. Protecting these lands from conversion and encroachment is an important strategy for maintaining economic productivity.

## Brownfields

A "brownfield" is real property for which reuse is complicated by the presence or perception of contamination. Brownfields can, but do not always, pose risks to human and environmental health. Cleaning up and redeveloping brownfields takes development pressure off of resources lands, reuses existing infrastructure, protects the environment, and can address environmental justice concerns.

Humboldt County has approximately 2,000 acres of brownfields. Most are artifacts of the timber industry. As that industry has diminished, certain sites, typically zoned heavy industrial, have become underutilized. Some of these sites should remain in industrial designations, while others may be appropriate for conversion to other uses. The competition for land in the county will continue to intensify over time. Therefore, the cleanup and redevelopment of brownfields is a strategic and necessary component of the County's land management policies.

## 9.4 Goals and Policies

### Goals

- ED-G1. Stable Economy.** A diverse, stable, and growing local economy. ~~with an emphasis on base and emerging industries, innovation, entrepreneurship, and global competition.~~
- ED-G2. Natural Resource Assets.** ~~Protect the long term economic viability of Long term economically viable and environmentally sustainable~~ agricultural, mineral resource, timber, and coastal dependent lands.
- ED-G3. Strategic Planning.** A comprehensive economic development strategy that guides ~~forward~~ progress on economic development goals and informs the public on emerging markets, innovations, and opportunities for entrepreneurship that benefit the region's economic prosperity.
- ED-G4. Cooperation and Collaboration.** Productive partnerships with cities, neighboring counties, and the private sector that build and enhance common assets and resolve common obstacles.
- ED-G5. Economic Development Assistance Programs.** Financial and technical assistance programs that support workers, businesses, service providers, micro-enterprise, and disadvantaged communities.
- ED-G6. Competitive Quality of Life.** Natural resources, recreational opportunities, quality schools and vibrant town centers that incorporate a mix of employment, housing, and retail uses as well as access to childcare, multi-modal transportation, and cultural and natural amenities.
- ED-G7. Skilled and Ready Workforce.** Proactive development of the workforce through early and higher education, vocational training and retraining, and lifelong learning, so that ~~our residents are there is a trained workforce~~ prepared to contribute to the industries in Humboldt County and our region.

- ED-G8. Regulatory and Permit Streamlining.** Permitting and licensing processes that respond to the needs and timelines of market conditions and remove ~~unintended unnecessary barriers to microenterprises and home-based businesses, especially those that discourage micro-enterprise and home-based start ups.~~
- ED-G9. Telecommunications.** Reliable and modern telecommunications infrastructure and services that can attract and retain internet and knowledge-based businesses.
- ED-GX1. Telecommuting and Workforce Development.** Promoting and seeking resources to ensure that the county has a broadband infrastructure that encourages economic and workforce development and promotes telecommuting. (from the Telecommunications Chapter)
- ED-GX2. Embraces new communication technology.** Assure that we are a county that welcomes new technology advancements put resources into assuring that broadband infrastructure keeps up with the capacity and demand needs of new technologies. (from the Telecommunications Chapter)
- ED-G10. Public Water and Wastewater.** Adequate public water and wastewater facilities to accommodate the business and residential needs of the community, workforce housing and provide opportunities for businesses to grow. Utilize available industrial water resources to provide jobs, revenue, and economic resources to the county.
- ED-G11. Transportation Networks.** Transportation facilities and services that allow competitive connectivity for freight and people to metropolitan areas and worldwide markets.
- ED-G12. Land Inventory.** A sufficient land inventory to meet the demand for commercial and industrial expansion and profitable natural resource production.
- ED-G13. Brownfields.** A successful recycling program converting underutilized brownfields into valuable land for housing and business expansion.

## Policies

- ED-P1X. Economic Stability and Diversity.** Promote economic stability and diversity by emphasizing development of base and emerging industries, and encouraging innovation, entrepreneurship, and global competition.
- ED-P1. Financial Resources.** The County shall acquire state, federal, and private grants for workforce training, economic research, infrastructure, and local business development consistent with the County Economic Development Strategy.
- ED-P2. Job Growth and Workforce.** Collaborate with economic development entities in the region to promote job growth, technological innovations, and entrepreneurship in base and emerging industries. Work with the education

and private sectors to promote education, vocational training, professional development, and lifelong learning in the workforce.

- ED-P3. ~~Workforce-Affordable Housing.~~ ~~Develop~~ Ensure housing at a price commensurate with income levels as reflected in the County Regional Housing Needs Assessment, and a transportation system to provide efficient connectivity between housing and places of employment to minimize commute travel times and distances.**
- ED-P4. Childcare.** Promote the provision of childcare facilities within business, commercial and industrial centers, and housing developments. Streamline the permitting requirements for new childcare facilities. Foster private/public partnerships with childcare service and information providers.
- ED-P5. Aging Population.** Respond to the increasing transportation, service, and housing needs of the county's aging population.
- ED-P6. Large Format Retail.** Require discretionary review, including analysis of the economic and workforce impacts, of large format "big box" commercial uses.  
**Split Vote 4-2-1**
- ED-P7. Broadband Internet.** Support broadband improvements necessary to maintain the County's business competitiveness and serve remote communities.
- ED-P8. Public Infrastructure.** Assist local service providers in the pursuit of state and federal funding and development of land use assessment, rates and connection fee programs to upgrade and enhance water and wastewater facilities.
- ED-P9. Freight Mobility.** Pursue financial and technical solutions to provide unrestricted interstate truck access on both U.S. 101 and State Highway 299.
- ED-P10. Rail.** Support protection for the NCRA right-of-way and assets to preserve the ability to re-open the line in response to a demand for rail service.
- ED-P11. Port Development.** Support efforts to maintain and develop the port for the fishing industry, marine dependent coastal industries, mariculture and recreation. Zone and develop infrastructure to create an adequate supply of ready-to-build coastal dependent land suitable to compete for marine dependent industries.
- ED-P12. Airport Service Expansion.** Support expansion of ~~the~~ airport services to include reliable service to multiple major airport hubs, carriers and expanded flight schedules.
- ED-P13. Prime Employment Land Protection.** ~~Identify and protect prime employment lands from conversion and encroachment of conflicting uses.~~ Plan and zone sufficient land to maintain a 20 year supply of industrial and commercial properties and protect prime employment land.

- ED-P14. Industrial and Business Parks.** Promote development of well-planned and designed industrial and business parks catering to existing local, as well as outside, opportunities, where appropriate. Encourage master environmental assessments for industrial and business parks in order to streamline the subsequent development process.
- ED-P15. Revitalization.** Promote the revitalization of communities in transition due to the decline of resource-based industries.
- ED-P16. Brownfields.** Pursue and distribute funding and technical assistance to assess, clean up, and reuse Brownfield's. Streamline regulatory review for proposed development in commercial and industrial zoned Brownfields.
- ED-P18. Higher Education.** Support College of the Redwoods and Humboldt State University education and training programs that provide residents with the skills and knowledge to qualify for living wage careers and enhance the competitive edge of the industries in our region. Support K-12 educational programs that prepare students for careers in regional industries. **NEW Policy as recommended by HAR**

## 9.5 Standards

- ED-S1. Childcare.** The County shall consider childcare facilities within commercial and industrial zones as a principally permitted accessory use when supporting that business or industrial use. ~~Maintain~~ Develop a tiered permitting system ranging from principally permitted to conditionally permitted, according to size and location when in commercial or industrial zones but not directly supporting the business or industrial use and within residential zones.
- ED-S2. Large Format Retail.** The County shall require discretionary review of ~~large format "big box" commercial retail~~ uses with a total building floor area; including multiple buildings, outdoor sale areas and storage, in excess of 50,000 square feet. **Split Vote 4-3**
- ED-S3. Disadvantaged Communities.** Communities shall be considered disadvantaged based on one or more of the following factors: disproportionately lower median incomes, higher unemployment rates, deteriorated housing conditions, or high commercial and industrial land vacancy rates.

## 9.6 Implementation Measures

- ED-IM1. Economic Development Strategy.** Maintain the County's Comprehensive Economic Development Strategy in collaboration with local jurisdictions, businesses, economic development organizations and the public. Conduct and disseminate economic research relating to emerging markets, innovations, and opportunities in which the region may have competitive advantages.
- ED-IM2. Economic Development Programs.** Operate economic development programs that promote ~~and seek funding for~~ workforce development for industry needs

~~and housing and provide technical and financial assistance. Provide incentives including but not limited to delivering capital, technical expertise, and training to businesses starting up and expanding. Seek funding to support programs, particularly US Small Business Administration and Community Development Block Grants for micro-enterprise.~~

- ED-IM3. Disadvantaged Community Assistance Programs.** Operate economic development programs that promote and seek funding for development assistance to disadvantaged communities.
- ED-IM4. Permit Streamlining for Business Growth.** Update ordinances and permit processes to increase efficiency and reduce permit-processing times ~~for addressing constraints to micro enterprises and home-based businesses. for strategic targets such as, microenterprises, home-based businesses, and workforce housing. Increase the type and scale of principally permitted land use activities associated with microenterprises, home-based businesses, and expansion and re-location of small businesses. Provide regulatory incentives for base and emerging industries proposing to expand their business operations and workforce.~~ **(Alternative C Version)**
- (IMX) Regulatory Incentives for Emerging Industries.** Provide regulatory incentives for ~~base and emerging industries proposing to expand their business operations and workforce.~~
- ED-IM5. Commercial and Industrial Sites.** Maintain and update the commercial and industrial sites database, including identification of prime employment sites, on a ~~six month~~ two-year cycle and provide ~~current~~ online maps of vacant industrial and commercial properties using the County's Geographic Information System.
- ED-IM6. Childcare.** Modify land use ordinances to reduce permitting requirements for childcare facilities and support development of funding sources.
- ED-IM7. Large Format Retail.** Develop guidelines for conducting economic and workforce impact analysis for "big box" commercial uses. **Split Vote 4-3**
- ED-IM8. Transportation and Infrastructure.** Operate economic development programs that promote and seek funding for transportation and infrastructure development critical to economic growth, including telecommunications, regional highway improvements, port development, airport expansion, and water and wastewater systems.
- ED-IM9. ~~Foreign Trade Zone and~~ Special Economic Development Enterprise Zones.** Support promotion of benefits and usage of special economic development zones to the business community.
- ED-IM10. Brownfields.** Develop zoning standards to provide increased flexibility for interim land uses and continuation of legal non-conforming uses to encourage cleanup and reuse of underutilized commercial and industrial zoned brownfields.