Chapter 9. Economic Element of the General Plan

Presentation to the Humboldt County Planning Commission
January 13, 2010
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This Presentation

- Process of writing element
- Current CEDS: *Prosperity!*
- New data: *Targets of Opportunity*
- Review proposed goals, policies
Element Update Process

- Reviewed framework plan and element
- New overview of economy
- Used existing policy: *Prosperity! CEDS*
- But also looking to future and emerging data: *Targets of Opportunity*
- Focused on land use related aspects
- GP view 20 years.
- CEDS much shorter cycle, provides update to GP multiple times
History of CEDS

- Comprehensive Economic Development Strategy (CEDS)
- Required by US Economic Development Administration (EDA)
- Created in community process with 300+ business people, lead by the Humboldt Area Foundation
- Adopted by HC Board of Supervisors and major cities in 1999
- Focus of effort on projects that implement strategy, projects defined by business leaders in base clusters
- Minor updates on infrastructure priorities
Strategy

1. Focus on growing base industry clusters
2. Grow business from within
3. Business locates here because of quality of life and proximity to natural resources
4. Maximize regional coordination to overcome our region’s barriers to business
5. Address constraints and opportunities identified by business
Total Humboldt County Economy by All Industry Clusters

Payroll Data
Source: EDD-LMI 2008, QCEW
Share of Total Economy by Base Industry Cluster

Source EDD-LMI 2008, reported payroll
Example Project:
Transportation

- **Constraint**: high cost of moving goods and people
- **Base industry leader input**: this constraint is limiting ability to compete, restricting jobs growth, and pushing businesses to re-locate
- **Economic Development Project**: advocate for...
  - Re-alignment of highways 101 and 299 to allow for STAA trucks
  - Expand airport and diversify flight routes
Example Project: Broadband

- **Constraint:** no broadband access
- **Base industry leader input:** this constraint is limiting ability to compete, restricting new business formation and job growth
- **Economic Development Project:** advocate for...
  - Fiber optic connectivity
  - Redundant fiber optic connectivity
  - Ubiquitous broadband access
Example Project: Beef Market

- **Opportunity:** natural and organic
- **Base industry leader request:** How to access market, get distribution?
- **Economic Development Project:**
  - Research market opportunities, connect with distributors
  - Expansion of Humboldt Grassfed Beef and Eel River Organic: $2.5M in new sales first year

Source: Michael Porter, PhD, Harvard University Institute For Strategy and Competitiveness
Example Project: Humboldt Made

- **Opportunity**: consumer trends favor natural, organic, artisanal, quirky

- **Base industry leader request**: Brand “Humboldt” to create market advantage

- **Economic Development Project:**
  - Research market trends and consumer profile
  - Owners of branded businesses direct
  - Creation of brand, delivered through new media
COMING SOON! MONDAY FEB 1st!

EEL RIVER
CALIFORNIA
ORGANIC
GRASS FED
BEEF

All EEL RIVER ORGANIC BEEF is raised on organic land with plenty of open space, fresh air, and clean water on pastures in the beautiful Eel River Valley of California.
What industries offer the greatest opportunity for good jobs?
Five quality factors identify Targets of Opportunity

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>INTERPRETATION</th>
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<tbody>
<tr>
<td>Expanding Opportunity</td>
<td>Job Growth</td>
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<tr>
<td></td>
<td>Firm Growth</td>
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<tr>
<td>Growing Quality</td>
<td>Job Quality…higher and increasing wages</td>
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<tr>
<td>Improving Competitiveness</td>
<td>Strong and/or growing regional specialization</td>
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<tr>
<td>Career Potential</td>
<td>Occupational dynamics and distribution</td>
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<tr>
<td>Key Linkages</td>
<td>Important relationships and common needs</td>
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Six Targets of Opportunity

- Diversified Health Care
- Building and Systems Construction and Maintenance
- Specialty Food, Flowers & Beverages
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing
How much do the Targets matter?

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Region</th>
<th>Targets</th>
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<tbody>
<tr>
<td>Job growth</td>
<td>4%</td>
<td>37%</td>
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<tr>
<td>Firm growth</td>
<td>1.5%</td>
<td>23%</td>
</tr>
<tr>
<td>Wage growth</td>
<td>6%</td>
<td>10-26%</td>
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</tbody>
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Together, the Targets of Opportunity Industries contributed 39% of the jobs and 53% of the wages in the region’s private sector over the last 15 years.
Targets Findings

- 6 high performing industries
- 53% of private sector payroll and almost 40% of jobs
- Some familiar, some totally new industries for economic/workforce development to address
- Demonstrated over a 15-year period that they have staying power
- Sustained, structural shift in Redwood Coast economy
- All counties share...it’s a *regional* economy
- All industries pay above the median, and/or fast rising
- All with appealing, robust career spans
- Quality of Life key to attraction/retention of talent
- All report need for more workers and talent
Prosperity! and Targets

- Targets data is regional: Del Norte, Humboldt, Mendocino, western Trinity & Siskiyou
- Re-aligns most base industries
- Adds some new industries
- Begs a major up to the CEDS
- Industry clusters meeting now to build foundation
Element

- Focuses on land use related aspects and drivers in economy
- GP Element always a snapshot in time, but will be updated with CEDS
- Discuss questions about specific goals and policies