

Chapter 11. Economic Development Element

11.1 Introduction

The Economic Development Element of Humboldt County's General Plan 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.

11.2 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 Humboldt 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, 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 Humboldt County into the global economy.

Diverse Economy

A diversified local economy is desirable because it is more stable. A stable local economy sees slower, steadier economic growth and less volatility. In the early 1980s the county unemployment rate was around 12%. Today, it ranges between 4% and 7%—just at or above the state average. In the Framework General Plan of 1984, the economic development element reflected the realities of the downturn in the timber and fishing industry. The contraction of these sectors has leveled off in recent years. The fishing industry has shrunk by two-thirds and the forest products industry provides approximately 12% 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. It is therefore vital that Humboldt 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. While it is typical for economic base industries to provide approximately 35% of the total jobs in the economy, it is proven that these industries are responsible for a much larger share of growth in wages, productivity, and jobs. Base industries are thus a natural target for strategic investment of limited economic development resources. Humboldt County’s base industries are:

- 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. The CEDS concludes 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 Humboldt 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 provide the support structure and important resources for the economy, such as health care, child care, retail, and construction. Examples of these support industries include:

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

Regional Role

Much of Humboldt’s economic assets and obstacles are similar to those found in neighboring Del Norte, Mendocino, Trinity, and Siskiyou counties. Along with Humboldt, these counties form an economic region. Many base and emerging industries span the region and residents commute between and among the counties for work and recreation. Due to the population density, retail offerings, topography, and the convergence of state highways at Humboldt Bay, Humboldt County—particularly around the cities of Eureka and Arcata—serves as a central commercial hub for the five-county economic region.

11.3 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. Rivers, beaches, forests, mountains, and a community "sense of place" are highly attractive to talented, innovative, creative young people who are deciding where to live and start a business.

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.

Communities that emphasize social and cultural amenities are attractive to talented workers and small businesses. Hallmarks of these communities include mixed commercial and housing uses, which allow people to work close to home, provide access to commercial services during business hours, and facilitates more casual business meetings in restaurants and other small meeting spaces.

Workforce

The United States is experiencing a massive labor shortage, particularly at middle to upper management levels, from the retirement of the Baby Boom Generation. Local employers in many sectors currently struggle to fill entry-level and advanced positions. Labor shortages at all levels starting to show up in local industries and will likely be exacerbated by the national shortage.

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: diversified health care; building and systems construction and maintenance; specialty food, flowers, and beverages; investment support services; management and innovation services; and niche manufacturing. The study showed that these industries account for 53% of private-sector wages and almost 40% of the jobs in 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.

While these growth industries offer real opportunities for prosperity, they are not an absolute guarantee of success. In focus groups for the Targets of Opportunity study, employers universally identified the chronic need for workers as constraining their growth. Nationally, four groups in particular are expected to continue to suffer a shortage of employees: health care, manufacturing, energy, and the 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 county high school graduates go on to college or vocational school, compared to 56% statewide.

Humboldt 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 import 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 ranch land 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 with respect to other areas. Excessive small business compliance costs can 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 increasing and impacting the way businesses operate. This trend will impact the distribution sector the most. Rising energy costs are another reason the 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.

Global Warming

Global warming and climate change has the potential to significantly 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. Humboldt County should plan for and invest in emergency management systems to minimize damage and reduce the risk of a catastrophic disruption.

Workforce Housing

Like most of California, Humboldt County struggles with providing opportunities for first-time homebuyers as well as multi-family housing options. In recent years, 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, Humboldt 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, Humboldt County must produce new types of housing in a mix of affordable ranges. The County must 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.

Child Care

Child Care 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 child care in Humboldt 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 growing a disproportionately large population of retirees, we are still seeing the national trend of an aging Baby Boomer population happen here. 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 our local population and attract seniors seeking desirable retirement communities.

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 planning 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. There is much dispute whether these benefits outweigh the social, community, economic, and environmental impacts of big box development. 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 before circulating amongst support and secondary businesses. Permit processes for big box retail should consider impact on the existing retail economy, as well as design, location, and economic standards to mitigate the potential impacts.

11.4 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, Humboldt is home to numerous companies organized this way, with employees and consultants who telecommute.

To take full advantage of the broadband Internet trend, Humboldt 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 in some communities, while imposing limits on new housing and

business development in others. The upgrading, expansion, and construction of new water and wastewater facilities is necessary to build affordable housing and expand opportunities for business to grow.

Highways

Situated in a rural and remote location on the North Coast of California, Humboldt County is at a disadvantage in the transportation of freight, particularly by truck. 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 Humboldt 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. At the same time, the County must pursue improvements in other transportation modes.

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 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. Mariculture expansion 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 more high paying, knowledge-based jobs and companies. Accessing the 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 even innovate new products and services. Combined with the historical and cultural sites currently being developed, the 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 the bay as a quality-of-life and tourism asset.

Airport

The Arcata/Eureka Airport serves the entire North Coast region. Two commercial air carriers, United Express and Horizon Air, provide scheduled service to Portland, Los Angeles, Sacramento, and San Francisco. 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 our businesses' ability to market their produces 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 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. Humboldt County must continue to protect and enhance this asset.

11.5 Land

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 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 maintained by the County—an online searchable inventory of all the commercial and industrial sites. 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 it 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 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 primary production 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 Humboldt County will continue to intensify over time. Therefore, the cleanup and redevelopment of brownfields is a strategic and necessary component of Humboldt County's land management policies.

11.6 Goals

- ED-G1. Stable Economy.** To enhance and maintain a diverse, stable, and growing local economy with an emphasis on base and emerging industries, innovation, entrepreneurship, and global competition.
- ED-G2. Broadband Internet.** To establish a reliable broadband internet infrastructure that distributes a choice of economically accessible broadband services into our most rural communities, and is not vulnerable to disruption. Integrate broadband service capability into new buildings and developments. Provide broadband access in remote or rural communities.
- ED-G3. Quality of Life.** To attract and retain young talent by developing vibrant town centers that incorporate a mix of employment, housing, and retail uses as well as access to child care, transportation, and cultural and natural amenities.
- ED-G4. Skilled and Ready Workforce.** To foster a local workforce that is prepared to succeed in the industries growing in Humboldt County, which values early education, vocational training, and lifelong learning.
- ED-G5. Streamlining.** To implement permitting and licensing processes that are more responsive to the needs and timelines of the marketplace, particularly for microenterprises and home-based businesses.
- ED-G6. Transportation Networks.** To have transportation facilities that allow freight mobility along the interstate highway system and provide connectivity between residential neighborhoods and employment centers.
- ED-G7. Public Water and Wastewater.** To have and maintain adequate public water and wastewater facilities to accommodate workforce housing and provide opportunities for businesses to grow.
- ED-G8. Natural Resource Assets.** To protect productive agricultural, mineral resource, timber, and coastal dependent lands.
- ED-G9. Brownfields.** To clean up and reuse brownfield sites.

- ED-G10. Cooperation and Collaboration.** To build and maintain partnerships with cities, neighboring counties, and the private sector that build and enhance common assets and resolve common obstacles.
- ED-G11. Economic Development Assistance Programs.** To administer and support financial and technical assistance programs that support workers, businesses, and service providers.
- ED-G12. Informed Public.** To educate County residents of economic trends, emerging markets, innovations and opportunities for entrepreneurship that benefit the region's economic prosperity.

11.7 Policies

Development

- ED-P1. Prime Employment Land Protection.** Identify and protect prime employment lands from conversion and encroachment of conflicting uses.
- ED-P2. Airport Expansion.** Support expansion of the airport to include service to major airport hubs and expanded flight schedules.
- ED-P3. Broadband Internet.** Promote the provision of broadband infrastructure in all communities.
- ED-P4. Workforce Housing.** Promote the development of workforce housing and mixed-use housing around multi-modal transportation options.
- ED-P5. Child Care.** Promote the provision of child care facilities within business, commercial and industrial centers and housing developments.
- ED-P6. Revitalization.** Promote the revitalization of underutilized lands in communities in transition due to the decline of resource-based industries.
- ED-P7. Brownfields.** Consider land use designations for brownfields to encourage cleanup and reuse.
- ED-P8. Commercial and Industrial Sites Database.** Maintain a commercial and industrial sites database and continue to improve accessibility to online information on commercial and industrial property.
- ED-P9. Commercial Retail.** Include standards for discretionary review of large format "big box" commercial uses to reduce their land use impact.
- ED-P10. Industrial Parks.** Where appropriate, promote development of well planned and designed industrial parks catering to existing local, as well as outside opportunities. Encourage master environmental assessments for industrial parks in order to streamline the subsequent development process.

Investments

- ED-P11. Financial Resources.** Acquire and distribute financial resources for workforce training, economic research, infrastructure, and business development.
- ED-P12. Freight Mobility.** Pursue financial and technical solutions to provide reliable interstate truck access on both U.S. 101 and State Highway 299.
- ED-P13. Broadband Internet.** Support the development and management of a redundant fiber optic line that connects to the fiber backbone running along the U.S. 5 corridor. The County shall support the expansion and delivery of broadband Internet in the rural or remote communities in the county through all appropriate technologies.
- ED-P14. Workforce Housing.** Encourage production of housing at a price commensurate with income levels, and a transportation system to provide efficient connectivity between housing and places of employment to maintain satisfactory commute travel times and distances.
- ED-P15. Public Infrastructure.** Pursue and distribute funding and technical assistance to upgrade and enhance the water and wastewater facilities of communities.
- ED-P16. Brownfields.** Pursue and distribute funding and technical assistance to assess, clean up, and reuse brownfields.

Partnerships

- ED-P17. Job Growth.** Collaborate with economic development entities in the region to promote job growth, technological innovations, and entrepreneurship in base and emerging industries.
- ED-P18. Workforce.** Work with the education and private sectors to promote education, vocational training, professional development, and lifelong learning.
- ED-P19. Cities and Counties.** Collaborate with cities and neighboring counties to identify and implement regional economic initiatives that benefit base and emerging industries.
- ED-P20. Child Care.** Foster private/public partnerships with child care service and information providers.

11.8 Implementation Measures

- ED-IM1. Ordinances.** Update ordinances related to economic development for consistency with the uses of base and emerging industries.
- ED-IM2. Commercial and Industrial Sites Database Mapping.** Update the commercial and industrial sites database on a two-year cycle and provide online maps of vacant industrial and commercial properties using the County's Geographic Information System.
- ED-IM3. Broadband Deployment.** Revise subdivision regulations to provide infrastructure for broadband Internet.
- ED-IM4. Programs.** Support technical and financial assistance programs, including delivering capital, technical expertise, and training to businesses starting up and expanding.
- ED-IM5. Streamlining.** Provide regular review and improvement of ordinances and permit processes to increase efficiency and reduce permit processing times for strategic targets such as, but not limited to, microenterprises, home based-businesses, and workforce housing.
- ED-IM6. Child Care.** Investigate and support financing tools that leverage public and private funding to increase the establishment, rehabilitation, expansion, and viability of child care facilities.
- ED-IM7. Informed Public.** Conduct and publish economic research relating to emerging markets, innovations, and opportunities in which the region may have competitive advantages.

NOTE: the section below will fall out of the 'final' version found in the GP, but will be critical to the process of review

11.9 Staff Analysis and Alternatives

State and Federal Requirements for Economic Development Grants

The source of financing for economic development is grants. All granting agencies have legal compliance requirements, most of which draw upon federal regulations. In order for the County to receive grants for economic development, County policies and procedures must comply with federal regulations. Most grants are monitored annually. Internal monitoring and upgrading of these policies and procedures is an on-going essential task.

The U.S. Department of Commerce, Economic Development Administration (EDA) requires that the County or a regional authority to which the County is party produce and adopt a Comprehensive Economic Development Strategy (CEDS) that is updated annually. The CEDS identifies the strategy for economic development and prioritizes investment in projects, particularly infrastructure projects, which would be eligible for EDA funding. As intended by the EDA, the CEDS has become the primary organizing tool for cities and counties to coordinate economic development strategy, implementation roles, and infrastructure investments. The County is the primary convener, coordinator for the CEDS and reports updates directly to the EDA on an annual basis.

Additional federal programs and policy are likely to require further local and regional cooperation and coordination. The U.S. Department of Labor has instituted several regional pilot projects, investing multi-year grants of \$5–15 million into regions that collaborate with the private sector and beyond traditional jurisdictional boundaries.

Staff Recommendations

The recommended policies were crafted based on the existing Comprehensive Economic Development Strategy; current labor market and industry growth studies; current trends in the local, state, national and global economy; and the input of numerous constituent groups.

Alternatives

The proposed project **Plan Alternative B** is presented in the main body text of the Chapter, pages 11-1 to 11-13. Alternative B presents a fairly robust set of economic development initiatives consistent with the thinking that a healthy economy is an important part of quality of life. Industrial reuse and protection of prime employment lands are key policies that are included. Consistent with the direction for developing Alternative B, a policy (ED-P9) directs inclusion of development standards which discourage big box retail uses in the unincorporated area. Alternative wording is provided for the other alternatives.

Plan Alternative A includes many of the components of Alternative B, but as an environmentally superior alternative, some wording and policy choices are presented that are

less robust toward economic development initiatives, particularly those that might be high impact or growth inducing, such as road, rail, and airport expansions. Alternative A does not accommodate big box in the unincorporated area.

Plan Alternative C also includes many of the components of Alternative B, but as a higher capacity, less regulatory plan, some government programs are left out and accommodation for big box in the unincorporated area is provided.

Plan Alternatives Comparison Chart

The “Vote” column is provided for the user to indicate a policy preference. Enter a **Retain**, **Delete** or **Modify**.

<i>Table 11-1. Plan Alternatives Comparison Chart</i>					
<i>Plan Alternative</i>			<i>Goals</i>	<i>Staff Remarks</i>	<i>Vote: R, D, M</i>
	B	C	ED-G1. Stable Economy. To enhance and maintain a diverse, stable, and growing local economy with an emphasis on base and emerging industries, innovation, entrepreneurship, and global competition.	See alternative wording below	
A			ED-G1. Stable Economy. To maintain a diverse, stable local economy with an emphasis on strengthening existing local industries.	Plan A alternative wording	
A	B	C	ED-G2. Broadband Internet. To establish a reliable broadband internet infrastructure that distributes a choice of economically accessible broadband services into our most rural communities, and is not vulnerable to disruption. Integrate broadband service capability into new buildings and developments. Provide broadband access in remote or rural communities.		
A	B		ED-G3. Quality of Life. To attract and retain young talent by developing vibrant town centers that incorporate a mix of employment, housing, and retail uses as well as access to child care, transportation, and cultural and natural amenities.		
	B	C	ED-G4. Skilled and Ready Workforce. To foster a local workforce that is prepared to succeed in the industries growing in Humboldt County, which values early education, vocational training, and lifelong learning.		

Table 11-1. Plan Alternatives Comparison Chart

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<i>Plan Alternative</i>	<i>Development Policies</i>			<i>Staff Remarks</i>	<i>Vote: R, D, M</i>
	B	C	ED-G5. Streamlining. To implement permitting and licensing processes that are more responsive to the needs and timelines of the marketplace, particularly for microenterprises and home-based businesses.		
	B	C	ED-G6. Transportation Networks. To have transportation facilities that allow freight mobility along the interstate highway system and provide connectivity between residential neighborhoods and employment centers.		
	B	C	ED-G7. Public Water and Wastewater. To have and maintain adequate public water and wastewater facilities to accommodate workforce housing and provide opportunities for businesses to grow.		
A	B		ED-G.8 Natural Resource Assets. To protect productive agricultural, mineral resource, timber, and coastal dependent lands.		
A	B		ED-G9. Brownfields. To clean up and reuse brownfield sites.		
A	B		ED-G10. Cooperation and Collaboration. To build and maintain partnerships with cities, neighboring counties, and the private sector that build and enhance common assets and resolve common obstacles.		
A	B		ED-G11. Economic Development Assistance Programs. To administer and support financial and technical assistance programs that support workers, businesses, and service providers.		
A	B		ED- G12. Informed Public. To educate County residents of economic trends, emerging markets, innovations and opportunities for entrepreneurship that benefit the region’s economic prosperity.		
<i>Plan Alternative</i>	<i>Development Policies</i>			<i>Staff Remarks</i>	<i>Vote: R, D, M</i>
A	B		ED-P1. Prime Employment Land Protection. Identify and protect prime employment lands from conversion and encroachment of conflicting uses.		
	B	C	ED-P2. Airport Expansion. Support expansion of the airport to include service to major airport hubs and expanded flight schedules.		
A	B		ED-P3. Broadband Internet. Promote the provision of broadband infrastructure in all communities.		

Table 11-1. Plan Alternatives Comparison Chart

<i>Plan Alternative</i>				<i>Investment Policies</i>	<i>Staff Remarks</i>	<i>Vote: R, D, M</i>	
A	B			ED-P4. Workforce Housing. Promote the development of workforce housing and mixed-use housing around multi-modal transportation options.			
A	B			ED-P5. Child Care. Promote the provision of child care facilities within business, commercial and industrial centers and housing developments.			
A	B			ED-P6. Revitalization. Promote the revitalization of underutilized lands in communities in transition due to the decline of resource-based industries.			
A	B			ED-P7. Brownfields. Consider land use designations for brownfields to encourage cleanup and reuse.			
A	B			ED-P8. Commercial and Industrial Sites Database. Maintain a commercial and industrial sites database and continue to improve accessibility to online information on commercial and industrial property.			
A				ED-P9. Commercial Retail. Large format “big box” commercial uses shall not be located in the unincorporated area to avoid sprawl.	Plan A alternative wording		
	B			ED-P9. Commercial Retail. Include standards for discretionary review of large format “big box” commercial uses to reduce their land use impact.	Plan B alternative wording		
		C		ED-P9. Commercial Retail. Include standards for discretionary review of large format “big box” commercial uses.	Plan C alternative wording		
	B			ED-P10. Industrial Parks. Where appropriate, promote development of well planned and designed industrial parks catering to existing local, as well as outside opportunities. Encourage master environmental assessments for industrial parks in order to streamline the subsequent development process.	From Framework Plan		
A	B			ED-P11. Financial Resources. Acquire and distribute financial resources for workforce training, economic research, infrastructure, and business development.			
	B	C		ED-P12. Freight Mobility. Pursue financial and technical solutions to provide reliable interstate truck access on both U.S. 101 and State Highway 299.			

Table 11-1. Plan Alternatives Comparison Chart

<i>Table 11-1. Plan Alternatives Comparison Chart</i>					
<i>Plan Alternative</i>	<i>Partnership Policies</i>			<i>Staff Remarks</i>	<i>Vote: R, D, M</i>
	B	C	ED-P13. Broadband Internet. Support the development and management of a redundant fiber optic line that connects to the fiber backbone running along the U.S. 5 corridor. Support the expansion and delivery of broadband Internet in the rural or remote communities in the county through all appropriate technologies.	See alternative wording below	
A			ED-P13. Broadband Internet. Support the expansion and delivery of broadband Internet in the rural or remote communities in the county through all appropriate technologies.	Plan A alternative wording	
A	B		ED-P14. Workforce Housing. Encourage production of housing at a price commensurate with income levels, and a transportation system to provide efficient connectivity between housing and places of employment to maintain satisfactory commute travel times and distances.		
A	B		ED-P15. Public Infrastructure. Pursue and distribute funding and technical assistance to upgrade and enhance the water and wastewater facilities of communities.		
A	B		ED-P16. Brownfields. Pursue and distribute funding and technical assistance to assess, clean up, and reuse brownfields.		
<i>Plan Alternative</i>	<i>Partnership Policies</i>			<i>Staff Remarks</i>	<i>Vote: R, D, M</i>
A	B		ED-P17. Job Growth. Collaborate with economic development entities in the region to promote job growth, technical innovations, and entrepreneurship in base and emerging industries.		
A	B		ED-P18. Workforce. Work with the education and private sectors to promote education, vocational training, professional development, and lifelong learning.		
A	B		ED-P19. Cities and Counties. Collaborate with cities and neighboring counties to identify and implement regional economic initiatives that benefit base and emerging industries.		
A	B		ED-P20. Child Care. Foster private/public partnerships with child care service and information providers.		

Table 11-1. Plan Alternatives Comparison Chart

<i>Plan Alternative</i>				<i>Implementation Measures</i>	<i>Staff Remarks</i>	<i>Vote: R, D, M</i>
A	B			ED-IM1. Ordinances. Update ordinances related to economic development for consistency with the uses of base and emerging industries.		
A	B			ED-IM2. Commercial and Industrial Sites Database Mapping. Update the Commercial and Industrial Sites Database on a two-year cycle and provide online maps of vacant industrial and commercial properties using the County's Geographic Information System.		
A	B			ED-IM3. Broadband Deployment. Revise subdivision regulations to provide infrastructure for broadband internet.		
A	B			ED-IM4. Programs. Support technical and financial assistance programs, including delivering capital, technical expertise, and training to businesses starting up and expanding.		
	B	C		ED-IM5. Streamlining. Provide regular review and improvement of ordinances and permit processes to increase efficiency and reduce permit processing times for strategic targets such as, but not limited to, microenterprises, home based-businesses, and workforce housing.		
A	B			ED-IM6. Child Care. Investigate and support financing tools that leverage public and private funding to increase the establishment, rehabilitation, expansion, and viability of child care facilities.		
A	B			ED-IM7. Informed Public. Conduct and public economic research relating to emerging markets, innovations, and opportunities in which the region may have competitive advantages.		
<i>Plan Alternative</i>				<i>Existing Framework Plan</i>	<i>Staff Remarks</i>	<i>Vote: R, D,</i>
			D	1. Promote economic development by coordination of efforts with both local economic development organizations and members of the private sector.	Replaced by P16, P17. P18 and P19	

Table 11-1. Plan Alternatives Comparison Chart

		D 2. Encourage a diverse range of commercial and industrial development consistent with community goals and the level of services provided in each of the cities and communities.	Replaced by G1, P1 and P9	
		D 3. Continue to provide for, through General Plan amendments and zoning revisions as needed, an adequate supply of commercial and industrial land to maximize opportunities for development.	Replaced by P1, P7, P9, IM1, and IM2	
		D 4. Prevent the loss of designated industrial lands to other uses requiring permanent facilities.	Replaced by P1	
		D 5. Ensure that industrial or commercial development which requires provision for public water, sewage disposal, roads and other needed utilities and services is placed in a suitable urbanized area.	Replaced by P14	
		D 6. Allow Resource Dependent Industrial uses outside of urban areas when such uses are: <ul style="list-style-type: none"> • dependent upon close proximity to resource production lands, and • not dependent on urban services. 		
		D 7. Where appropriate, promote development of well planned and designed industrial parks catering to existing local, as well as outside opportunities. Encourage master environmental assessments for industrial parks in order to streamline the subsequent development process.	Included as P10	
		D 8. Locate commercial development in appropriate community centers that will assist and supplement existing commercial activity.	Replaced by P9	
		D 9. Discourage strip commercial development, where appropriate.		
		D 10. Encourage the economic opportunities for production facilities that efficiently utilize all products and by-products of forestry, fishery, or agricultural uses.		
		D 11. Maximize local energy opportunities from the renewable resources found in the County.		
		D 12. Encourage innovative methods for pollution reduction and waste product disposal and utilization.		

11.10 Preliminary Environmental Impact Analysis

This chapter establishes a consistent set of policies that provide general direction to local government on how the community can focus resources to retain local business, stimulate new firm creation and business expansion within existing and emerging industries, support the tax base, and sustain the ability to provide public services for current and future residents. The cumulative effectiveness from integrating policies central to land use, circulation, and public facilities in the overall economic development strategy is considered. Potential environmental impacts from policies and implementation measures of the element that encourage development, particularly commercial and industrial development are balanced by other policies and measures that seek to reduce potential environmental impacts

Mitigation. Policies and implementation measures of the element encourage development, particularly commercial and industrial development. New housing will be necessary to accommodate the workforce employed by the new commercial and industrial development. Likewise, expansion of sewer and water facilities and road capacity improvements will be necessary for the economic growth encouraged by the element.

Many existing policies and other requirements help ensure that review of future development considers the environment and character of the county. Environmental review of future projects will help ensure development is consistent with the County's existing policies and programs designed to mitigate and minimize environmental impacts.

Policies and implementation measures in the Economic Development Element will also serve to mitigate potential environmental impacts of the new growth. Policy ED-P1 (Prime Employment Land Protection) protects prime lands from conversion and encroachment of conflicting uses. This policy serves to mitigate potential environmental impacts of new growth by focusing new development in areas already suited for commercial and industrial uses, and minimizes the need to accommodate new development by converting areas where commercial and industrial uses are not presently allowed.

Policy ED-P6 (Revitalization) promotes revitalization of underutilized lands, and Policy ED-P15 (Brownfields) directs the County to pursue and distribute funding and technical assistance to assess, clean, and reuse brownfields—sites with potential hazardous waste contamination. These two policies help reduce potential environmental impacts of new development by encouraging it in existing commercial and industrial areas, and limit conversion of land from other uses such as agricultural, timber, and mineral resource production.

Policies ED-P3 and ED-P12 (Broadband Internet) promote the movement of knowledge-based goods and services. These policies reduce reliance on roads and highways for economic activity.

The Economic Development Element also refers to policies and implementation measures for land use, housing, public facilities, and transportation that direct how, when, and where new development will occur. These policies will help mitigate potential environmental

impacts of new growth that indirectly results from the Economic Element. Policy ED-P7 (Brownfields) encourages cleanup and reuse of brownfields. Potential environmental impacts associated with increased truck traffic are mitigated via a policy that seeks to improve the condition of the interstate highways (Policy ED-P11 - Freight Mobility). Policy ED-P14 (Public Infrastructure) attempts to minimize potential impacts of the project on public facilities.

Conclusion. The proposed project Plan Alternative B may result in significant effects relating to growth inducement. Because the element focuses on strengthening existing industry clusters, rather than encouraging new industries from outside the area to locate here, it is less impacting than traditional economic development efforts. As discussed above, while there is some mitigation for these effects, Alternative A removes many of the components most responsible for growth inducement. The policies calling for the expansion of sewer and water facilities, the airport, and road capacity improvements are removed from Alternative A to reduce impact. Initiatives to increase internet connectivity and to provide workforce housing are retained because these efforts may be effective in reducing overall impacts. Alternative C omits a number of policies to provide less government involvement in economic development; its impacts are more speculative and uncertain as currently proposed.