



# BACKGROUND & EXISTING CONDITIONS

# BACKGROUND INFORMATION

## About the CSEDD District

The Central Sierra Economic Development District (CSEDD) has been the Central Sierra region's EDA-recognized economic development district for over forty years. Formed as a Joint Powers Authority in 1976, CSEDD's original member entities included Alpine, Amador, Calaveras, and Tuolumne counties as well as the cities of Sonora, Angels Camp, Jackson, Sutter Creek, Amador City, Lone, and Plymouth. Mariposa County was ratified into the District in November 2011.

CSEDD's board was comprised of both public and private sector members. An elected official from each county's Board of Supervisors and an alternate were appointed for a one-year term; one City Council member and an alternate are appointed from Sonora and Angels Camp; and one 5-Cities representative and alternate was appointed on behalf of Amador County's incorporated cities. Per the JPA, during a Mayor's Conference at the beginning of each calendar year, five mayors select their 5-Cities representative and alternate. With 10 available private sector Citizen Members positions, only two were filled as of June 30, 2011. In early 2011, it came to the CSEDD board's attention that its entire district's staff, including its Executive Director, would need to be laid off due to financial difficulties with the entity of employment, the Central Sierra Planning Council (CSPC), whose board is comprised of the same elected officials as CSEDD. Immediate dissolution of the CSEDD was discussed.

An interim solution was reached with the Tuolumne County Economic Development Authority (TCEDA) taking over management for one year starting July 1, 2011. TCEDA's staff of two agreed to finish the Comprehensive Economic Development Strategy (CEDS) annual update by its deadline, prepare three years of final grant reports still outstanding to bring the District back into EDA compliance, apply for the next Partnership Planning Grant and, if awarded, research, compile, write and submit a new five-year CEDS by the end of their contract on June 30, 2012. TCEDA completed the ratification of Mariposa County, attended the Mayor's Conference selection meeting, completed the CEDS annual update and final reports by deadline, and was awarded an EDA planning grant #07-83-06806, and produced the 2012-2017 CEDS per contract agreement. Six new private sector Citizen Members were appointed by their respective counties, and together, a strengthened and more diverse CSEDD private/public board became the CEDS Committee to develop a new regional economic development strategy.

Starting on July 1, 2012, TCEDA was awarded a competitive two-year management contract to assist CSEDD manage and implement their regional vision, goals, and objectives. The 2012 CEDS was a work-in-progress, and served as a guide for future communications, cooperation, and planning for the five-county region. A five-year CEDS with annual updates was required to qualify for assistance from the U.S. Department of Commerce for Economic Development Administration (EDA) funding. Development and implementation of a five-year CEDS required a new appraisal of each member entity's needs, abilities, financing options, and project readiness, coalescing the region as a whole. With rapid and intense input and discussion from public/private CSEDD board members, regional economic development professionals, commercial and industrial developers, nonprofits, public utilities, public works departments, other community partners and interested residents; a regional economic development strategy and plan emerged. The 2012 CEDS was a better reflection of new and ongoing rural priorities, challenges and opportunities facing our five counties and seven cities, their businesses, visitors, and residents.

On February 5, 2014 Amador County chose to leave the CSEDD. The CSEDD Joint Power Authority agreement at that time required all cities within Amador County to leave the district also. Since that time the CSEDD Joint Power Authority agreement has been amended to allow cities to join themselves without requiring the county to be part of the district. On April 17, 2014 the CSEDD board extended its contract with the TCEDA for three years. The current contract will end on June 30, 2017.

Starting on January 1, 2016 the CSEDD board started its update to the five-year CEDS. In June of 2016, the CSEDD partnered with the Center for Economic Development at CSU, Chico to assist in the formation of the CEDS. The new five-year CEDS was approved by the CSEDD Board on November 17, 2016. The CEDS was circulated for public review between October 10, 2016 and November 9, 2016. The public comments can be found in the appendix of this document.

## About Alpine County

Alpine County is the smallest county by population in the State of California. There are no incorporated cities in the county. The county seat is Markleeville. Alpine County is located in the Sierra Nevada between Lake Tahoe and Stanislaus National Forest.

Alpine County was created on March 16, 1864 during a silver boom in the wake of the nearby Comstock Lode discovery. It was named due to its resemblance to the Swiss Alps. The county was formed from parts of Amador, Calaveras, El Dorado, Mono and Tuolumne Counties. At its formation, the county had a population of about 11,000 with its county seat in Silver Mountain City. By 1868 however, the local silver mines had proven unfruitful, and the population fell to about 1,200. The county seat was moved to Markleeville in 1875.

After the silver rush, Alpine County's economy consisted almost entirely of farming, ranching, and logging. By the 1920s, the population had fallen to just 200 people. With the construction of the Bear Valley and Kirkwood ski resorts in the late 1960s, the population increased to the present level. The population at the 2010 Census was 1,175 and has increased to 1,202 in the most recent estimates (2014). According to the U.S. Census Bureau, the county has a total area of 743 square miles (1,920 km), of which 738 square miles (1,910 km) is land and 4.8 square miles (12 km) (0.7%) is water. The federal government owns about 96% of Alpine County, the highest percentage in California.

## About Tuolumne County

Tuolumne County is located in the Sierra Nevada of the U.S. state of California. The northern half of Yosemite National Park is located in the eastern part of the county. The City of Sonora is the county's only incorporated city, and Sonora is the county seat.

Tuolumne County was one of the original counties of California, created in 1850 at the time of statehood. Prior to statehood, it had been referred to as Oro County. Parts of the county were given to Stanislaus County in 1854 and to Alpine County in 1864. According to the 2000 census, the county has a total area of 2,274 square miles (5,890 km), of which 2,221 square miles (5,750 km) is land and 54 square miles (140 km) is water.

A California Department of Forestry document reports Tuolumne County's 1,030,812 acres (4,171.55 km<sup>2</sup>) include federal lands such as Yosemite National Park, Stanislaus National Forest, Bureau of Land Management lands, and Native American reservations. The population at the 2010 Census was 55,365 and has decreased to 54,347 in the most recent estimates (2014).

## About Mariposa County

Mariposa County is located in the western foothills of the Sierra Nevada in the U.S. state of California. It lies north of Fresno, east of Merced, and southeast of Stockton. The county seat is Mariposa. The county's eastern half is the central portion of Yosemite National Park.

There are no incorporated cities in Mariposa County; however, there are three communities recognized as census-designated places for statistical purposes. Mariposa County was one of the original counties of California, created at the time of statehood in 1850. While it began as the state's largest county, over time territory that was once part of Mariposa was ceded to twelve other counties: Fresno, Inyo, Kern, Kings, Los Angeles, Madera, Merced, Mono, San Benito, San Bernardino, San Luis Obispo, and Tulare. Thus, Mariposa County is known as the "Mother of Counties".

According to the 2000 census, the county has a total area of 1,463 square miles (3,790 km), of which 1,449 square miles (3,750 km) is land and 14 square miles (40 km) is water. The population at the 2010 Census was 18,251 and has decreased to 17,946 in the most recent estimates (2014).

## About Calaveras County

Calaveras County is located in the Gold Country of the State of California. The county seat is San Andreas. The City of Angels, locally referred to as Angels Camp, is the only incorporated city. Calaveras Big Trees State Park, a preserve of Giant Sequoia trees, is located in the county several miles east of the town of Arnold on State Highway 4. The uncommon gold telluride mineral calaverite was discovered in the county in 1861.

Mark Twain set his story, "The Celebrated Jumping Frog of Calaveras County", in the County. Each year, the county hosts a fair and Jumping Frog Jubilee, featuring a frog-jumping contest, to celebrate the association with Twain's story. Calaveras County was one of the original counties of the state of California, created in 1850 at the time of admission to the Union. Parts of the county's territory were reassigned to Amador County in 1854 and to Alpine County in 1864.

The county's geography includes beautiful landmarks, rolling hills, and giant valleys. According to the 2010 census, the county has a total area of 1,037 square miles (2,690 km), of which 1,020 square miles (2,600 km) is land and 17 square miles (40 km) is water. The population at the 2010 Census was 45,578 and has decreased to 44,921 in the most recent estimates (2014).

# EXISTING CONDITIONS

## Summary of the CSEDD Region

The four counties of the Central Sierra Economic Development District region are blessed with abundant natural assets but continue to face many challenges common to rural areas throughout the American West. One prominent challenge is difficult market access due to distance from interstate highways, ports, and rail facilities. The following sections describe the CSEDD's physical setting and infrastructure access connecting the region to outside markets.

### Physical Setting

The four counties that comprise the CSEDD region include some of the most dramatic terrain in the American West. The CSEDD region straddles the Sierra Nevada mountain range with Calaveras, Tuolumne, and Mariposa counties on the western slope oriented toward the San Joaquin Valley and Alpine County on the eastern slope oriented toward Nevada's Carson Valley. Many of the region's modern communities trace their roots to California's gold rush era, with much of today's population clustered along the same waterways and small valleys in the Sierra foothills that were once dominated by placer mining in the early years of the gold rush. The rugged topography between these foothill and ravine areas translates into winding and often slow-moving routes connecting the area's most densely populated communities. The crest of the Sierra presents another impediment to transportation, with winter weather often leading to pass closures. As home to many important state and federal reservoir projects like New Melones Lake and Lake McClure, the foothill areas of the CSEDD offer many outdoor activities such as fishing and recreational boating opportunities. Higher elevation areas of the CSEDD feature abundant timber resources and dramatic alpine landscapes often framed by exposed granite batholiths as found in Yosemite Valley.

### Highway and Rail Access

State and county highways are the economic backbone that connect communities throughout the CSEDD region's 5,500 square miles of rugged terrain to state and national markets. California State Route 49 serves as the vital north-south artery for foothill communities in Calaveras, Tuolumne, and Mariposa counties. Six east-west state highways provide connections to the San Joaquin Valley: Routes 12, 4, and 26 link Calaveras County to Stockton, Routes 108, 120, and 132 link Tuolumne County to Modesto, and Route 140 connects Mariposa County to Merced. Of these east-west state highways, only three crest the Sierra to provide eastward transportation connections: Highway 4 (Ebbetts Pass), Highway 108 (Carson Pass), and Highway 120 (Tioga Pass), although these passes are

subject to seasonal closures. State Routes 120, 140, and 41 are important gateway routes for visitors to Yosemite National Park.

A single rail connection to outside markets is provided by the Sierra Northern Railway, which operates a 48-mile line connecting Sonora in Tuolumne County to Union Pacific's mainline San Joaquin Valley route in Oakdale. The Union Pacific main line connects with port facilities including the Port of Stockton and the Port of Oakland. While Sierra Northern line does provide freight service for the lumber industry and other business in East Sonora's industrial zones, the railway's tight geometries and resulting speed restriction of 5 mph for much of its length preclude the line from being used extensively for commercial shipping.

### Telecommunications Access

Communities within the Central Sierra Economic Development District region are served by a handful of last-mile broadband service providers offering direct subscriber line, coaxial cable, and fixed wireless services. Direct subscriber lines are wired connections which generally meet the minimum definitions for "broadband service" as defined by the California Public Utilities Commission. Direct subscriber line service providers include AT&T throughout much of the region, along with smaller service providers with smaller focus region including Sierra Tel Internet, CALTEL Connections, Volcano Communications Group, Frontier Communications, and TDS Telecom. Coaxial cable is another wired connection technology that generally enables much higher download and upload speeds. Comcast is the franchisee for cable services for the vast majority of the developed areas within the four counties of the CSEDD region. Finally, fixed wireless services offer connectivity by broadcasting signals to a fixed receiver in a consumer's home or business. This technology can offer moderately fast service to harder-to-reach locations, but price and reliability may be lower than traditional wired technologies. There are many service providers offering fixed wireless connections in much of the CSEDD region, including Volcano Wireless, Conifer Communications, and unwired Broadband, Inc.

#### County Size & Population

County	2010 Area Square Miles	2014 Population
Alpine	743	1,202
Calaveras	1,037	44,921
Mariposa	1,449	17,946
Tuolumne	2,274	54,347
<b>CSEDD Region</b>	<b>5,503</b>	<b>118,416</b>

Source: U.S. Census Bureau County Square Mileage (2010) & U.S. Census Bureau ACS 2014, 5-year estimates (2016)

# ■ CSEDD STRENGTHS, WEAKNESSES, OPPORTUNITIES, & THREATS

- Abundance of Natural Resources
- Extensive Community Involvement
- Many Recreational Opportunities
- Access to Educational Institutions
- IMCP AgPlus
- Historic Appeal & Downtowns
- Vital Tourism Industry
- Regional Stability
- Entertainment including Black Oak Casino
- Strong Medical Facilities and Healthcare Industry
- Wine Industry

**S**  
STRENGTHS

- Lack of Affordable Housing
- Shortage of Skilled & Educated Workforce
- Aging and Inadequate Infrastructure
- Lack of Economic Diversity
- Distance to Markets
- Lack of Natural Gas Lines
- Poor Cell Service
- Sporadic Broadband Services
- Poor Public Transportation
- Vacancy of Commercial Properties-some counties have too many vacant; others not enough
- Inadequate visitors' centers
- Shortage of living-wage jobs
- Slow shipping & delivery services

**W**  
WEAKNESSES

- Improving Airport Infrastructure
- Advanced Visitors' Services
- Regional Coordinated Marketing Efforts
- Capitalization of Educational Resources
- Collection of TOT Revenues from AirBnB type rentals
- Build Healthcare Services for senior and aging population
- Quality K-12 education for attracting families
- Promote business training centers
- Expand Community College Opportunities

**O**  
OPPORTUNITIES

- Vocal Minority & Environmental Perception
- Federal & State Government
- Natural Disasters
- Drought
- Global Competitive Market
- Recession
- Marijuana Industry
- Reduction of Healthcare Services

**T**  
THREATS

# TOP STRENGTHS

After reviewing all the strengths, weaknesses, opportunities, and threats of the CSEDD region, community members and stakeholders identified the most important results of the region. While the CSEDD region has a variety of strengths, the following were determined to be the most important and unique to the region:

1. ABUNDANCE OF NATURAL RESOURCES
2. RECREATION & TOURISM
3. EDUCATIONAL RESOURCES
4. HISTORIC APPEAL & DOWNTOWNS
5. COMMUNITY INVOLVEMENT

## Abundance of Natural Resources

The CSEDD has an abundance of natural resources located in and around the region. Some of these include water, forest lands including logging, clean air, energy generation, and mineral extraction. The CSEDD region has been able to utilize these resources in a way that promotes sustainable forest practices and maximizes the benefits of the region's resources. In addition to the market value of these goods, the many lakes, forest lands, and natural resources are amenities to local residents and tourists.

## Recreation & Tourism

All four counties within the CSEDD are primarily rural in nature, and consist of several recreation sites including Grover Hat Springs, Calaveras Big Trees, Columbia State Historic Park, Yosemite National Park, and four national forests providing recreational activities like camping, hunting, fishing, and skiing. Many tourists travel to the region, spending money and renting vacation homes. In addition to the natural recreation within the region, the region has many local wineries attracting tourists to the area.

## Educational Resources

The CSEDD has several different educational resources available close to or within the district. The first is UC Merced which is the newest University in California with a special mission to increase the number of high-school students attending college within its region. UC Merced serves as a major base for advanced research and focuses on sustainable design and construction. The second is the Innovation Lab and Maker Space located in Sonora. The Innovation Lab is a place where businesses and non-profits can intermix and exchange ideas to make their communities a better place. The Innovation Lab is equipped with equipment and meeting spaces for businesses to be successful. In addition, Mother Lode job training is also a valuable educational resource to the workforce within the CSEDD region. Mother Lode provides job-seekers with resources for finding work as well as on-the-job training.

## Historic Appeal & Downtowns

The communities within the CSEDD region have a rich historical past that can still be seen today. The region includes remnants of gold mining and an old-west atmosphere. Also located within the region is the Mark Twain Cabin which is a California Historical Landmark and is also where Mark Twain wrote the short story *The Celebrated Jumping Frog of Calaveras County*, still celebrated today in Calaveras County's Fair and Jumping Frog Jubilee which has grown to over 45,000 attendees annually. The rich history and historic appeal is a vital aspect that brings tourists and visitors into the region.

## Community Involvement

The community members within the CSEDD region are actively involved and are passionate about the well-being and growth of the region. Community members are engaged in new planning efforts and are part of decision making processes. Community involvement is a very important aspect of economic development planning because it helps generate ideas for projects and their implementation. The community knows what they want their community to be and actively voice their opinions.

# TOP WEAKNESSES

This section discusses the current weaknesses within the CSEDD region. The weaknesses were decided by broad community and stakeholder participation, and the following were determined as the top weaknesses in the region:

1. SHORTAGE OF AFFORDABLE HOUSING
2. AGING & INADEQUATE INFRASTRUCTURE
3. DISTANCE TO MARKETS
4. LACK OF ECONOMIC DIVERSITY
5. LACK OF EDUCATED & SKILLED WORKFORCE
6. LOCAL PERMITTING & ZONING

## Shortage of Affordable Housing

Throughout the entire CSEDD region there is a lack of affordable housing with some counties far worse than others. Mariposa and Alpine counties are high tourism areas, and with the ease of use of sites like AirBnB, many long-term rental homes are being converted to vacation homes. This is leaving a shortage of available affordable homes for residents and the region's workforce. In addition, due to the inadequate sewer and water infrastructure as well as local permitting and regulations, new housing developments are currently not being built. Local permitting requirements are also a large concern to local business owners who struggle to create or expand their operations.

## Local Zoning & Permitting

In addition to hindering housing development, local permitting requirements are a huge concern to local business owners who struggle to create or expand their operations. The California State Code of Regulations coupled with local zoning and permitting regulations can sometimes place unnecessary cost burdens on local citizens. Navigating around these regulatory obstacles has been expressed by citizens and businesses as a hurdle to development. Government authorities need to reassess regulations and decide which laws are necessary. However, local governments and authorities can seize the opportunity to

better understand which regulations are causing the largest regional impact and create strategies to lessen the regulatory burden.

## Aging & Inadequate Infrastructure

Infrastructure within the CSEDD region is either inadequate or aging. In some areas, the lack of water and sewer lines have hindered development especially within the residential sector. In addition, the current water and sewer lines are aging and cannot handle more units on the systems. Furthermore, broadband infrastructure is not complete within the entire region. While some areas of the district have broadband access, some blocks or areas are without coverage. The region needs infrastructure improvement for a strong broadband backbone throughout the region. Lastly, natural gas lines are only available to San Andreas and leave the rest of the region underserved.

## Distance to Markets

The Central Sierra Economic Development District is located geographically in an area with two main issues for transportation. First, there aren't any large markets located within the CSEDD region, and second, the majority of the district is connected by a series of high alpine highways reaching elevations of over 8,700 feet. In many areas of the region, seasonal conditions cause main highways to be closed during the winter. Due to snow conditions, highway 4, the main highway connecting Bear Valley and Markleeville in Alpine County, is closed every winter at Ebbetts Pass, significantly increasing commute and transportation times. A person trying to get from Bear Valley to Reno in the winter will expect an additional two hours to their drive time than they would in the summer months. Other winter road closures include the highway 108 pass near Donnell Lake and part of highway 89 in Alpine County, as well as highway 120 in Tuolumne County.

The distance to markets also impacts the availability and speed of shipping. Throughout the CSEDD region, one-day shipping is not available. Because of the distance to markets and inadequate road conditions, one-day shipping would only be possible through air transportation. Unfortunately, current airport infrastructure is lacking and cannot accommodate one-day shipping.

## Lack of Economic Diversity

The CSEDD region's economic base is primarily dependent on tourism. While the many tourism opportunities is a great strength of the region, in the event

of another recession or natural disaster, a decline in tourism may lead to a more significant impact on the region's economy. Another industry sector that accounts for a large portion of the region's economy is the healthcare industry. While the healthcare industry is currently strong, it requires a continued base of patients. The CSEDD region has continued to see a declining population over the past decade, if this continues, it could have an impact on the region's healthcare industry. A small number of economic base industries leave the region susceptible to both man-made and natural disruptions.

### **Lack of Educated & Skilled Workforce**

In the community feedback, business owners and community members stated that one of the key barriers to economic development and reason for business failures is the lack of qualified, educated, and skilled workers. The CSEDD region has experienced a teenage brain drain. Between 2009 and 2014, the number of residents between the ages of 10 and 24 years old decreased by 14 percent. In addition, between 2005 and 2014, the number of high-school graduates eligible for UC or CSU entrance was far below that of the California average.

# TOP OPPORTUNITIES

This section focuses on the potential opportunities the CSEDD region can use to build a more prosperous and economically resilient region. After utilizing community and stakeholder input, the top five opportunities facing the CSEDD region are:

- 1. ADVANCED VISITORS' SERVICES**
- 2. COORDINATED MARKETING EFFORTS**
- 3. CAPITALIZATION OF EDUCATIONAL RESOURCES**
- 4. IMPROVING REGIONAL AIRPORTS**
- 5. COLLECTION OF TOT**

## **Advanced Visitors' Services**

As one of the region's top strengths, tourism brings many visitors to the CSEDD region. However, the region is lacking in advanced visitors' services to direct travelers to local attractions or recreation sites. In addition, without advanced visitors' services within the region, communities are missing out on the chance to get through-travelers to stop and potentially spend money. There are currently visitors' services within the CSEDD region, but many are located in dated sites where new highway improvements have diverted visitors away from the services. Improving current visitors' services or promoting new ones could bring more visitor spending within the CSEDD region.

## **Coordinated Marketing Efforts**

With the vast abundance of natural resources and recreation opportunities within the CSEDD region, each county promotes their own community resources, but does not promote the resources of the region. Coordinating marketing efforts for these resources and cross-training employees regionally is an opportunity to promote inter-county spending by visitors.

## **Capitalization of Educational Resources**

The CSEDD region has several educational resources available to its residents. UC Merced, Mother Lode job training, and Innovation Lab are all educational

resources the CSEDD region can utilize more effectively. In addition, Columbia Community College could be a potential partner to create a more educated and skilled workforce.

## **Improving Regional Airports**

The airports within the CSEDD region are lacking in infrastructure which in turn is causing shipping and delivery services within the region to be inadequate. One-day shipping within the CSEDD region is not currently provided which is a hindrance for businesses and slows region productivity. Improving at least one regional airport to support one-day shipping and delivery services, could promote business growth and productivity.

## **Collection of TOT**

With a large portion of the region's available housing being used for vacation homes, the Transient Occupancy Tax (TOT) is import revenue to local county governments. As online vacation sites like AirBnB have increased in use and popularity, traditional forms of TOT collection are no longer adequate. Only two of the four counties within the CSEDD district currently collect TOT fees from vacation homes booked through online sites. The collection of this tax revenue is vital to the region.

# TOP THREATS

This section outlines the external threats that face the CSEDD region. Because threats are external, the CSEDD region can only prepare for these in the event they occur. The three top threats facing the region are federal and state government, the vocal minority and environmental perception, and natural disasters.

- 1. FEDERAL & STATE GOVERNMENT**
- 2. VOCAL MINORITY & ENVIRONMENTAL PERCEPTION**
- 3. NATURAL DISASTERS**

## **Federal & State Government**

A large portion of the CSEDD district land is managed by federal and state governments, with national forest land management accounting for 32 percent of land in the CSEDD region. Local county governments cannot control the decisions and management of the federal and state lands. Therefore, this could be the top threat to the region. If state or federal funding to these lands change, like a decline in funds for trail maintenance or fish planting, a decline in tourism could have an impact on the local economy.

## **Vocal Minority & Environmental Perception**

While the regional community involvement is a top strength of the CSEDD region, the vocal minority and environmental perception of some community members is a huge threat to the growth and development within the region. The vocal minority and the environmental perceptions can hinder building and industry plans and cause projects to become economically inviable.

## **Natural Disasters**

The CSEDD region's largest threat is the possibility of natural disasters like wildfires which the region has recently seen with the impacts Rim Fire. The Rim Fire burned over 250,000 acres including residential homes and local businesses and has had a significant impact on the local region. Some residents have decided to move to less-risky areas and insurance agencies are denying coverage for residences. Natural disasters are inevitable; however, preparing the region for them will reduce the future threat.



## **THE RIM FIRE**

*The result of a hunter's illegal fire, the Rim Fire started on October 24th, 2013 burning 257,314 acres and 112 structures in the Stanislaus National Forest, making it the most expensive fire on record in the Sierra Nevada Mountain Range.*



# CSEDD INDUSTRY CLUSTERS

In 2014, there were seven industries region wide that had a location quotient (LQ) greater than one. Of those seven, three fall into the tourism cluster. Additionally, agriculture (farm employment) had the highest LQ of all sectors indicating its true importance to the region. Lastly, health care and social assistance is an emerging cluster in the region. With an aging population and out-migration of young working professionals, the need for expanded health care is growing each year.



## AGRICULTURE

While farm employment was only 2.6 percent of total regional employment in 2014, its LQ when compared to the national average was 5. Essentially, an employee in the CSEDD region was five times more likely than the average employee to depend on agriculture for their job. Not only did farm employment have the greatest LQ of any industry in the region, it has also seen the fastest growth in its LQ (12 percent). Farm employment in the region, over the five-year period, grew by 7 percent, outpacing California's farm employment growth (6 percent) and the nation's, nearly stagnant, employment decline in the sector (-0.1 percent growth).



## TOURISM

Due to the fact that a large portion of rental housing in Tuolumne, Mariposa, and Alpine counties, are strictly vacation rentals, the real estate, and rental and leasing industry in being included in the tourism cluster. With a LQ of 4.7 in 2014 real estate is the industry in the region with the second highest LQ (down from scoring the highest at 5, in 2009). Accommodations and food service (LQ of 1.3) and arts, entertainment, and recreation (LQ of 2) rank as the 6th and 3rd highest industries respectively. Not only do the three industries making up this cluster compare favorably to the U.S. as a whole, they also make up a significant amount of the total employment within the region. Combined, the three sectors account of 20.8 percent of total regional employment. It is worth noting that between 2009 and 2014 there was virtually no change in the relative size of the cluster in the region as 20.9 percent of total regional employment came from the cluster in 2009. This measure demonstrates the long-term importance of the cluster but also shows the need for diversification of the economic base for increased economic resilience.



## HEALTH CARE

The health care and social assistance industry is the fastest growing industry in the CSEDD region. Due to data constraints, Mariposa County did not report health care employment in 2009, but when Mariposa County is factored out, the data shows that the industry grew 16.7 percent between 2009 and 2014. That job growth also accounted for a significant shift in the employment make-up of the region. In 2009, 9.3 percent of regional employment was from the sector. By 2014, that percentage had grown to 10.7. As of 2014, the LQ for the sector was still less than 1 (LQ of .89); however, health care is clearly an emerging industry cluster in the region.

# INDUSTRY GROWTH

Between 2009 and 2014, the CSEDD region saw an 11 percent increase in the manufacturing industry which was the largest sector growth in terms of jobs for the region and was much higher than in California which only increased by one percent. Retail trade and farm employment also experienced a large growth in the CSEDD district increasing in jobs by seven percent just slightly above California. Over the same period, the accomodation and food services industry grew by six percent which was ten percent lower than in California.

Jobs by Industry, Central Sierra Economic Development District

Industry	2009	2014	CSEDD	California
	CSEDD	CSEDD	5-Yr Change	5-Yr Change
Farm employment	1,223	1,314	7%	6%
Forestry, fishing, and related activities	(D)	(D)	n/a	17%
Mining	(D)	(D)	n/a	41%
Utilities	(D)	(D)	n/a	-3%
Construction	4,022	3,493	-13%	6%
Manufacturing	1,761	1,948	11%	1%
Wholesale trade	(D)	(D)	n/a	9%
Retail trade	5,128	5,498	7%	6%
Transportation and warehousing	783	751	-4%	15%
Information	550	501	-9%	7%
Finance and insurance	1,531	(D)	n/a	0%
Real estate and rental and leasing	3,824	3,671	-4%	9%
Professional, scientific, and technical services	2,727	(D)	n/a	11%
Management of companies and enterprises	(D)	(D)	n/a	13%
Administrative and waste services	(D)	(D)	n/a	19%
Educational services	(D)	529	n/a	16%
Health care and social assistance	(D)	5,069	n/a	32%
Arts, entertainment, and recreation	1,565	1,456	-7%	14%
Accommodation and food services	5,151	5,436	6%	16%
Other services, except public administration	3,611	3,867	7%	13%
Government and government enterprises	10,352	9,691	-6%	-4%
Sum of withheld "(D)" values	8,264	7,599	-8%	0%
<b>Total Jobs</b>	<b>50,492</b>	<b>50,823</b>	<b>1%</b>	<b>10%</b>

Source: U.S. Department of Commerce, Bureau of Economic Analysis, 2009 & 2014

\*(D): In accordance with the U.S. Department of Commerce, the Bureau of Economic Analysis will withhold industry information if it compromises the confidentiality of an individual firm. This is usually the case if there are very few firms in a particular market or if one firm has a large share of the market. Alpine County data is not reported in this table due to a large number of (D) values.

# ELECTRICITY GENERATION CAPACITY

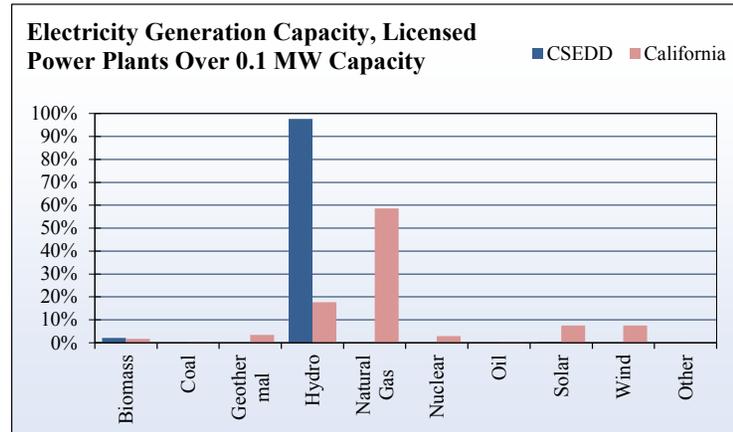
The chart below shows the electricity generation capacity for the Central Sierra Economic Development District. According to the California Energy Commission, in 2014, 98 percent of the electrical generation capacity in the region was from hydro power, two percent is from biomass, and less than one percent was from solar. It is also important to note that the region does not have natural gas electricity generation capacity, while 59 percent of the California average generation capacity comes from natural gas.

Electricity Generation Capacity, CSEDD, 2014

Facility Type	Total Capacity (Megawatts)	Percent of Capacity	
		County	California
Biomass	33.16	2.1%	1.6%
Coal	0	0.0%	0.2%
Geothermal	0	0.0%	3.4%
Hydro	1522.89	97.7%	17.7%
Natural Gas	0	0.0%	58.6%
Nuclear	0	0.0%	2.9%
Oil	0	0.0%	0.4%
Solar	3.3	0.2%	7.5%
Wind	0	0.0%	7.5%
Other	0	0.0%	0.0%

Source: The California Energy Commission

\*Data for Alpine County unavailable



# DEMOGRAPHIC TRENDS

## Population Trends and Projections

**Current Population:** According to the California Department of Finance, the current population within the CSEDD district has been declining every year between 2007 and 2016 while the population in California has grown by eight percent over the same time period. All counties across the CSEDD region have experienced negative growth

According to the US Census Bureau, the two most populous counties within the CSEDD region are Tuolumne County (54,347) and Mariposa County (17,946). Alpine County has remained the smallest county in the CSEDD region and in California with only 1,202 permanent residents in 2014. The CSEDD region is comprised of rural counties with only two cities in the district. Angel's Camp located in Calaveras County had 3,004 people and the city of Sonora had 4,423 people in 2014.

**Population Projections:** Despite the past decade of population decline, the California Department of Finance projects an overall population growth within the CSEDD region of nine percent by 2025, and by 15 percent by

- **Declining Population:** Population within the Central Sierra Economic Development District has decreased by 1.6% between 2007 and 2016. Conversely, population within California has grown almost 8% over the same time period.
- **10 Years of Negative Growth:** Over the past 10 years, all counties within the CSEDD have seen negative population growth on a county level.
- **Projected Growth:** Despite the recent decline in population, California Department of Finance projects a growth in population of 9% by 2025 within the CSEDD.

Total Population, Central Sierra Economic Development District

Year	CSEDD	CSEDD	California
	Population	Percent Change	Percent Change
2007	121,386	0.4%	0.8%
2008	121,377	0.0%	0.7%
2009	120,821	-0.5%	0.7%
2010	120,348	-0.4%	0.8%
2011	120,286	-0.1%	0.9%
2012	120,148	-0.1%	0.9%
2013	119,970	-0.1%	0.9%
2014	119,802	-0.1%	0.9%
2015	119,629	-0.1%	0.9%
2016	119,432	-0.2%	0.9%

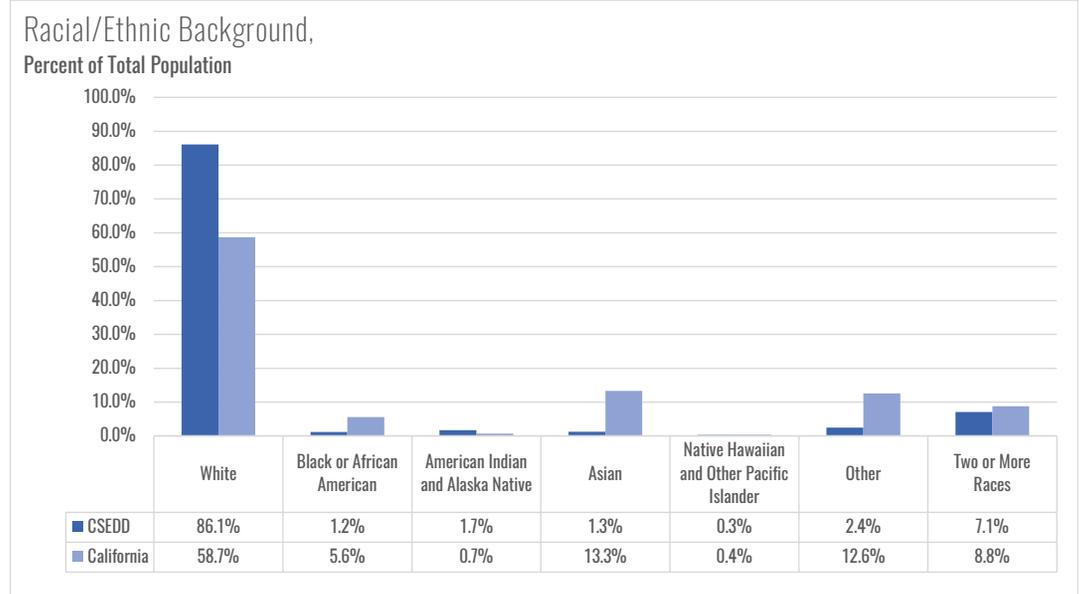
Source: California Department of Finance

2050. Between 2016 and 2025, Mariposa County is projected to grow the fastest with a 13 percent increase. However, Calaveras County is projected to increase the most between 2016 and 2015, increasing by 12 percent by 2025 and an addition 23 percent by 2050. While all counties are projected to increase between 2016 and 2025, Alpine County is expected to decline by eight percent between 2025 and 2050.

**Psychographic Information:** According to ESRI's Tapestry Segmentation Area Profiles, nearly 45 percent of the CSEDD district is comprised of Rural Resort Dwellers who are residents close to retirement who normally live in scenic rural areas. These individuals are primarily older, married couples with no children at home. These individuals like to spend their disposable income on their hobbies which include freshwater fishing, hunting, and motorcycling. In addition, 81.8 percent of these individuals are homeowners.

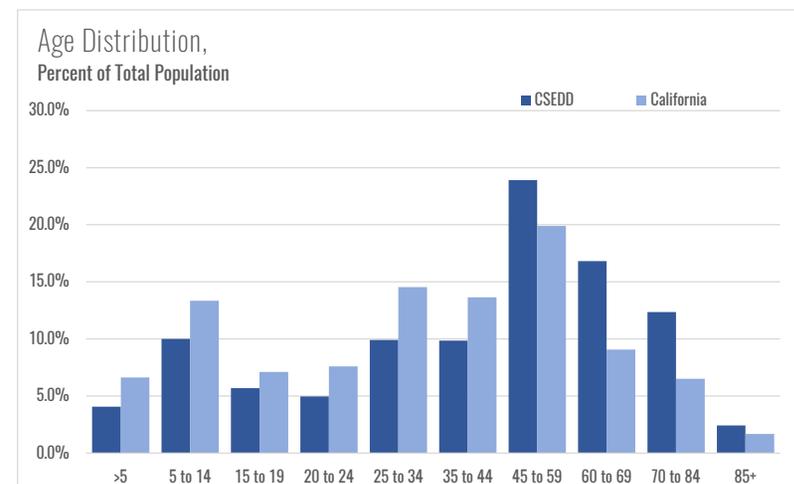
The second largest segment of individuals within the CSEDD district are Senior Sun Seekers which account for 10.2 percent of the households in the region. These individuals are retired or are closely anticipating retirement. More than half of these households are currently receiving Social Security benefits. Many of these residents own seasonal homes, and live near areas where they can hunt, fish, or play bingo.

- **Aging Population:** Within the CSEDD, all age groups younger than 45 years are smaller in comparison to California. Conversely, all age groups older than 60 years are larger within the CSEDD in comparison to California.
- **Teenage Brain Drain:** Between 2009 and 2014, the number of residents younger than 5 years of age decreased by 5%. Over the same period, the number of residents between the ages of 10 and 24 years decreased by 14%.
- **Lacking Diversity:** 86% of CSEDD identified as white in 2014, 30% higher than the state as a whole.



**Racial and Ethnic Diversity:** In 2014, the CSEDD region primarily consisted of white residents. According to the US Census Bureau’s 2014 American Community Survey five-year estimates, the CSEDD region was 86.1 percent white individuals which was 27.4 percent higher than that of California. The second largest racial/ethnic group in the district was the American Indian and Alaska Native population which accounted for 1.7 percent of the population. Many of these residents may be located in Tuolumne County and are a part of the Tuolumne Band of Me-Wuk Indians.

**Population by Age:** The CSEDD region’s largest age group was individuals aged 45 to 59 years old, and the second largest age group were individuals aged 60 to 69 years old. The CSEDD district had more individuals aged 45 to 85 than California as a whole, and all age groups younger than 45 years old are smaller in the CSEDD region than in California. In addition, between 2009 and 2014, the number of residents between the ages of 10 and 24 years old, declined by 14 percent. This may be resulting in a regional “brain drain” where there is a large portion of college-aged students leaving the region in pursuit of education but cease to return after graduation. This often occurs in rural communities who are unable to maintain a sufficient amount of educated career positions and graduates who would have wanted to return to the region, must find work elsewhere.



# EDUCATION TRENDS

In 2014, within the CSEDD region, 91 percent of the residents 25 years and older had a high school diploma, which was eight percent higher than in California. However, only 23 percent of residents the same age in the CSEDD region had a bachelor's degree or higher which was seven percent lower than in California.

The high school dropout rate in the CSEDD region fluctuated year-to-year between 2005 and 2014 but mostly remained at a lower rate than California. In recent years, the number of high school dropouts in the CSEDD region declined by 53 percent between 2010 and 2014. However, the number of high school graduates eligible for CSU or UC's in the CSEDD district were below California between 2005 and 2014. In the 2014-2015 school year, California had 43 percent of graduates eligible for entrance to a UC or CSU system, while the CSEDD district on average only had 26 percent of students eligible, a total of 17 percent fewer eligible graduates.

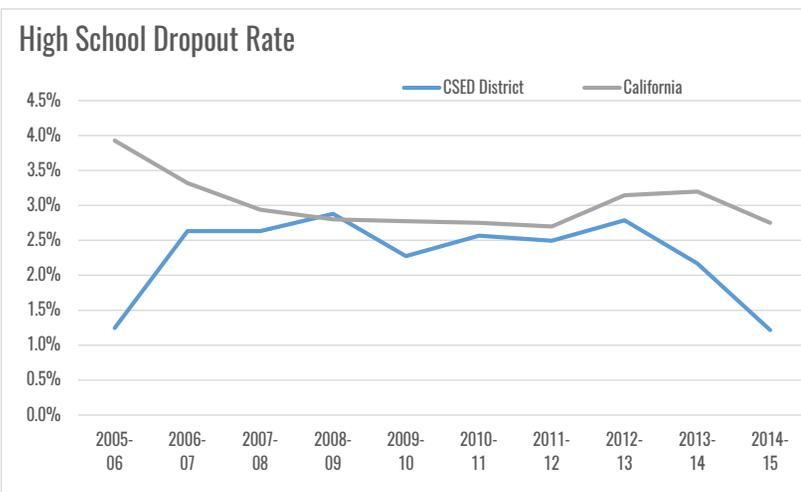
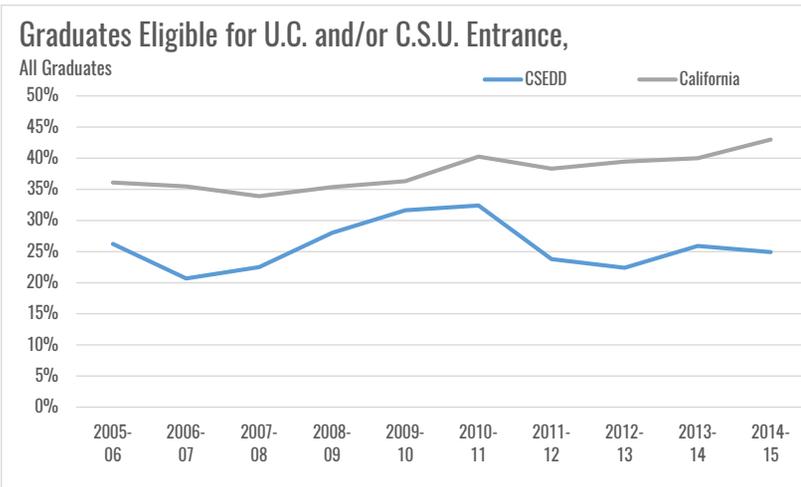
- **Lowering the Dropout Rate:** The high school dropout rate has decreased by 53% within the CSEDD since the 2010-2011 school year.
- **Fewer Dropouts Compared to California:** The high school dropout rate for the 2014-2015 school year within the CSEDD was 1.2%, less than half of the California dropout rate for the same year (2.8%).
- **Fewer Graduates Ready for College:** Percentage of graduates eligible for U.C. and C.S.U. system entrance within the CSEDD decreased by 5% since the 2005-2006 school year.

## Graduates Eligible for U.C. and/or C.S.U. Entrance

Geography	2005-2006	2014-2015	Percent Change
	% Eligible	% Eligible	
Calaveras	34%	23%	-32.4%
Mariposa	18%	31%	72.2%
Tuolumne	22%	25%	13.6%
<b>California</b>	<b>36%</b>	<b>43%</b>	<b>19.4%</b>

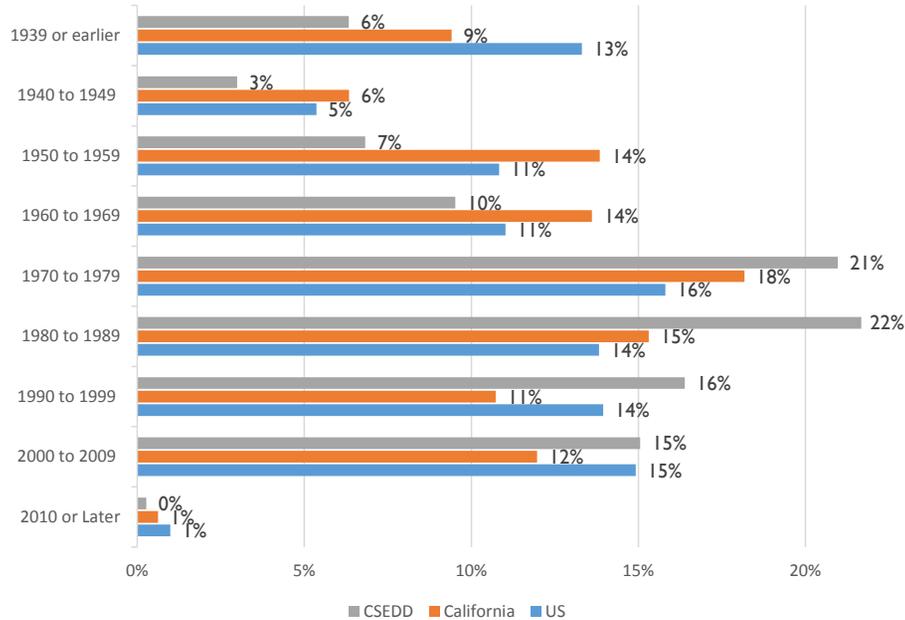
Source: California Department of Education

\*Note: Alpine County has maintained 0% eligibility since 2005.



# HOUSING TRENDS

Percent of Housing Units Built by Year, 2014



According to the American Community Survey’s 2014 5-year estimates, the CSEDD region has more owner-occupied units, and a higher percentage of newer housing units when compared to California and the United States as a whole. The majority of housing units in the CSEDD region were built between 1970 and 2009. Seventy-four percent of housing units in the CSEDD region were owner-occupied compared to California which was only 55 percent and the United States which was 64 percent. However, in 2014, there weren’t any homes in the CSEDD region built after 2010, which was about half a percent lower than California and the United States.

In addition, the CSEDD region had a higher rate of vacant housing units (32%) than in California (8%) and the United States (12%). The highest vacancy rate within the four counties in the CSEDD region was Alpine County with 79 percent of housing units classified as vacant; however, this was most likely due to the large number of vacation rentals within the County. Furthermore, the entire CSEDD region has a large number of housing units utilized as vacation homes which could be impacting the reported vacancy housing rates.

# LABOR TRENDS

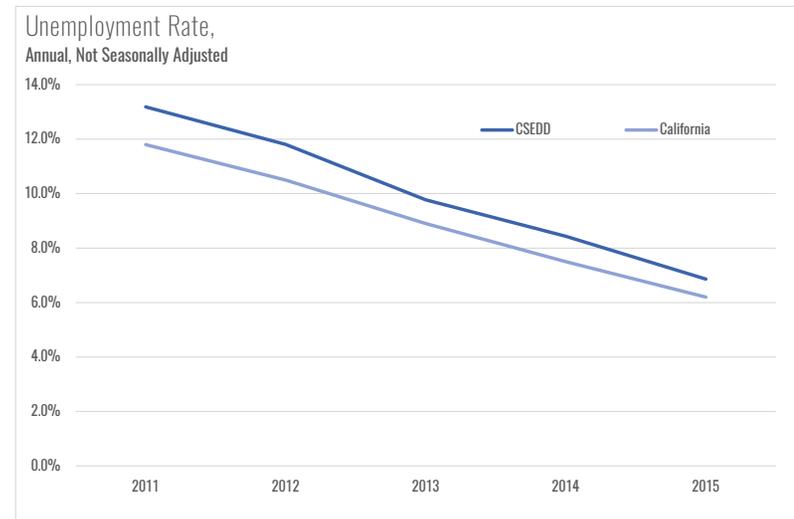
The CSEDD district experienced a decline in both their labor force and unemployment rate between 2011 and 2015. While the unemployment rate dropped between 2014 and 2015 by 1.5 percent, the number of employed residents still remains below what it was in 2011.

Because the CSEDD district is heavily dependent on tourism, the labor force changes in size from the different seasons. During the summer, the labor force is generally higher as people move back into the labor force looking for work as the economy improves. In past years, labor force entrants were able to be hired fairly quickly; however, in recent years, many labor force entrants are not being hired as quickly than in prior years which has caused higher unemployment during the summer months. This indicates a change in the overall CSEDD economy as people who used to be hired are no longer able to.

Employment, Central Sierra Economic Development District

Year	CSEDD	CSEDD	CSEDD	California
	Labor Force	Employment	Unemployment Rate	Unemployment Rate
2011	56,740	49,250	13.2%	11.8%
2012	56,060	49,440	11.8%	10.5%
2013	54,540	49,230	9.8%	8.9%
2014	50,620	46,350	8.4%	7.5%
2015	50,840	47,350	6.9%	6.2%

Source: California Employment Development Department

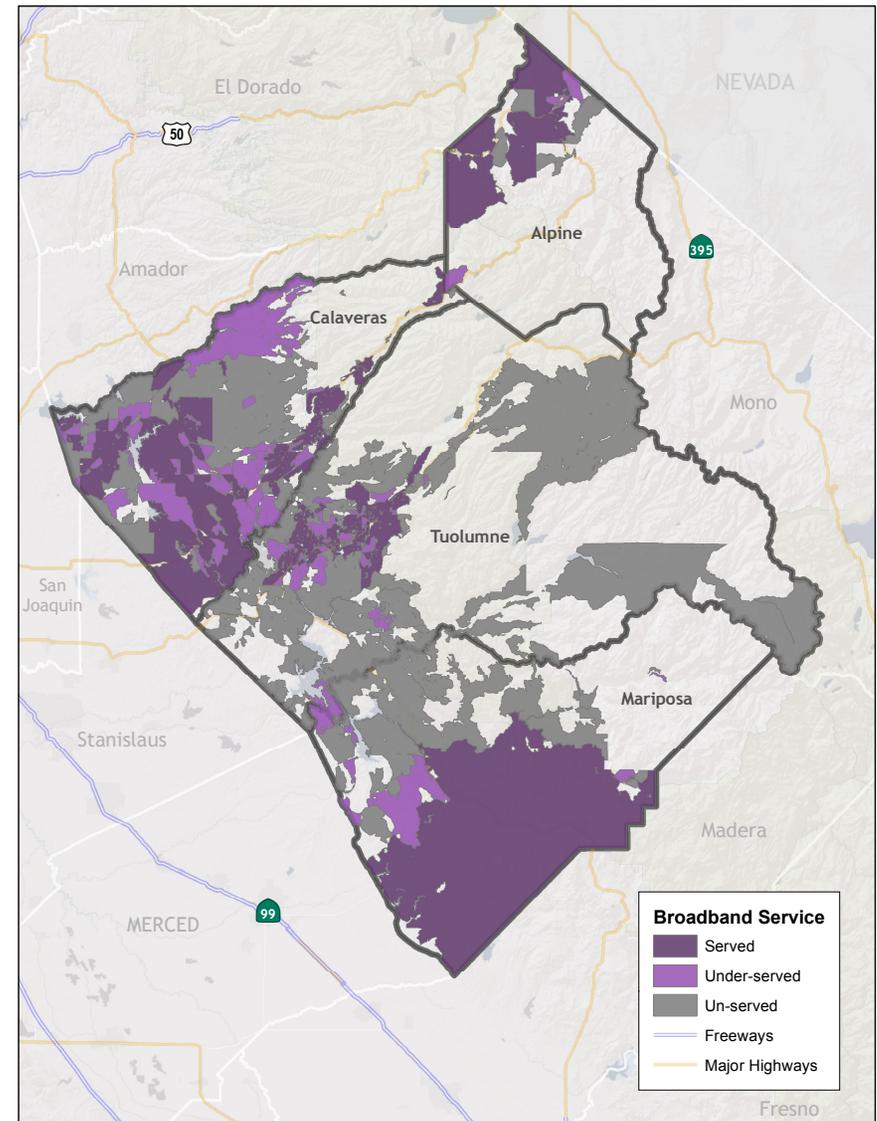


# BROADBAND AVAILABILITY

A region's ability to have universal access to broadband is an important factor to its economic growth. Many rural communities face a digital divide where several rural communities still face slow or inaccessible internet in their community. Access to broadband offers many potential growth opportunities and can many enhance many regional services such as educational resources or business productivity.

In the CSEDD region, some communities have access to broadband while others have little to no access. The map to the right shows the California Public Utilities Commission's broadband availability data. The map shows the areas by census tract that are considered served, under-served, and un-served by broadband. As shown, there are census tracts where broadband is available but a nearby census tract are considered to be un-served.

Communities within the Central Sierra Economic Development District region are served by a handful of last-mile broadband service providers offering direct subscriber line, coaxial cable, and fixed wireless services. Direct subscriber lines are wired connections which generally meet the minimum definitions for "broadband service" as defined by the California Public Utilities Commission. Direct subscriber line service providers include AT&T throughout much of the region, along with smaller service providers with smaller focus region including Sierra Tel Internet, CALTEL Connections, and TDS Telecom. Coaxial cable is another wired connection technology that generally enables much higher download and upload speeds. Comcast is the franchisee for cable services for the vast majority of the developed areas within the three counties of the CSEDD region. Finally, fixed wireless services offer connectivity by broadcasting signals to a fixed receiver in a consumer's home or business. This technology can offer moderately fast service to harder-to-reach locations, but price and reliability may be lower than traditional wired technologies. There are many service providers offering fixed wireless connections in much of the CSEDD region, including Volcano Wireless, Conifer Communications, and unwired Broadband, Inc.



Source: California Public Utilities Commission

## Broadband Service, CSEDD, 2015

County	Total Households (2010 Census)	Households Served	Households Underserved	Households Unserved	Percent of Households Underserved or Unserved
Alpine County	497	260	237	0	48%
Calaveras County	18,886	12,938	3,432	2,516	31%
Mariposa County	7,693	5,219	1,128	1,346	32%
Tuolumne County	22,156	15,453	3,869	2,834	30%
<b>CSEDD Region</b>	<b>49,232</b>	<b>33,870</b>	<b>8,666</b>	<b>6,696</b>	<b>31%</b>

Source: California Public Utilities Commission, December 31, 2015

# ENVIRONMENTAL TRENDS

## Average Precipitation

According to the Western Regional Climate Center, between 1981 and 2010, the Central Sierra Economic Development District had on average six inches more precipitation than the California average. In addition, the region experienced on average 30 more inches of snow than the State average. Most of the snowfall occurred in Calaveras and Alpine County. However, because this data does represent the average from 1981 and 2010, rainfall and snowfall in more recent years may be less due to extensive periods of state-wide drought.

### Climate Readings, CSEDD, 1981-2010

	Alpine County	Calaveras County	Tuolumne County	Mariposa County	CSEDD Average	California Average
Average July Maximum Temp. (deg.)	83.7	80.3	93.3	88.6	86.5	88.7
Average January Maximum Temp. (deg.)	43.6	43.9	55.5	47.9	47.7	51.4
Average July Minimum Temp. (deg.)	51.1	53.5	56.1	56.3	54.3	54.3
Average January Minimum Temp. (deg.)	21.3	28.6	32.1	28.6	27.7	31.4
Average July Precipitation (in.)	0.6	0.2	0.1	0.5	0.4	0.2
Average January Precipitation (in.)	2.4	9.9	6.6	6.7	6.4	5.4
Average Annual Precipitation (in.)	22.3	57.0	35.8	37.9	38.3	31.9
Average January Snowfall (in.)	19.9	23.0	0.0	12.3	13.8	3.9
Average Annual Snowfall (in.)	81.8	111.8	0.4	26.3	55.1	15.4

Source: Western Regional Climate Center

