



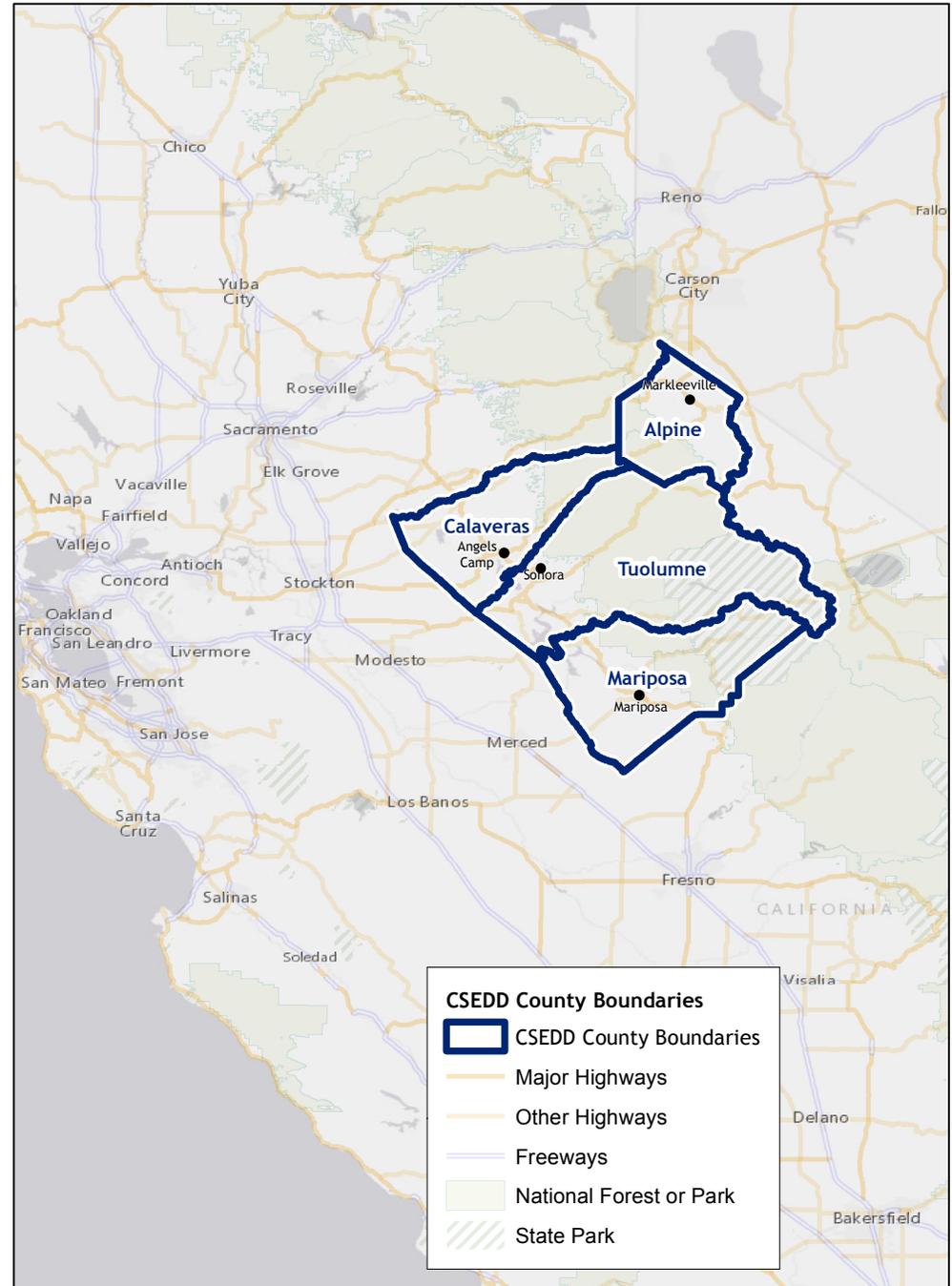
INTRODUCTION & EXECUTIVE SUMMARY

INTRODUCTION

In 1976, the Central Sierra Economic Development District (CSEDD) was formed as a Joint Powers Authority (JPA), and established as an EDA-recognized economic development district. The CSEDD region encompasses the four counties of Alpine, Calaveras, Mariposa, and Tuolumne and includes the cities of Angels Camp and Sonora. The Central Sierra Economic Development District's vision is to be an economic development resource to its member entities as well as a leader in communications between local counties and state or federal governments.

The Central Sierra Economic Development District partnered with the Center for Economic Development at California State University, Chico (a competitively awarded EDA University Center) to create a Comprehensive Economic Development Strategy for the CSEDD region. CSU, Chico worked with CSEDD to identify key stakeholders and formed a CEDS planning committee. Upon gathering community members, county officials, and private stakeholders from all four counties, CSU, Chico completed stakeholder interviews, hosted three community meetings and conducted a SWOT analysis in Sonora. This document is the culmination of those efforts and is the five-year road map promoting economic vitality within the CSEDD region.

By focusing on eight key regional objectives including workforce development, business resiliency, infrastructure, and disaster planning, this economic development plan will create a stronger, more resilient region, able to withstand both economic and natural disaster disruptions. This document outlines the region's goals and objectives and their associated implementation agenda, and performance measures.



■ CSEDD APPROACH AND DEVELOPMENT

THE APPROACH

Development of the CEDS Committee

The CSEDD strategy committee was chosen by members on the CSEDD board. Each CSEDD board member identified a community member who was not currently associated with the CSEDD. Individuals from county governments, non-profits, community organizations, and private entities were selected from each of the four counties to participate on the strategy committee, in addition to three current CSEDD board members.

Community Feedback & Input

CSU, Chico's Center for Economic Development constructed an 18 question survey about the current and future needs of the region. The survey focused on barriers to economic development, business needs, previous economic development projects in the region, and building regional economic resilience. The survey was created in Constant Contact by the Center for Economic Development and a live link was provided to the CEDS planning committee and the CSEDD board. The survey link was sent out to CSEDD contacts, a press release was sent to local radio and media outlets, and the survey was hosted on the CSEDD and CED website. A total of 17 responses were received. A summarized copy of the survey results can be found in the Appendix of this document.

To gain additional community feedback, representatives from the Center for Economic Development (CED) led three community town hall meetings within the CSEDD region. The results of the community survey were compiled and analyzed, and the key findings were presented to attendees at each meeting. Meetings took place in Angel's Camp, Markleeville, and Mariposa and were two hours long. The key findings were discussed on both a regional and community level. During these discussions, community members addressed further key issues that were not originally identified in the survey results.

All of the feedback received from both the community survey and meetings were compiled along with regional economic and demographic data collected by CED staff. These findings were used as an integral part of the CEDS strategy committee's SWOT analysis. The results helped committee members better understand and address the needs of the region and identify the objectives and goals incorporated within this comprehensive economic development strategy.

KEY FINDINGS

- 1 THERE IS A LACK OF JOB OPPORTUNITIES WITHIN THE REGION.**
- 2 THERE IS A SHORTAGE OF SKILLED LABOR WITHIN THE REGION.**
- 3 LOCAL ZONING AND PERMITTING IS HINDERING GROWTH.**
- 4 THERE ARE SOME COUNTIES NOT COLLECTING TOT FROM AIRBNB TYPE VACATION RENTALS.**
- 5 INFRASTRUCTURE INCLUDING BROADBAND IS LACKING WITHIN THE REGION.**
- 6 VISITORS' SERVICES ARE INADEQUATE AND IN WRONG LOCATIONS.**
- 7 EDUCATIONAL RESOURCES ARE NOT BEING UTILIZED.**
- 8 ONE-DAY SHIPPING IS NOT AVAILABLE WITHIN THE CSEDD REGION.**

SUMMARY OF CURRENT CONDITIONS IN THE CSEDD REGION





CSEDD REGIONAL VISION

The vision for the Comprehensive Economic Development Strategy (CEDS) is to guide CSEDD staff and community leaders as they focus their efforts on enhancing economic prosperity over the next five to ten years. By harnessing regional assets, community leaders will build upon existing programs and infrastructure to improve business resiliency, workforce development, advanced visitors services, and infrastructure improvements.

The vision of the CSEDD is to be recognized as an economic development resource by its member entities, and community partners. CSEDD strives to become a proactive partner in project review and facilitation, identifying funding sources, assisting with grant applications, and in creating a network for shared communications between elected officials and staffs, the private sector, nonprofits, local economic development corporations, other local governments such as independent special districts and JPAs, and state and federal partners.

ECONOMIC DEVELOPMENT OBJECTIVES AND COMPONENTS

Objective One: *Enhance visitors' services within the CSEDD region*

Objective Two: *Build a skilled workforce within the CSEDD region*

Objective Three: *Promote and develop community and business resiliency within the CSEDD region*

Objective Four: *Promote coordinated marketing efforts throughout the CSEDD region*

Objective Five: *Promote regional infrastructure improvements*

Objective Six: *Expand upon existing business retention and expansion programs*

Objective Seven: *Create a uniform Transient Occupancy Tax (TOT) collection plan for vacation rentals across the entire region*

Objective Eight: *Improve regional airport infrastructure to support faster shipping & delivery services*



ECONOMIC DEVELOPMENT OBJECTIVES

Objective One: Enhance visitors' services within the CSEDD region.

Action Item: Develop a regional tourism partnership organization

Action Item: The CSEDD will review current visitors' services, including location and identify more effective locations for visitors' services

Action Item: The CSEDD will successfully move at least one visitor service center to an optimal location

Enhancing visitor services throughout the region was identified in the SWOT analysis as a major opportunity for the region. Three of the six, non-governmental sectors with the highest location quotients in the region are all tourism-related and tourism was brought up in all three community meetings. With its vast public lands, outdoor recreation opportunities, and Yosemite National Park, the four county region has been tourist dependent for decades and will continue to be in the foreseeable future.

The CSEDD region is in a unique position to capitalize on multi-county visitors. Unlike many California counties, most visitors are not just coming to the region to go to a specific location. There are a few exceptions such as Alpine County ski and fishing opportunities that are sole destinations but for the most part, even visitors to Yosemite stay or visit other parts of the region. Because of this multi-destination advantage, it is imperative that groups throughout the region work together to optimize visitor services and cross promote resources throughout the region. By enhancing visitors' services, economic developers in the CSEDD are aiming to create a value-add proposition for would be travelers even in tough economic times. By setting themselves apart from other, less traveler friendly regions the regional economy would become more resilient.

Objective Two: Build a skilled workforce within the CSEDD region.

Action Item: Increase school dual enrollment of the Columbia College CTE High School Articulation program

Action Item: Enhanced partnerships between CSEDD staff and board members and the Mother Lode Work Force Investment Board (WIB)

Action Item: Promote the Columbia College Water Resource Management program

Action Item: Establish high school off campus tech center and innovation lab in Calaveras County

Building a skilled workforce was identified in the community survey and all three of the community meetings as being one of the most important issues facing the region today. This is an important issue for two distinct reasons. First, the community members surveyed felt that the business community does not have access to a skilled workforce to fulfil its needs. Second, the "brain drain" throughout the region is one of the worst in the State. All four counties in the region have had negative net migration for over a decade. Opportunities have to exist or young professionals will have no reason to stay in the area. Workforce development is one or several necessary tools for solving both problems.

The CTE High School Articulation program offers a unique opportunity for high school students to receive college credits. Columbia College Career Technical Education (CTE) collaborates with local and regional high school programs to develop articulation agreements, including alignment of course skills and concepts, the possibility of advanced placement, and credit by examination options. The goal of this action item is to have over 200 high school students enrolled in the region with three counties (Alpine County does not have a high school) having at least two high schools with CTE agreements in place by 2019.

In addition, Columbia Community College offers a program in Water Resource Management, leading to a career in in water treatment, water distribution, wastewater management, groundwater management, and much more. CSEDD board members will be promoting the program for Columbia College at

the local level and expects Columbia College will see a 10 percent increase in program enrollment by fall 2020 as a result.

During the SWOT analysis, it was determined that Mother Lode WIB is an excellent resource for local businesses and job seekers; however, it was agreed that it is currently being underutilized. As a result, the CEDS planning committee has determined that it is the responsibility of each of the CSEDD participating members to increase their WIB referrals which are currently very low.

Objective Three: Promote and develop community and business resiliency within the CSEDD region.

Action Item: Develop a long-term permanent response recovery strategic plan to replace the existing preliminary plan

Action Item: Development of Calaveras County Chamber of Commerce Butte Fire Recovery Center

Action Item: Development of Tuolumne County Disaster and Business Resiliency Center

When compared to other regions, the CSEDD region has many outside threats to the health of its business climate. The region is in a constant threat of fire danger, and is currently locked in a prolonged drought. In addition, government furloughs and prolonged recession have historically taken tolls on the region's important tourism industry, so it is imperative that local leaders be prepared to deal with human caused threats. Objectives 1 and 6 are to address the human caused threats while this objective is meant to address natural disasters. Fire danger and drought were far and away the two largest issues identified at the community meetings and the two seemingly go hand in hand. Both the Butte and Rim fires in the past several years have devastated the region, displacing hundreds of residents and destroying home-based businesses. It is the goal of the CSEDD and its partner organizations to reduce the short-term stress and the long-term economic effects on the business community due to the inevitable natural disasters.

The CEDS planning committee has developed a preliminary plan for business disaster response and economic resilience. However, the dedicated staff time necessary to develop a permanent, long-term disaster response plan was not available at this time. The long-term plan will include a process for monitoring and addressing business needs, assigning staff from each county communication responsibilities, developing a revolving a loan fund for insurance gap funding, and connecting displaced businesses and employees with resiliency centers.

Objective Four: Promote coordinated marketing efforts throughout the CSEDD region.

Action Item: Promote a coordinated marketing plan throughout the region

Action Item: Ensure all three counties within the GCVA are voting members of the association

Action Item: Partner with regional leaders to cross-train employees

Currently, there are different groups in each of the four CSEDD counties working on visitor attraction. As discussed in Objective One, many visitors to the area are regional visitors, not single destination visitors which means the four counties in the district need to work together to cross promote the region. The Gold Country Visitors' Association (GCVA) in conjunction with Visit California is the primary group coordinating a regional marketing effort. Unfortunately, the GCVA does not include the high Sierra in its region. Currently Tuolumne and Calaveras County Visitor Bureaus are members. Essentially half of the CSEDD region is without an organized marketing effort, including all of Alpine County.

Under the leadership of the CSEDD board, it will be the responsibility of the partner organization formed in Objective One to complete a multi-county strategic marketing plan. The plan will include cross-promotional items for all regional visitors' centers, connecting with Visit California, and a plan that includes out-reach to national and international visitors to California.

The simplest, yet most important, step in organizing a coordinated marketing effort is to cross-train employees and volunteers at all visitors' centers and chambers of commerce about regional efforts. The staff at the Alpine Chamber of Commerce or the Tuolumne County Visitors Bureau need to know what activities are available in Mariposa or Calaveras County and vice versa. This is especially important as many people enter and exit Yosemite NP at different entrances.

Objective Five: Promote regional infrastructure improvements

- Action Item:** Seek State and Federal funding to provide broadband service to underserved and unserved communities
- Action Item:** Seek funding for non-highway road construction improvements to increase access to markets
- Action Item:** Phoenix Lake dredging project for sustainable water storage
- Action Item:** Seek funding for water and waste water treatment facility construction and expansion
- Action Item:** Seek funding for the Sierra Rail Expansion
- Action Item:** Encourage PG&E to expand natural gas infrastructure from San Andreas

During the SWOT analysis, the weakness that was identified as being in most need of attention was infrastructure. While several types of infrastructure were identified as being an issue throughout the region, the three largest identified issues were water storage security, lacking sewer line development, and broadband infrastructure. Upon the completion of the six outlined action items, regional businesses will benefit tremendously as access to markets, water and sewer capacity, and broadband all improve.

Objective Six: Expand upon existing business retention and expansion programs

- Action Item:** Expand upon existing business retention and expansion programs
- Action Item:** AgPlus EDA Technical Assistance
- Action Item:** Obtain funding to further expand the BRE programs
- Action Item:** Provide ESRI Business Analyst support services

Business retention and expansion programs are some of the most important tools available to economic developers. Business attraction is a negative sum game as multiple regions compete for the same businesses that are interested in relocating. Communities are forced to offer more and more economic incentives and most just end up wasting scarce resources with little or no benefit. Additionally, high job growth often accompanies businesses in expansion mode, especially second stage companies. It is much easier to retain a business than it is to attract a new one, as the owner and employees are already routed in the community.

In partnership with the Alliance Small Business Development Center

(SBDC), CSEDD has been awarded a \$50,000 grant from USDA Rural Development to expand current business retention and expansion efforts into underserved communities. By partnering with CSEDD, the chambers, and local government, the needs of local small businesses will be assessed and met. Qualified local consultants will be used whenever possible including current SBDC consultants from San Joaquin and Stanislaus Counties. When needed regional consultants will be recruited to meet business needs where ever local consultant expertise is not available. CSEDD staff will identify clients and provide referrals to Alliance SBDC and will work in conjunction with Alliance SBDC to offer business trainings in the underserved high Sierra region. Furthermore, the CSEDD has entered into a partnership with the EDA University Center, CSU, Chico to provide local businesses with business assistance by utilizing ESRI's Business Analyst. CSEDD staff will make mapping and data requests on an as-needed basis and will remain the single point of contact with the business.

In 2015, the CSEDD partnered with CSU, Fresno, CSU, Chico, and Valley Vision to submit an IMCP designation proposal for food and beverage manufacturing. The designation, known as AgPlus, was awarded in July of 2015 and lasts through at least June of 2017. The federal and subsequent non-federal matching funds will be used to coordinate and develop projects within the region that address components of the AgPlus implementation strategy.

Objective Seven: Create a uniform Transient Occupancy Tax (TOT) collection plan for vacation rentals across the entire region

- Action Item:** Create a simple plan for Alpine and Calaveras counties to adopt
- Action Item:** Adopt a plan at the county level

Vacation rentals have skyrocketed throughout the CSEDD region. TOT is vital to many counties throughout California but is especially important to the CSEDD region as tourism is one of the region's most important sectors. Mariposa, Alpine and Tuolumne counties have seen dramatic increases in former long-term rentals being converted to AirBnB type vacation rentals over the past five years. Rentals are popping up seemingly everywhere whether or not the property is permitted or zoned for vacation rentals. Unfortunately, due to staff constraints and lacking a plan, Alpine and Calaveras counties have yet to begin collecting TOT on these types of properties. As hotel and motel nights slow, and the pressure for business

and visitor services increase, CSEDD must assist Calaveras and Alpine counties by helping them create a plan to start collecting revenue within the next year.

CSEDD board members will work together to create a simple plan for Alpine and Calaveras counties to start collecting TOT on internet-booked vacation rentals. Partners will explore what is currently working and what is not working in Mariposa and Tuolumne counties, keeping in mind that very little staff time can be dedicated to the monitoring of rentals that do not self-report.

Objective Eight: Improve regional airport infrastructure for faster shipping and delivery services.

Action Item: Access current infrastructure and identify gaps to be filled

Action Item: Foster relationships with local shipping centers

Action Item: With the help of local shipping company representatives, create a plan to address the necessary infrastructure improvements

Action Item: Seek and obtain private and grant funding for necessary improvements

Air transportation is a huge barrier to entry (weakness) identified in the SWOT analysis. Businesses located in the CSEDD region have little to no access to one-day or overnight shipping options. This negatively affects the service industry, retailers, and producers. Over the next five years, the CSEDD will partner with the Tuolumne County Airports Department to ensure the proper infrastructure is developed to bring small cargo planes to the region. While the Columbia Regional Airport is located in Tuolumne County, the benefits of having daily cargo planes flying in and out of the County are tremendous and felt region wide.

With assistance from the CSEDD, the Tuolumne County Airports Department (TCAD) will create an asset inventory of current airport amenities. The inventory will also identify infrastructure gaps that may be keeping cargo planes from utilizing the facility. Upon completion, members of the TCAD and the CSEDD will share the report with local representatives from FedEx and UPS. Starting immediately, CSEDD representatives will build a relationship with the local representatives from the major companies to help further define what is needed at the airport to develop a shipping contract. Partners will create a strategic plan to make the Columbia Regional Airport attractable for FedEx or UPS to begin making cargo flights in at least once or twice per day.

■ IMPACTS ON LOCAL COMMUNITY AND ECONOMY

- 1** INCREASE VISITOR SPENDING WITHIN THE ENTIRE CSEDD REGION.
- 2** INCREASE BUSINESS PRODUCTIVITY AND REACH WITH FASTER SHIPPING & DELIVERY METHODS.
- 3** INCREASE BUSINESS PRODUCTIVITY WITH ACCESS TO BROADBAND THROUGHOUT THE ENTIRE REGION.
- 4** REDUCE THE IMPACTS OF NATURAL DISASTERS BY CREATING AN ECONOMIC RESILIENCE RESPONSIVE PLAN.
- 5** ENCOURAGE PRIVATE DEVELOPMENT WITH IMPROVED WATER & SEWER SYSTEMS.
- 6** INCREASE JOB GROWTH BY PROMOTING BUSINESS RETENTION AND EXPANSION THROUGH BRE PROGRAMS.
- 7** INCREASE TAX REVENUES THROUGH COLLECTION OF TOT IN ALL FOUR COUNTIES.
- 8** DEVELOP A MORE EDUCATED AND PRODUCTIVE WORKFORCE.
- 9** INCREASE BUSINESS RESILIENCY.
- 10** PROMOTE EQUITABLE DEVELOPMENT BY INVESTING IN SUSTAINABLE WATER STORAGE.

