

**County-Based Economic Development Services**  
Preliminary Feasibility Report  
Prepared for the  
Del Norte County Board of Supervisors

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## **Executive Summary**

This preliminary feasibility report is provided to the Board of Supervisors and is intended to provide a broad overview of the options identified by staff during our research into the options and feasibility of the County providing economic services under its organizational umbrella in some fashion. As this is a preliminary report that presents a broad overview, staff is recommending that the Board review the information presented in this report and direct the Economic Development Technical Advisory Committee (EDTAC) to further examine the feasibility of the options presented (including a “no-action” alternative) and to bring forward a final report and recommendation to the Board at a future meeting for Board action should a recommendation be formed by the EDTAC.

## **Introduction/Background**

On June 25<sup>th</sup>, the Board of Supervisors took action to direct Administration to move up the preparation of a feasibility report relating to the County providing economic development services in light of the pending dissolution of the Tri-Agency Economic Development Authority Joint Powers Authority with the following agendaized board action:

*30. In light of the pending dissolution of the Tri-Agency Economic Development Authority, consider and discuss moving up the timing of the implementation of Item IED-2A (Economic Development Services) in the Board's adopted 24/25 Strategic Plan, and direct Administration to develop a report to be presented for the Board's consideration that will present options and alternatives for developing the coordination of regional economic development services within Del Norte County in the County's structure, as requested by Chair Wilson.*

In response to this direction, Administration has amended Action Item IED-2A of the Strategic Plan to now be completed in FY 24/25 and is presenting this preliminary report in order to be provided further Board direction on the implementation of this item, part of which may direction to the EDTAC to further develop the concepts and feasibility considerations of providing such services under the County’s organizational umbrella.

As part of the development of this preliminary report, staff has reached out to RCRC, CSAC, the Governor’s Office of Business and Economic Development (GO-Biz), the California Association of County Executives (CACE), as well as directly to other counties in order to best understand the options and considerations that may exist around the County providing regional economic development services. Specifically, as directed, various options are identified and presented herein for the Board’s consideration which have been informed through communication and input from the organizations noted.

## **Summary/Discussion**

Due to the pending dissolution of the Tri-Agency Economic Development Authority, the County does not currently have a formalized role in regional economic development activities occurring within Del Norte County. Along with the obvious role of private industry in economic development, the Board is, arguably, the most important stakeholder in regional economic development within the County given that the Board of Supervisors represents the whole County. While it is true that the Board has no regulatory control over the incorporated area of the County

and more limited jurisdiction over tribal reservation areas, the Board does however represent residents in each of these areas. Additionally, County services are provided to residents in all of these areas. As such, the Board has determined, through adoption of the Strategic Plan, that the County (i.e. the Board) should play a significant role in regional economic development services occurring within the County. Applying the same rationale conversely, it seems logical for the Board to assert primacy in regional economic development given that other local agencies only have responsibility within their defined territories and not throughout the wider area of the County.

This report discusses what options the Board may wish to consider if it ultimately determines to provide regional economic development services as well as basic considerations related to the feasibility and logistics of providing such services. Before drilling down into those more granular elements however it is important to first establish what economic development services are generally considered to consist of. For that, the following summary of the role that today's economic developer plays in economic development is provided, courtesy of the California Association of Local Economic Development (CALED):

*The role of today's economic developer evolves continuously. An economic developer is responsible for planning, designing, and implementing economic development strategies, as well as acting as a key liaison between public and private sectors and the community.*

*Economic developers are also instrumental in helping to leverage finances from both the public and private sectors—funding that is critical to help communities attract new businesses, facilitate enterprise development, and assist existing business with expansion and troubleshooting.*

*Economic developers are key facilitators in creating public-private partnerships and coordinating activities and communications between different agencies, territories, and actors. It is their job to bring the different actors to the bargaining table, gather resources, mediate and match buyers with suppliers, and facilitate business partnerships.*

*It is also imperative that economic developers fill in the gaps and provide assistance where markets and institutions cannot or will not meet the community's needs. This points to another role economic developers play which is that of information provider. They offer accurate, up-to-date, and credible information to prospects interested in investing, locating, or expanding in a specific area. They also provide information on the community needed by local industries and the private and public sectors.*

*In addition to all of these roles, an economic developer may provide technical or trade assistance—or even make loans to area businesses. Most importantly, though, they must be keen analysts, understanding the strengths and weaknesses of the local economy. They are responsible for monitoring and assessing the economy and the local business climate in order to be proactive and perform effectively.*

*While the role of an economic development agency is multi-faceted, like the profession, it is also continually evolving. However, keep in mind that not every organization will take*

on every role. The activities and services provided by each organization are dependent upon the unique needs of each community.

### Economic Indicators

It is likely no surprise for the Board to read that Del Norte County currently scores poorly in a number of key economic indicators. Notably, as presented in the 2023 Economic and Demographic Profile of Del Norte County courtesy of the Del Norte Local Transportation Commission:

## Labor Force

#### What is it?

The labor force is the number of people living in the county who are considered willing and able to work. This is operationally defined by the California Employment Development Department as all individuals over the age of 16 who are either currently working or currently receiving unemployment benefits (which requires one to be actively seeking work). Therefore, changes in both employment and unemployment levels affect labor force size. Individuals who are unemployed and are no longer actively seeking work are considered discouraged workers and are not included in labor force estimates. The data are provided as annual averages of monthly estimates from the California Employment Development Department.

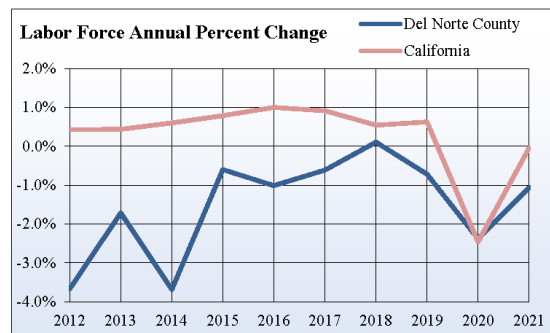
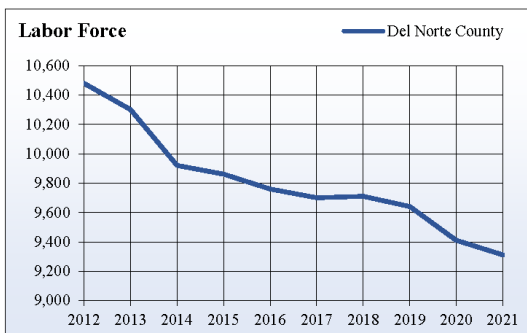
#### How is it used?

Labor force size is a useful indicator of the overall employment potential for a county. However, because labor force is an aggregate measure of both employment and unemployment, it is often necessary to interpret increases or declines in labor force size alongside these constitutive measures. Because discouraged workers are not included in labor force counts, these data can also be compared to the distribution of a county population by age in order to identify the number of people of working age (16-65) who are not in a county's workforce.

**Total Labor Force, Del Norte County**

Year	Labor Force		1-Year Change	
	County	State	County	State
2012	10,480	18,484,900	-3.7%	0.4%
2013	10,300	18,565,400	-1.7%	0.4%
2014	9,920	18,676,700	-3.7%	0.6%
2015	9,860	18,824,100	-0.6%	0.8%
2016	9,760	19,012,000	-1.0%	1.0%
2017	9,700	19,185,400	-0.6%	0.9%
2018	9,710	19,289,500	0.1%	0.5%
2019	9,640	19,409,400	-0.7%	0.6%
2020	9,410	18,931,100	-2.4%	-2.5%
2021	9,310	18,923,200	-1.1%	0.0%

Source: California Employment Development Department, Labor Market Information Division



# Jobs by Industry

## What is it?

Published by the U.S. Department of Commerce's Bureau of Economic Analysis (BEA), this indicator measures the number of jobs in a county within major industry sectors, regardless of whether or not the workers are themselves county residents. Because the BEA uses business tax returns to identify jobs within each industry, a worker who changed their workplace over the course of the year would be counted twice, once for each business's tax return. Self-employed proprietors and members of business partnerships are also included in jobs by industry data, meaning that someone who owns their own business but also works for another employer would also be counted twice. Unpaid family care workers and volunteers are not included. The symbol "(D)" is used for information withheld to avoid disclosing data for individual companies. Values for (D) are included in aggregate totals.

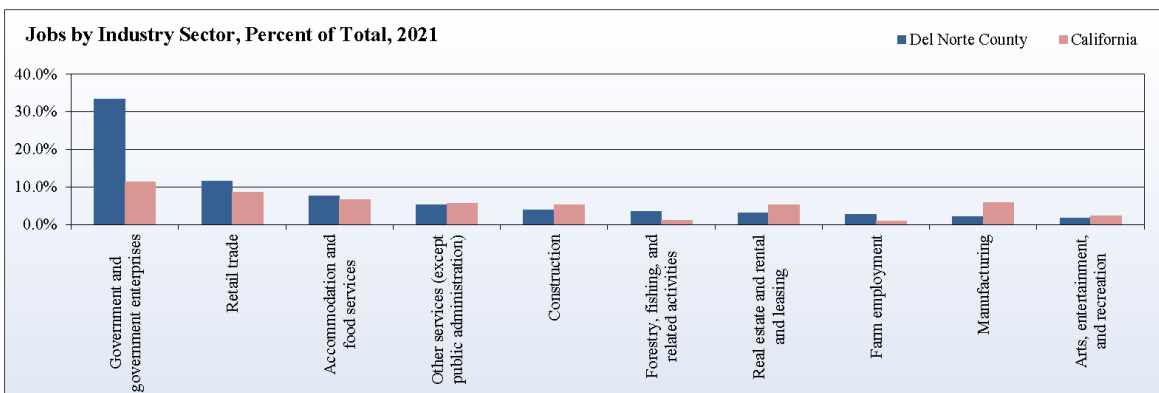
## How is it used?

Jobs by industry is a useful measure of the economic diversity and potential resilience of the local economy and is thus of great utility to local chambers of commerce and economic development organizations. A county with a large proportion of its jobs concentrated in a few industry sectors may be more susceptible to a recession or economic downturn than one with a more diversified economy.

**Jobs by Industry, Del Norte County, Sum of 2021**

Industry	Del Norte County	County Percent of Total	California Percent of Total
Farm employment	275	2.6%	1.0%
Forestry, fishing, and related activities	372	3.5%	1.0%
Mining	31	0.3%	0.1%
Utilities	(D)	N/A	0.3%
Construction	421	3.9%	5.2%
Manufacturing	226	2.1%	5.8%
Wholesale trade	(D)	N/A	3.1%
Retail trade	1,233	11.6%	8.5%
Transportation and warehousing	155	1.5%	5.7%
Information	67	0.6%	2.7%
Finance and insurance	142	1.3%	5.0%
Real estate and rental and leasing	325	3.0%	5.2%
Professional, scientific, and technical services	(D)	N/A	8.8%
Management of companies and enterprises	(D)	N/A	1.2%
Administrative and waste services	(D)	N/A	6.4%
Educational services	(D)	N/A	2.3%
Health care and social assistance	(D)	N/A	11.8%
Arts, entertainment, and recreation	174	1.6%	2.4%
Accommodation and food services	815	7.6%	6.6%
Other services, except public administration	548	5.1%	5.6%
Government and government enterprises	3,565	33.4%	11.4%
Sum of withheld "(D)" values	2,326	21.8%	N/A
<b>Total Jobs</b>	<b>10,675</b>	<b>100.0 %</b>	<b>100.0 %</b>

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



# Per Capita Income

## What is it?

Per capita income is calculated by the U.S. Department of Commerce's Bureau of Economic Analysis by dividing its estimate of total personal income by the U.S. Census Bureau's estimate of total population.

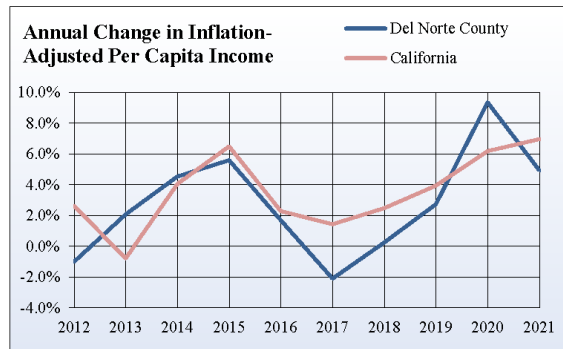
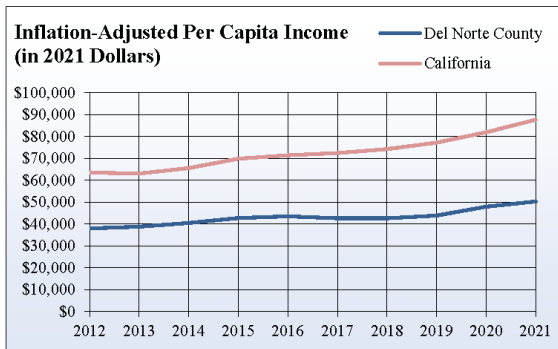
## How is it used?

Per capita income is one of the most commonly used indicators of the general economic well-being of a county. Changes in this variable may indicate changes in a county's standard of living or the availability of resources to individuals and families. Per capita income also tends to follow long-term business cycles, rising during expansions and falling during recessions. Income influences individual buying power and therefore affects consumer choices and local retail sales. Between 2012 and 2021, Del Norte County had a lower per capita income than the rest of California (after adjusting for inflation).

**Per Capita Income, Del Norte County, 2012 to 2021**

Year	County		Inflation-adjusted		Inflation-adjusted	
	Nominal	County	Income per Capita (2023 Dollars)		1-Year Change	
	Per Capita Income	1-Year Change	County	California	County	California
2012	\$ 28,736	1.9 %	\$37,928	\$63,514	- 1.0 %	2.6 %
2013	\$ 29,798	3.7%	\$38,712	\$63,012	2.1%	-0.8%
2014	\$ 31,640	6.2%	\$40,466	\$65,567	4.5%	4.1%
2015	\$ 33,379	5.5%	\$42,729	\$69,825	5.6%	6.5%
2016	\$ 34,410	3.1%	\$43,452	\$71,422	1.7%	2.3%
2017	\$ 34,531	0.4%	\$42,541	\$72,445	-2.1%	1.4%
2018	\$ 35,330	2.3%	\$42,643	\$74,239	0.2%	2.5%
2019	\$ 36,860	4.3%	\$43,810	\$77,159	2.7%	3.9%
2020	\$ 41,309	12.1%	\$47,906	\$81,930	9.3%	6.2%
2021	\$ 43,951	6.4%	\$50,267	\$87,623	4.9%	6.9%

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



While the Tri-Agency Economic Development Authority previously existed to provide regional economic development services within Del Norte County, the Tri-Agency was not well invested in and had many challenges to overcome including a lack of structure and any staffing. Consequently, it is clear from the indicators noted above, that much work remains to be done in the realm of economic development with the Tri-Agency, the only cross jurisdiction regional economic development agency that the County had been part of, now on the cusp of dissolution. The below anticipated responsibilities of a Del Norte County-based economic developer and other activities of economic developers represent tangible strategies for the Board to utilize an economic developer to improve economic conditions in the County:

- Coordination of the development of the Del Norte County Comprehensive Economic Development Strategy (CEDS) and responsibility for implementation of economic programs identified in other planning documents adopted by the Board of Supervisors such as the General Plan and Strategic Plan;
- Coordination with other local agencies on matters of economic development including the Crescent City/Del Norte County Chamber of Commerce, the Del Norte Economic Development Corporation, the City of Crescent City, the Yurok Tribe, the Tolowa Deeni' Nation, the Elk Valley Rancheria, the Pulikla Tribe of Yurok People (formerly the Resighini Rancheria), the Del Norte Local Transportation Commission, the Crescent City Harbor District, the Border Coast Regional Airport Authority, the Del Norte County Unified School District, the Del Norte Healthcare District, College of the Redwoods, etc.;
- Coordination of assistance to County businesses for disaster relief, etc.;
- Coordination with state and federal agencies on matters of general economic development including GO-Biz, the U.S. Economic Development Agency (EDA), and the U.S. Small Business Administration (SBA), etc.; and
- Representation of Del Norte County on state economic development initiatives such as the California Jobs First initiative (formerly CERF).

Per the California Association for Local Economic Development, general activities of economic developers may also include:

- Identifying Backward Linkages;
- Assisting and Being Familiar with Technology Transfer Programs;
- Networking Existing Business;
- Conducting Business Visitations;
- Providing Businesses with Export Assistance;
- Attending Meetings with Stakeholders;
- Administering and Managing Revolving Loans;
- Implementing Business Recognition Programs;
- Conducting Targeted Industry Studies, Labor Market Surveys;
- Creating and Implementing Marketing Strategies;
- Assessing the Community and Creating a Profile;
- Tracking Vacant Industrial Site & Facilities Inventory;
- Holding Business Familiarization Tours for Potential New Businesses; and
- Analyze the Community's Sales Tax Leakage.

### **County Department Concepts**

Should the Board elect to bring regional economic development services under the County's organizational umbrella within an existing department, or as a new department, it will be necessary to determine how staffing would need to be expanded as no positions within the County's structure are presently designated or responsible for economic development functions. Based upon preliminary research it appears that most counties that provide economic development functions place economic development in one of three ways: in their CAO or CEO's Office, in their Community Development (i.e. Planning/Land Use) Department, or as a standalone department formed solely for economic development purposes.



### *CAO's/CEO's Office*

Some counties choose to place their economic development services under the CAO/CEO. This may be for a number of reasons such as the CAO/CEO's connection to the Board as the County's policymakers, the CAO/CEO's role as Budget Officer, and the connection of the CAO/CEO's Office to outside agencies and community partners. In most cases where economic development is under the CAO/CEO, an economic development director or high level manager or analyst is tasked with economic development services.

Del Norte County's Administration Office currently includes or has responsibility for the following divisions and services: Budget, Purchasing and Contracting, Emergency Services, Recreation, Veterans Services, Legislation, Grants, Indigent Defense, and (for now at least) Human Resources & Risk Management.

Examples of counties that place economic development services with the CAO's Office include:

- Butte County. Butte County's CAO is responsible for "Community and Economic Development", which is separate from Butte County's "Development Services" Department that contains its Planning Division. Butte's Community and Economic Development services are focused on CDBG, Housing Rehabilitation Loan Program, and Camp Fire Recovery. Source: <https://www.buttecounty.net/192/Community-Development>
- Humboldt County. "The County of Humboldt CAO's Office of Economic Development serves as Humboldt County's resource center for economic, business, and workforce development. The department serves residents, job seekers, employers, entrepreneurs, startups and established businesses. The county Economic Development Team plays a key role in economic development by: attracting new businesses, supporting startups and incubators, retaining business and workforce, identifying development opportunities, facilitating collaboration with regional economic development practitioners, and garnering resources to address target industry priorities. The team staffs two formalized boards and a committee that provide community leadership and oversee a set of programs and projects including: Headwaters Fund Board, Workforce Development Board, Cannabis Micro-Grant and Loan Advisory Committee (Project Trellis), Prosperity Network, and CEDS Working Group." Source: <https://www.gohumco.com/>
- Mendocino County. The Mendocino County Board of Supervisors recently formed an ad hoc committee to examine the placement of dedicated economic development services within the County and have opted to create an Economic Development Division under the CEO's office. This office is involved in assisting the public with starting their own business, financing and growing businesses, finding and training employees, and disaster relief and preparedness for businesses. Source: <https://www.mendocinocounty.gov/government/economic-development>
- Monterey County. "In County of Monterey we have an economic development manager within the County Administrative Office. We also have a standing committee of the Board of Supervisors which includes two members of the Board and representatives of key economic sectors. This committee is staffed by our economic development mgr (sic)

and provides recommendations to the full Board. In addition, the County allocates a certain amount of TOT generated revenue to various local organizations to facilitate economic development activities within the County.” Per Nick Chiulos, Monterey County, Chief Assistant CAO

- Placer County. Placer County’s CEO’s offices contains an Economic Development Division which operates the Placer Business Resources Center, Placer County Business and Retention and Expansion Program, the Business Advantage Network, and the Business Emergency Preparedness Program. Placer County also has an Economic Development Board which serves as an advisory body for the Economic Development Division. Members of the board are responsible for carrying economic development information back to the governments and organizations they represent to insure that there is a united effort to attract new jobs to the County. Source: <https://www.placer.ca.gov/1372/Economic-Development>
- Santa Cruz County. Santa Cruz County’s Office for Economic Development is located within the CAO’s Office. Source: <https://www.santacruzcountycalifornia.gov/Departments/CountyAdministrativeOffice.aspx>
- Sutter County. “Sutter County's setup mirrors Monterey County. However, we just created and filled the Economic Development Director position in January for the first time ever. The County also participates in the Greater Sacramento Economic Council.” Per Steven Smith, Sutter County CAO

#### *Community Development and Long-Range Planning Department*

Some counties provide economic development services alongside their long-range planning functions, due to the intrinsic relationship between land use and economic development. Specifically, the County’s General Plan normally includes policies and programs aimed at fostering a thriving local economy. Once adopted in the General Plan, Community and Economic Development Departments then would be poised to implement adopted policies and programs alongside other community development policies such as transportation and housing policies. In counties where economic development services are provided alongside long-range planning or the like, an economic development specialist and/or staff serve under the Director of Community Development with some degree of independence, with the Director also assuming the responsibility for economic development.

The Del Norte County Community Development Department currently includes or has responsibility for the following divisions and services: Planning, Building Inspection, Code Enforcement, Environmental Health, Engineering & Surveying, Roads, County Service Areas (i.e. community sewer), and Flood Control Districts. The divisions of CDD are presently divided into two “branches”, the Public Works Branch and the Development Services Branch.

Examples of counties that place economic development alongside or embedded with their long-range community planning services include:

- Contra Costa County. “In Contra Costa County, our Department of Conservation & Planning includes a small division of 2-3 folks who are our Economic Development staff.” Per Lara DeLaney, Contra Costa County Deputy County Administrator

- Madera County. Madera County has a “Community & Economic Development Department” (CEDDD) that includes Environmental Health, Fire Prevention, Planning, and Building. Source: <https://www.maderacounty.com/government/community-economic-development-department>
- Nevada County. Nevada County’s structure includes a “Community Development Agency” (CDA), which includes the following departments: Agricultural Commissioner, Building Department, Code Compliance, Economic Development, Environmental Health, Farm Advisor, Planning, Public Works, and Recreation. The CDA is overseen by an Agency Director, and the Economic Development Office, specifically, is overseen by a Program Manager. Source: <https://www.nevadacountyca.gov/3712/Economic-Development>

#### *Standalone Economic Development Department*

Some counties operate departments or agencies/boards that are wholly separate from other County departments which are tasked with economic development within each county. Examples of counties that provide economic development as a standalone department include:

- Mono County. “In Mono County we have an Economic Development Department staffed with three people. We are heavily focused on tourism but we also work closely with local businesses on economic development endeavors. For more information see our website: <https://www.monocounty.ca.gov/economic>” Per Sandra Moberly, Mono County CAO

#### **Non-County or Quasi-County Concepts**

##### *Economic Development Corporation*

Per Wikipedia, “an economic development corporation (“EDC”) is an organization common in the United States, usually a 501(c)(3) non-profit, whose mission is to promote economic development within a specific geographical area. These organizations are complementary to Chambers of Commerce. Whereas a Chamber of Commerce promotes the interests of businesses in a particular geographic area, an EDC typically focus on longer-term economic growth by attracting new businesses. Generally, an EDC can be found at the state level to attract business to a particular state. The state level EDC often works closely with local EDCs and may offer low interest loans, grants, tax credits and other economic incentives to attract businesses.” Similar to the Tri-Agency Economic Development Authority, the County could enter into a partnership with other public agencies and share in the costs of an EDC. Unlike the Tri-Agency, the EDC partnership could be expanded to include private sector representatives as well. Examples of counties that make shared investments in economic development through EDC’s include:

- Shasta County Economic Development Corporation. “Funding for the Shasta Economic Development Corporation is a testament to the collaborative spirit of Shasta County. We are proud to receive support from our local cities, the county government, and many private investors. Their commitment to our shared mission enables us to provide essential resources and initiatives that fuel growth and success for the entire business community. The Shasta EDC is partnered with government leaders at the City of Redding, Shasta Lake City, and Shasta County. These entities have demonstrated their commitment to creating a thriving business ecosystem. The City of Redding, known for its business-friendly environment, has actively

implemented initiatives and incentives to attract and retain businesses, stimulating economic activity and job creation. Shasta Lake City, with its entrepreneurial spirit, offers unique opportunities for business development and growth, bolstered by a supportive community. Shasta County, as a whole, showcases a strong commitment to economic development, providing resources, infrastructure, and programs that empower businesses to thrive. Private business leaders play an incredibly important role in driving economic growth. In Shasta County that's no different. We collaborate with private business to support growth that benefits their bottom line and the county. By actively engaging with the Shasta EDC, local business owners contribute to the creation of a thriving business ecosystem that fuels innovation, job creation, and economic vitality. Their contributions help us attract and retain other businesses, promote entrepreneurship, and ensure a supportive network for growth. Investment from private business leaders is instrumental in shaping Shasta County's future economic landscape." Source: <https://www.shastaedc.org/>

#### *Other/Misc. Concepts*

In addition to providing economic development services directly from a County department or through an EDC, California counties also employ other innovative methods of delivering services related to economic development with their counties and broader economic regions, such as "quasi-County" agencies, districts, and boards, or combinations thereof. Examples include:

- Sonoma County Economic Development Board. "The Sonoma County Economic Development Board (EDB) is focused on growing a healthy economy by helping our businesses in Sonoma County. We provide confidential, no-cost consulting services to businesses seeking to start, relocate, and grow in Sonoma County. We assist businesses in: navigating the startup process, troubleshooting businesses challenges to get your business to the next level, connecting businesses with key contacts, resources, financing and training opportunities, and collaborating on issues affecting our regional economy. EDB Board Members are appointed by the Sonoma County Board of Supervisors. Each supervisor appoints two people from his or her district." Source: <https://sonomaedb.org/>
- Sonoma-Mendocino Economic Development District. In addition to funding their own internal economic development services, as described herein, both Mendocino County and Sonoma County participate in the Sonoma-Mendocino Economic Development District (SMEDD). "The Sonoma-Mendocino Economic Development District is a two-county partnership, created through a joint power's agreement in 2015, to engage in regional economic development planning. County leaders recognized an important opportunity to coordinate and pool resources in areas where joint planning can accomplish more for the region's development than either county's independent efforts. The District is responsible for overseeing completion and implementation of the Sonoma-Mendocino Comprehensive Economic Development Strategy (CEDs)." Source: <https://www.smedd.org/history-and-purpose>

### **Conclusion and Recommendation for Next Steps**

Local governments can play a vital role in improving the economic conditions within the areas they serve. Economic data indicates that regions that do not invest in economic development frequently are the same regions that suffer from the least improved economies. For example, public investment in economic development such as creating favorable business environments through thoughtful planning correlates with a more robust workforce, higher rates of employment, more diverse economies, and generally greater median area incomes. Conversely, as presented in the data included in this report specific to Del Norte County, failure to make public investments in economic development often generally leads to the opposite outcomes in local economies.

From preliminary research into this topic as presented herein, it is clear that local governments, specifically counties, may become involved in economic development in a variety of ways and that there are numerous considerations with each approach. As such, staff is recommending that the Board direct the EDTAC to conduct further research into the feasibility of economic development services and direct the EDTAC to develop recommendations for the Board's consideration relating to the questions of whether the County should provide economic development services or not, and, if so, by which method.