

# Tehama County

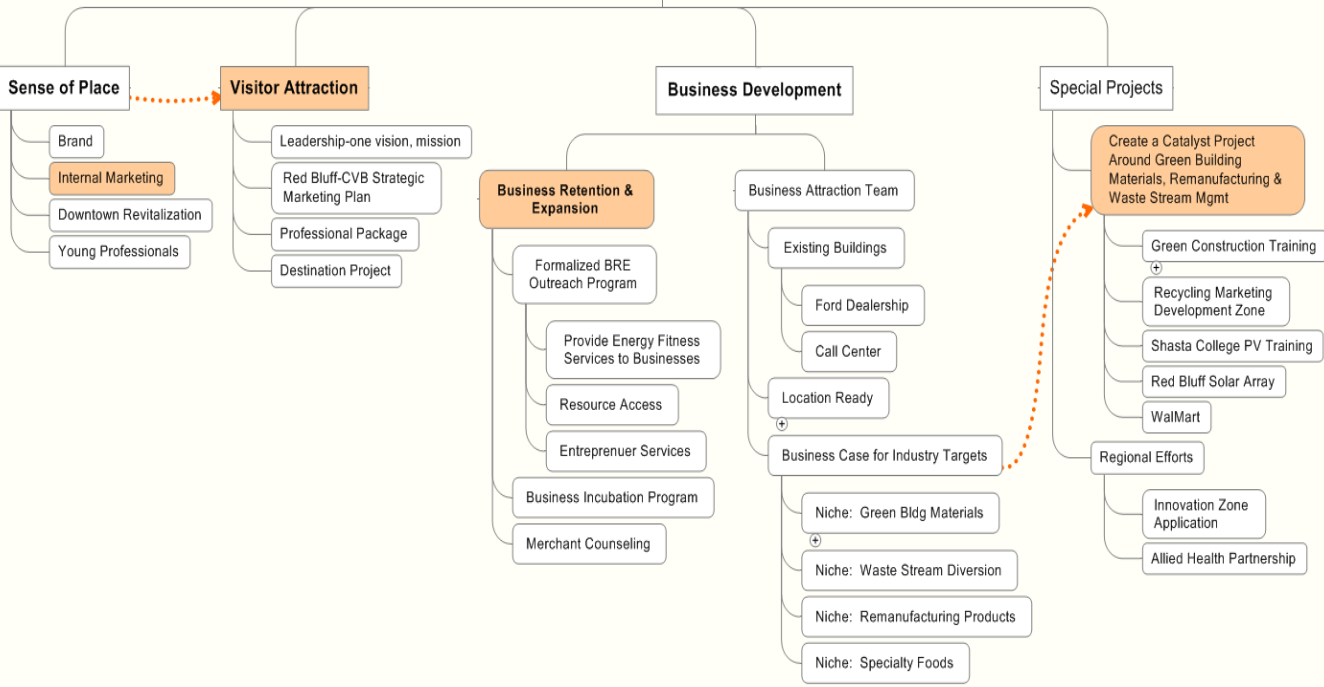
## Business Attraction & Retention Program Analysis

Prepared for the Tehama  
County Planning Department



# Tehama Economic Development Alliance (TED Alliance) Strategic Initiatives & Action Map

- Business Development Team
  - Small Business Counseling
  - Financing
  - Business Incubation Program
  - Outreach
  - Workforce



# Table of Contents

Introduction .....	1
Project Purpose .....	1
Project Approach .....	2
Phase I – Where are we now? .....	7
1.1 Economic Overview .....	8
1.2 Retail Market Overview .....	19
1.3 Economic Development Programs .....	23
1.4 Strengths, Weaknesses, Opportunities & Threats (SWOT) .....	30
1.5 Asset Matrix Test .....	35
1.6 Findings.....	36
Phase II – Where do we want to be? .....	39
Vision and Goals .....	39
Phase III – How will we get there? .....	43
Appendix	
1. Web Survey	
2. Tehama County Business Attraction Program presentation, Phase III “How will we get there?” – October 21, 2009	
3. Planning forms, Project Implementation Matrix and 30-60-90 Day Launch Schedule	
4. EDC Funding Survey	
5. Tehama Economic Development Alliance (TED), Strategic Initiatives & Action Map	
6. 3CORE (formerly Tri-County ED) Services Sheet	
7. AmeriCorps Application	
8. Red Bluff Chamber of Commerce Tourism – Marketing Plan, 2009	
9. Branding, Development and Marketing Action Plan, prepared by Destination Development through a CDBG grant	
10. Upstate California EDC’s 2010 Marketing Schedule	
List of Tables	
1. Population Comparison and Annual Growth Rate .....	9
2. Labor Force and Unemployment.....	10
3. Income Growth.....	11
4. Industry Employment .....	12
5. Retail Sales.....	13
6. Construction Activity .....	14
7. Assessed Value .....	15
8. Municipal Revenues .....	16
9. Quality of Life .....	17
10. Retail Leakage or Gap .....	19
11. Retail Market Potential .....	20
12. Trade Area Population.....	21

13. Trade Area Demographics .....	21
14. Estimated Visitor Spending 2007 .....	22
15. Tehama CEDS Top Three Priority Projects by Area .....	24
16. Assessment Matrix .....	26
17. Strength – Stakeholder Comments .....	30
18. Weaknesses – Stakeholder Comments .....	31
19. Opportunities – Stakeholder Comments.....	32
20. Threats – Stakeholder Comments .....	32
21. Responses Strengths & Weaknesses .....	33
22. Memorable comments.....	33
23. Young Business Leaders Work Session.....	33
24. Tehama County’s Top Assets.....	35
25. 30-60-90 Day Launch Schedule .....	60

# Introduction

## Project Purpose

The Business Attraction & Retention Program Analysis project is funded by a State of California, Community Development Block Grant – Technical Assistance Program.

The County of Tehama has experienced a higher percentage of economic distress than many other counties in the north state which has resulted in higher unemployment, decrease in income and decrease in government revenues. The ability to attract and retain commercial and industrial business through new development, reconstruction, and rehabilitation is seen by the County as a vital component to the overall economic health of the community.

The project goal was to provide an analysis of the economic development efforts undertaken on the county’s behalf and to develop a roadmap which would provide the community a better focus for its regional economic development efforts.

Project Goals	
▪	Complete a program assessment of the business attraction and retention efforts, including a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis.
▪	Work with ED stakeholders to identify and update goals, issues and objectives for business retention and attraction.
▪	Create an implementation strategy for business attraction and retention.
▪	Identify potential funding sources to fund implementation strategies.

The lead agency for economic development for the County was the Tehama Economic Development Corporation (Tehama EDC). During the initial start of this project, Tehama EDC announced it would need to cease its operations due to lack of funding resources. Tehama EDC closed its doors and released full-time staff and with its limited resources contracted with the Job Training Center (workforce development) to maintain critical services, such as, phone, website, response to inquiries and business requests. The project completion was coordinated with the Job Training Center.

## Project Approach

For this assessment and strategic planning a three step process was used:

1. Where are we now?
2. Where do we want to be?
3. How do we get there?

**Phase I** – Where are we today is also know as the Discovery Phase. This phase involves stakeholder interviews, analysis of the economic base, retail analysis, economic development assessment of basic services and service provider interviews.

**Phase II** – Where do we want to go is based on stakeholder interviews, goals and objectives for economic development activities and the community assets and opportunities that will create economic growth and activity.

**Phase III** – How do we get there is recommended activities based on the best opportunities to achieve the goals and objectives.

The following outlines the existing documents reviewed for the project assessment and stakeholders interviewed.

### Extensive Outreach & Stakeholder Participation

In addition to a review of existing plans and policies, many local stakeholders were engaged in this project through personal and telephone interviews. A standardized list of questions was asked of each participant **pertaining to the county's greatest economic assets and opportunities**. A smaller number of people participated by completing an on-line web based survey.

Stakeholders involved in the personal meeting interviews or phone interviews are listed below. An asterisk (\*) indicates the individual is a member of the Tehama Economic Development Corporation [Tehama EDC].

- George Robson, Planning Director, County of Tehama
- Kendall Pierson, Plant Manager, Sierra Pacific
- Robert Minch, Owner, Western Real Estate
- Dave David, Tehama County Planning Commissioner
- Mark Eidman, CEO, Tehama District Fair Grounds
- Kathy Schmitz, Job Training Center\*
- Bill Moule, Moule's Tehama County Glass\*
- Steve Kimbrough, City Manager, City of Corning\*
- Tom Orr, Shasta College\*
- Bill Goodwin, CAO, County of Tehama\*
- Brandon Tandy, Walmart DC\*
- Tom Eubanks, General Building Contractor\*
- Ken Robison, Re/Max
- Martin Nichols, City Manager, City of Red Bluff\*
- Diane Ampj, Store Manager, Premier West
- Larry Champion, County Superintendent, Tehama County

- Dewey Lucero, Owner, Lucero Olive Oil
- Burt Bundy, President, Tehama County Farm Bureau
- Don McKim, Owner, Nine Mile Ranch, Inc.\*
- Gary Strack, Mayor, City of Corning
- John Crosby, Paskenta Band of Nomlaki Indians\*
- Robert Auerbach, VP, Fidelity National Title Company\*
- Ron Crain, Owner, Olive Pit
- Christine Maness, Flying J
- Chip McCoy, Owner, Hatfield's on Solano
- Kyle Lauderdale, Manager, Premier West Bank

The following individuals completed a web based questionnaire<sup>1</sup>

- Alan Abs, Air Quality Control, Solid Waste Administration, Tehama County
- Chuck Crain, Owner, Crain Walnut Shelling
- John Brewer, Public Works Director, City of Corning
- John Stoufer, Planning Director, City of Corning
- Kristin Behrens, Marketing Community Relations, St. Elizabeth Community Hospital
- Kristina Miller, Landfill Management, Tehama County
- Mitch Brehm, Plant Manager, Pactiv
- Venita Philbrook, State Theatre
- Beverley Anderson, Sacramento River Conservation Area Forum
- Scot Timboe, Planning Director, City of Red Bluff
- Gary Antone, Tehama County Public Works Director
- Janice Meehan, Tehama County Department of Social Services
- Brendon Flynn, Pacific Farms and Orchards, Inc.
- Eric Batten, Developer
- J.B. Stacy, Senior VP, Cornerstone Community Bank

## Resource Partner Participants

Telephone interviews were conducted with economic development and business service organizations and agencies that provide services to Tehama County businesses and residents. These organizations are important economic development resource partners, particularly with the closure of the Tehama Economic Development Corporation. Organizations providing services and interviewed include:

- Sophie Konuawa, Small Business Development Center (SBDC)
- Dan Ripke, California State University, Chico (CSUC)
- Marc Nemanic, 3 Core (formerly named Tri-County Economic Development Corporation)
- Ryan Richardson, Superior California Economic Development
- Alison O'Sullivan, Upstate California

---

<sup>1</sup> Appendix 1 – Web Survey

## Young Business Leader Participants

An evening work session was conducted by the Job Training Center to engage the young professionals and next generation leaders in providing input to their vision and goals for Tehama County. Attendees included:

1. Andrew Christ, Truman Christ Insurance
2. Kristina Miller, Tehama County Landfill
3. Melissa Mendonca, Tehama County Mentoring Program
4. RJ LaChance, LaChance Design, LLC
5. Pete Johnston, Signs and Banners
6. Brandon Grissom
7. Kate Grissom, Rolling Hills Casino
8. Becky Klinestecker, Bright Landscaping
9. Amy Gonczeruk, Sevillano Links
10. Chris Gonczeruk, Gonczeruk Custom Woodworking
11. Keith Thomas, State Farm Insurance
12. Alan Foley, Ameriprise Financial
13. Lindsay Miller Byrne, Vita Dermatology & Laser Institute
14. Matt Byrne, Omni Pipelines, Inc.
15. CJ Bartolomei, Lassen View Elementary School
16. Cori Bartolomei, CSU Chico Nursing Student
17. Dewey Lucero, Lucero Olive Oil
18. Greg Jones, Jones & Sons Orchards
19. Joe Vine, Copy Center

Observers:

- Karla Stroman, Tehama County Department of Education/SERRF
- Audrey Taylor, Chabin Concepts
- Tonya Redamonti, United Country Allegiance Real Estate
- Kathy Schmitz, Job Training Center
- Kathy Garcia, Job Training Center

## Plans, Studies and Reports Reviewed

The following documents were reviewed as part of the Discovery Phase:

- Tehama County General Plan Update, March 2008, Revised August, 2008
- Tehama County Business Risk Report, Workforce Solutions, 2008
- Strategic Marketing Plan, Red Bluff Chamber of Commerce, Convention & Visitors Bureau, May 2009
- Quick Guide for Employer Needs
- Tehama Economic Development Corporation Tehama, Board Retreat Meeting Notes, June 2007
- Tehama County EDC Work Plan, June 2008
- Tehama EDC Committee Structure for 2007-08
- Tehama Trails Business Plan, July 2009
- City of Red Bluff, Downtown Revitalization Plan, September 1999
- Websites



# **Phase I – Where are we today?**



## Phase I – Where are we now?

Phase I provides an analysis and assessment of:

1. Tehama County's economy as compared to the Sacramento Region and State of California. This information provides a baseline to measure future economic activity.
2. Analysis of retail market, retail sales leakage and retail opportunity by market segment.
3. Assessment of economic development programs and Tehama County competitiveness for new job creation investments.
4. Strengths, weaknesses, opportunities & threats (SWOT)

## 1.1 Economic Overview

The Economic Overview looks at key economic indicators for Tehama County to set a baseline for economic growth and strategic initiatives:

1. Population
2. Labor Force and Unemployment
3. Household Income
4. Economy
5. Retail Sales
6. Construction
7. Assessed Value
8. Municipal Revenues
9. Quality of Life

These indicators are set in context by comparing the economic indicators to other areas. For this review, the Sacramento Metro area and the State of California average was used. Reviewing other metropolitan areas and the state average provides a benchmark at which Tehama County should strive to set goals or use those areas as the benchmark for being equal to or better than, such as, the state average.

## Population

Tehama County's population has grown slowly but steadily at an average rate of 1.5 percent per year since 2001. Annual growth peaked at 2 percent in 2006 and then slowed to 1.2 percent over the past two years. By comparison, the state average growth rate since 2000 has been about 1.6 percent per year and the Sacramento average was 2.4 percent.



The share of the population over age 64 in Tehama is somewhat higher than the state, and represents about 15 percent of the total. The population under 18 is very similar to the state and metro area at 26 percent of the total. School enrollment has been very stable. The district added just over 400 students from 2000 to 2007, and then dropped by about 160 students in 2008. By comparison, enrollment grew by 10 percent in the Sacramento metro area overall.

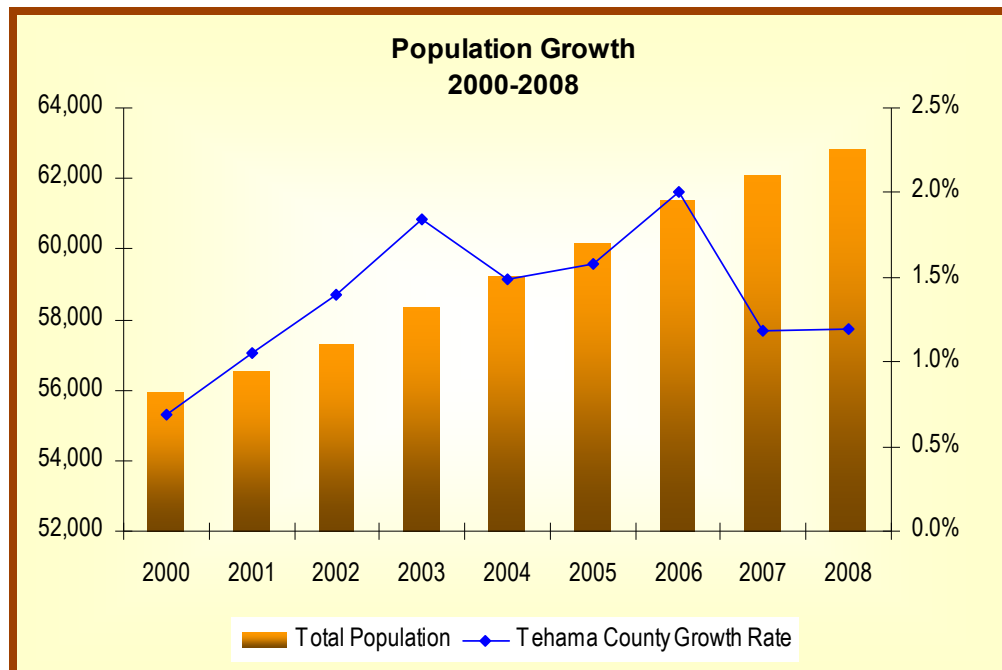
**Table 1 – Population Comparison**

	2001	2002	2003	2004	2005	2006	2007	2008
Tehama County	56,519	57,308	58,362	59,232	60,165	61,369	62,093	62,836
Sacramento Metro	1,844,129	1,899,726	1,949,960	1,996,690	2,037,123	2,072,406	2,103,956	2,146,613
State of California	33,873,086	34,441,561	35,088,671	35,691,534	36,743,186	37,195,240	37,662,518	38,148,493

Annual Growth Rate								
	2001	2002	2003	2004	2005	2006	2007	2008
Tehama County	1.1%	1.4%	1.8%	1.5%	1.6%	2.0%	1.2%	1.2%
Sacramento Metro	2.6%	3.0%	2.6%	2.4%	2.0%	1.7%	1.5%	2.0%
State of California	1.7%	1.9%	1.7%	1.6%	1.4%	1.2%	1.3%	1.3%

Source: California Department of Finance; U.S. Census Bureau.



## Labor Force and Unemployment

Tehama County's unemployment rate remained relatively steady from 2001 to 2007, ranging from 6.5% to 7.7%. Tehama has historically been about 1.2% above the state average, rising to almost 2 percent above the state in 2007 and 2008. The Tehama unemployment rate increased to 9.1% in 2008 and is now close to 15% compared to only 11% statewide indicating that the recession is more severe in Tehama County.

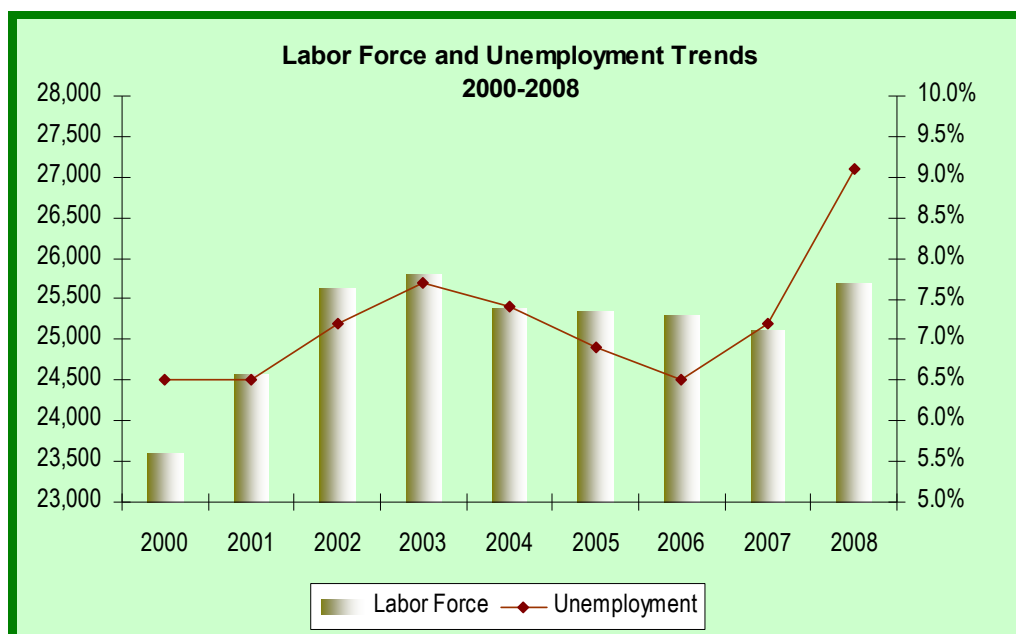


Labor force growth has lagged population growth locally. Consequently, labor force participation by population over 18 has declined since 2000 to 56%, which is significantly below the state average of 65%. This is in part due to the larger population over 65, but that does not account for the entire difference.

**Table 2 – Labor Force and Unemployment**

	2001	2002	2003	2004	2005	2006	2007	2008
<i>Labor Force</i>								
Tehama County	24,570	25,630	25,810	25,390	25,340	25,310	25,120	25,700
Sacramento Metro	936,193	970,090	991,984	1,007,752	1,024,231	1,039,817	1,060,605	1,058,500
State of California	16,857,578	17,152,106	17,343,579	17,418,731	17,538,734	17,740,379	18,213,359	18,391,800
<i>Annual Growth Rate</i>								
Tehama County	4.1%	4.3%	0.7%	-1.6%	-0.2%	-0.1%	-0.8%	2.3%
Sacramento Metro	3.0%	3.6%	2.3%	1.6%	1.6%	1.5%	2.0%	-0.2%
State of California	1.7%	1.1%	0.4%	0.7%	1.1%	0.9%	1.7%	1.0%
<i>Unemployment Rate</i>								
Tehama County	6.5%	7.2%	7.7%	7.4%	6.9%	6.5%	7.2%	9.1%
Sacramento Metro	4.5%	5.5%	5.8%	5.5%	4.9%	4.7%	5.3%	7.1%
State of California	5.4%	6.7%	6.8%	6.2%	5.4%	4.9%	5.3%	7.2%

Source: U.S. Bureau of Labor Statistics.



## Household Income

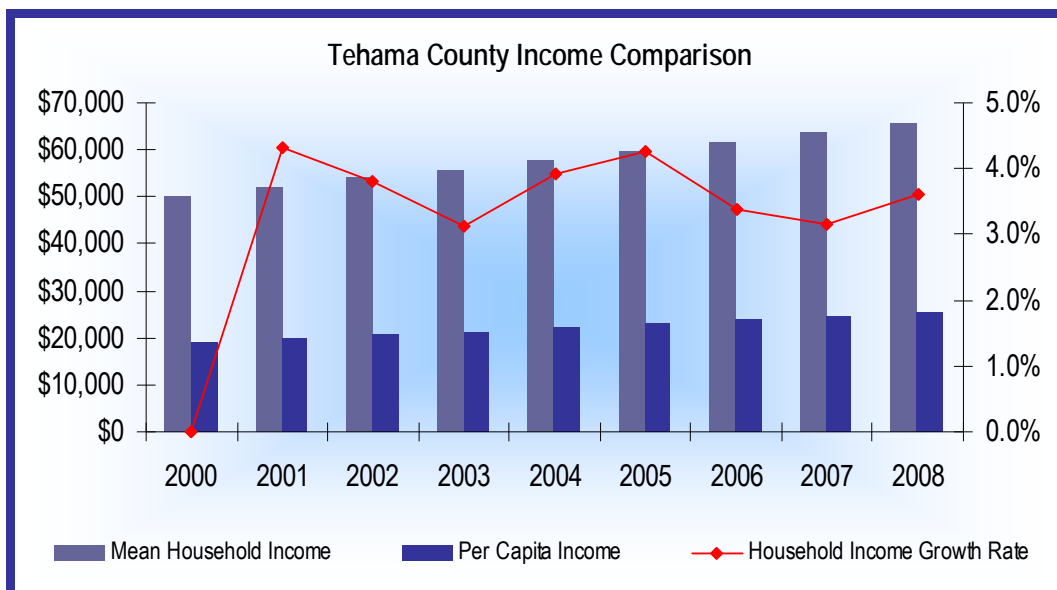


The most valid available measure of income at the local level is per capita income. Per capita income levels increased 34 percent in Tehama County from 2000 to 2008, compared to only 30 percent statewide and 32 percent in Sacramento. However, per capita income locally is still about 60 percent of the state average for 2008. Mean household income has also increased by about 31 percent in Tehama County since. The overall growth in household income is well above the state's 27 percent average. However, mean household income is only about 55 percent of the state average. Although incomes are typically lower in rural areas, Tehama has historically had over 8 percent of its population on welfare compared to only 4 to 5 percent at the state level.

**Table 3 – Income Growth**

	2001	2002	2003	2004	2005	2006	2007	2008
<i>Per Capita Income</i>								
Tehama County	\$19,858	\$20,614	\$21,261	\$22,095	\$23,034	\$23,813	\$24,562	\$25,446
Sacramento Metro	\$30,807	\$31,008	\$32,002	\$33,774	\$35,318	\$37,078	\$38,119	\$39,458
State of California	\$32,883	\$32,826	\$33,554	\$35,440	\$37,462	\$39,626	\$40,714	\$42,131
<i>Annual Growth Rate:</i>								
Tehama County	4.3%	3.8%	3.1%	3.9%	4.2%	3.4%	3.1%	3.6%
Sacramento Metro	2.7%	0.7%	3.2%	5.5%	4.6%	5.0%	2.8%	3.5%
State of California	1.3%	-0.2%	2.2%	5.6%	5.7%	5.8%	2.7%	3.5%
<i>Mean Household Income</i>								
Tehama County	\$52,131	\$53,953	\$55,511	\$57,513	\$59,816	\$61,678	\$63,453	\$65,570
Sacramento Metro	\$81,667	\$82,023	\$84,414	\$88,812	\$92,579	\$96,893	\$99,316	\$102,470
State of California	\$94,835	\$94,396	\$96,184	\$101,342	\$106,823	\$112,656	\$115,539	\$119,188

Source: U.S. Dept of Commerce, Housing and Urban Development, 2009; Woods & Poole Economics, 2008.



## Economy

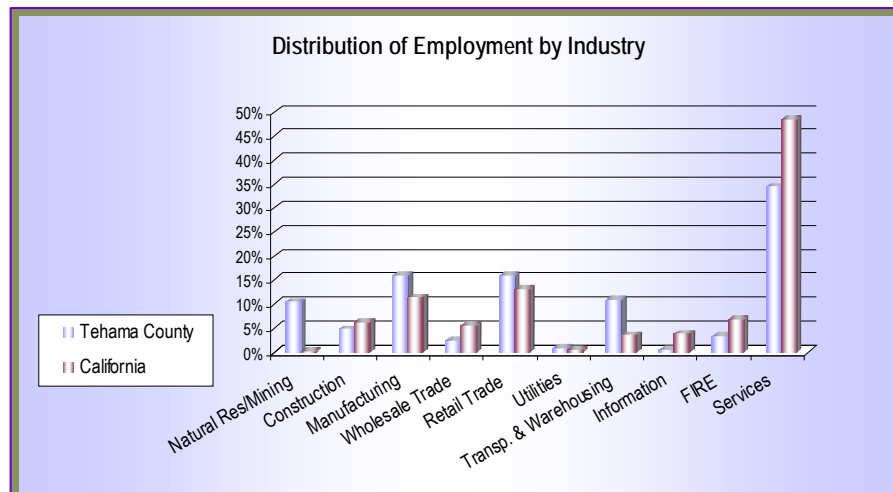
Tehama County's industry mix reflects an above average share of employment in natural resources (forestry) (10% vs. LT 1%), an above average share in manufacturing (16% vs. 11%), and a significantly larger share of transportation employment (11% vs. 4%) than the State as a whole. Basic industries, those that bring in wealth from outside the area, make up approximately 26% of Tehama's employment base, which is down only slightly from 2000. This is mainly due to declines in manufacturing, although there have been offsetting gains in services. Basic industry is very important in terms of economic stability. The largest growth locally in terms of number of new jobs has been in services, construction and wholesale trade, although construction employment statewide has declined since 2007. The county is dominated by small businesses with about 96% of firms having less than 10 employees.



**Table 4 – Industry Employment**

	2001	2002	2003	2004	2005	2006	2007	2008
<i>Total Industry Employment</i>	13,360	13,558	13,430	13,390	13,495	13,658	13,233	na
Agriculture & Mining	1,445	1,316	1,370	1,422	1,322	1,288	1,383	na
Utilities	75	71	70	75	75	75	110	na
Construction	512	628	573	629	653	722	635	na
Manufacturing	2,367	2,343	2,332	2,287	2,275	2,332	2,113	na
Wholesale Trade	156	181	175	197	204	248	321	na
Retail Trade	2,013	2,013	2,130	2,144	2,252	2,223	2,117	na
Transportation & Warehousing	1,608	1,649	1,679	1,568	1,563	1,534	1,452	na
Information	96	96	86	119	118	120	83	na
Finance, Insurance & Real Estate	623	665	616	459	472	447	450	na
Services	4,465	4,596	4,399	4,490	4,561	4,669	4,569	na
<i>Establishment by Number of Employees</i>								
1 to 4	1,454	1,515	1,455	1,564	1,669	1,660	1,761	2,033
5 to 9	259	249	242	255	257	236	238	237
10 to 24	159	155	150	159	154	156	166	167
25 to 49	59	60	63	68	71	61	56	58
50 to 99	33	33	31	28	29	29	28	28
Over 100	20	19	15	18	20	21	20	19
Share of Est. with LT 10 Employees	94%	94%	94%	95%	95%	95%	95%	96%

Source: Dun & Bradstreet Marketplace, California Department of Employment Development.





## Retail Sales

Taxable sales in Tehama County rose steadily from 2000 to 2006, with total sales increasing by 60 percent and retail sales increasing by 75 percent. The most notable increases were in service stations, building materials stores and other retail. Since then sales have dropped about 2.5 percent with sizeable declines in other retail, building materials and food stores. The level of retail sales per capita in the City is about 80 percent of the statewide average, indicating local retail leakages and limited sales to tourists. Tehama County is well below average in terms of per capita sales in apparel, home furnishings, restaurants and general merchandise.



**Table 5 – Retail Sales**

	2000	2001	2002	2003	2004	2005	2006	2007
<b>Tehama County Retail Sales</b>								
Total Taxable Sales (000)	\$469,906	\$502,411	\$514,755	\$566,108	\$597,350	\$679,784	\$751,503	\$732,411
Non-Retail Collections	28.7%	27.6%	26.5%	26.8%	23.7%	23.6%	22.1%	20.8%
<b>Retail Sales Per Capita</b>								
Tehama County	\$8,402	\$8,889	\$8,982	\$9,700	\$10,085	\$11,299	\$12,246	\$11,795
Sacramento Metro	\$13,955	\$14,238	\$14,193	\$14,644	\$15,686	\$16,417	\$16,290	\$15,755
State of California	\$13,044	\$12,819	\$12,567	\$12,891	\$13,794	\$14,612	\$15,046	\$14,897

Source: California Board of Equalization



## Construction

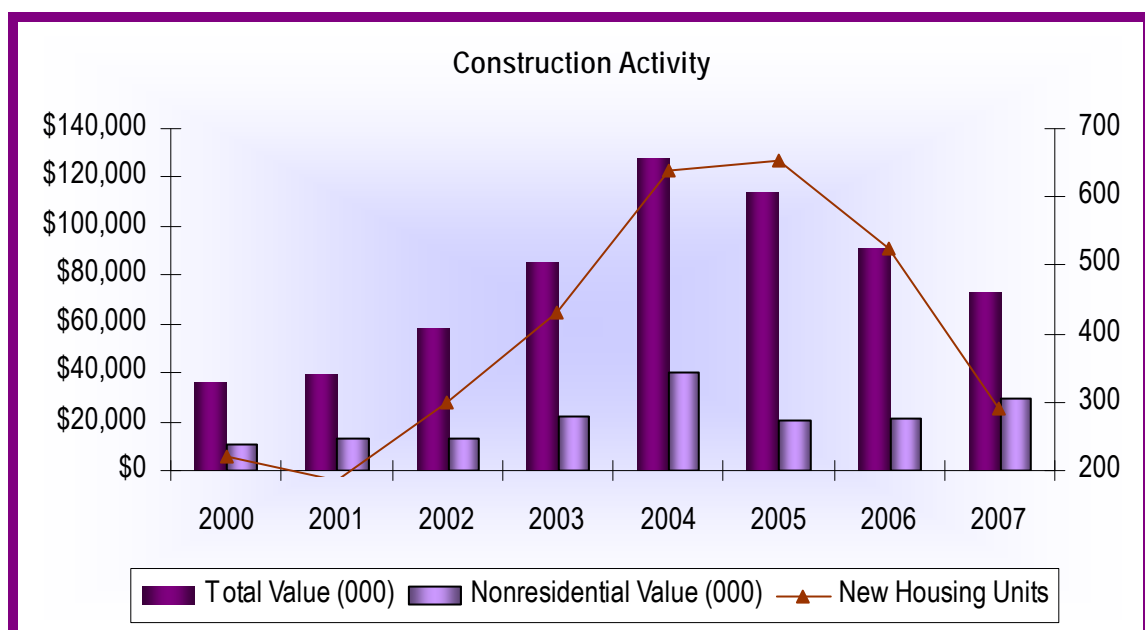
The total number of new housing units built in Tehama County peaked in 2005 at 653, decreasing to about 156 units in 2008. Similar declines in residential activity have occurred throughout the state as housing prices dropped. However, Tehama County is still seen as an affordable option relative to Redding. The value of permits issued in Tehama County has also declined since 2005, consistent with the overall drop in activity. Residential permits represent an average of 72 percent of the total value. Nonresidential permits have fluctuated significantly over the past 8 years, which is typical for a rural area, although nonresidential activity did not drop off in 2006 and 2007 like residential permitting activity.



**Table 6 – Construction Activity**

	2001	2002	2003	2004	2005	2006	2007	2008
<i>Tehama County Permit Activity</i>								
Total Permit Value (000)	\$39,460	\$58,301	\$84,989	\$127,708	\$114,130	\$90,509	\$72,934	na
Residential Permit Value (000)	\$26,446	\$44,892	\$62,651	\$87,538	\$93,613	\$68,928	\$43,596	\$20,721
Nonresidential Permit Value (000)	\$13,014	\$13,409	\$22,338	\$40,170	\$20,517	\$21,581	\$29,338	na
Percent Residential	67%	77%	74%	69%	82%	76%	60%	na
<i>New Housing Units</i>								
Tehama County	186	298	430	640	653	525	291	156
Sacramento Metro	18,434	22,099	22,832	21,999	20,182	11,877	8,063	5,511
State of California	146,739	159,573	191,948	207,390	205,020	160,502	104,788	62,681

California Department of Finance, California Statistical Abstract; Bureau of the Census, "Housing Units Authorized by Building Permits".



## Assessed Value

Total assessed value in Tehama County has risen steadily since 2000, increasing by 77 percent through 2007. Real property value increased by 80 percent, while personal property increased only 33 percent. The statewide increase in total assessed value from 2000 to 2007 was 85 percent, and the increase in the Sacramento metro area was 112 percent.

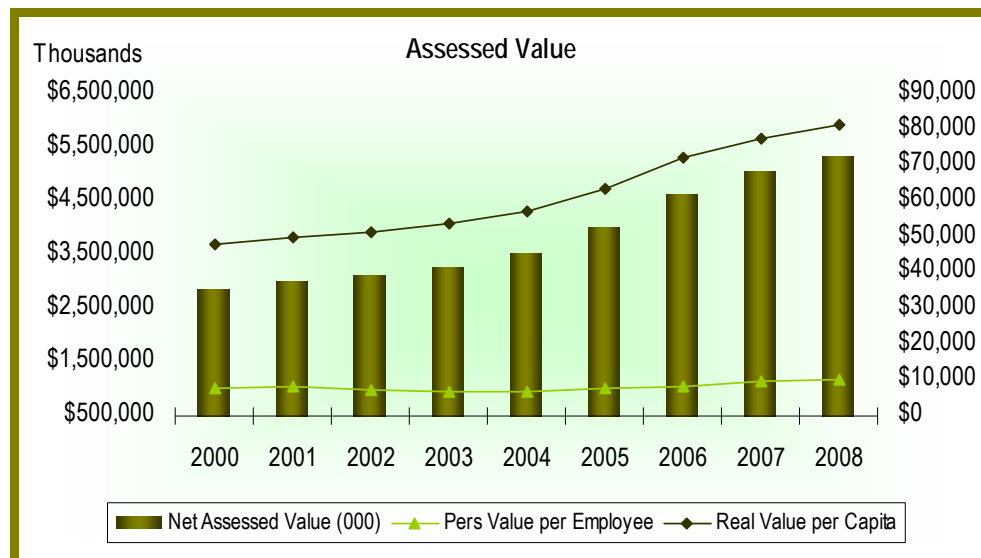


Per capita real assessed value in Tehama County grew 62 percent, which is slightly below the state average of 70 percent. Personal assessed value per employee also rose by 26 percent since 2000, compared to only an 11 percent increase statewide, indicating a higher rate of growth in businesses with high levels of capital investment.

**Table 7 – Assessed Value**

	2001	2002	2003	2004	2005	2006	2007	2008
<i>Total Net Value Growth</i>								
Tehama County	6%	4%	5%	8%	13%	16%	9%	6%
Sacramento Metro	10%	10%	22%	14%	0%	15%	9%	na
State of California	9%	7%	16%	11%	0%	12%	10%	na
<i>Real Value Per Capita</i>								
Tehama County	\$49,886	\$51,400	\$53,471	\$56,952	\$63,458	\$72,069	\$77,631	\$81,405
Sacramento Metro	\$65,528	\$70,370	\$75,789	\$82,879	\$93,291	\$105,714	\$113,681	na
State of California	\$71,649	\$75,737	\$80,428	\$85,969	\$94,449	\$104,867	\$113,601	na
<i>Personal Value per Employee</i>								
Tehama County	\$8,145	\$7,496	\$6,831	\$6,955	\$7,782	\$8,144	\$9,511	\$10,124
Sacramento Metro	\$7,857	\$8,076	\$7,584	\$7,569	\$7,555	\$7,756	\$8,204	na
State of California	\$10,386	\$10,472	\$10,179	\$9,868	\$9,747	\$10,160	\$10,741	na

Source: California Board of Equalization Annual Reports; Tehama County Annual Budget.



## Municipal Revenues

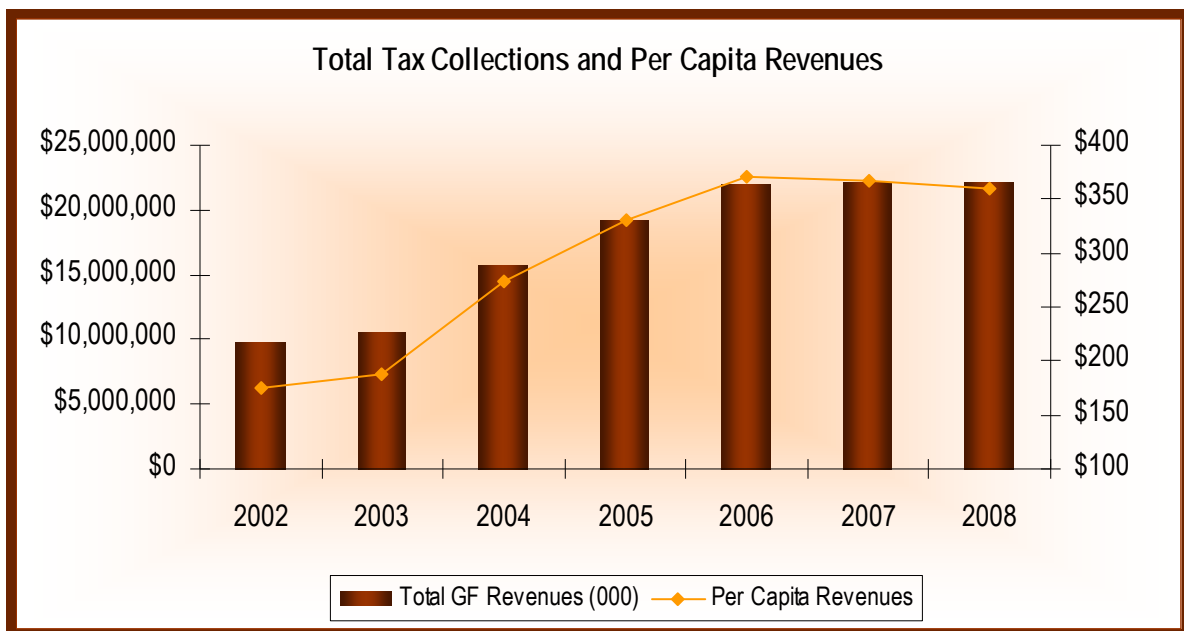
County revenues generally increased each year from 2003 to 2007 and then flattened out in 2007 and 2008. The largest share of revenues is from local taxes which increased by 14% to 48% per year in 2004 thru 2006, but grew by less than 1% in recent years. Sales taxes, which used to represent 19% of local tax collections, now represent only 12%. The largest source of revenues is property tax, accounting for 54% of local taxes and 43% of the general fund. Property taxes, which grew by 62% over the past 7 years, are typically much more stable than sales taxes, even in economic downturns. Overall, local tax collections have increased 127% over the 7 year period. Local taxes make up about 74% of general fund revenues. Per capita tax revenues increased 107% since 2000, indicating revenue growth is significantly surpassing population growth, although per capita taxes have declined slightly since 2006.



**Table 8 – Municipal Revenues**

	2003	2004	2005	2006	2007	2008
<i>Local Tax Collections (000)</i>	\$10,585	\$15,641	\$19,244	\$21,978	\$22,109	\$22,118
Annual Change	8.6%	47.8%	23.0%	14.2%	0.6%	0.0%
<i>General Fund Revenues (000)</i>	na	na	na	\$30,624	\$30,269	\$28,245
Annual Change				na	-1.2%	-6.7%
<i>Local Tax Collections per Capita</i>	\$187	\$273	\$330	\$371	\$367	\$360
Annual Change	7.5%	45.7%	20.8%	12.5%	-1.0%	-1.9%

Source: Tehama County Annual Budget, 2008-09; California State Controller, Counties Annual Reports.



## Quality of Life

Quality of life is an important measure of the overall economic and social health of a community. Crime rates in Tehama County are significantly lower than the Sacramento area and the state as a whole. SAT Scores are an important indicator of the education quality<sup>1</sup>. Scores in Tehama County have declined somewhat since 2006, but are comparable to the state average. Housing prices increased significantly from 2001 to 2007, to a peak median sale price of \$235,000 in 2007. Since then, prices have dropped 19% in Tehama County, which is comparable to Sacramento and less than declines in the state overall. Home prices in Tehama County are still 48% lower than Sacramento and more affordable even when adjusted for lower household incomes in Tehama.



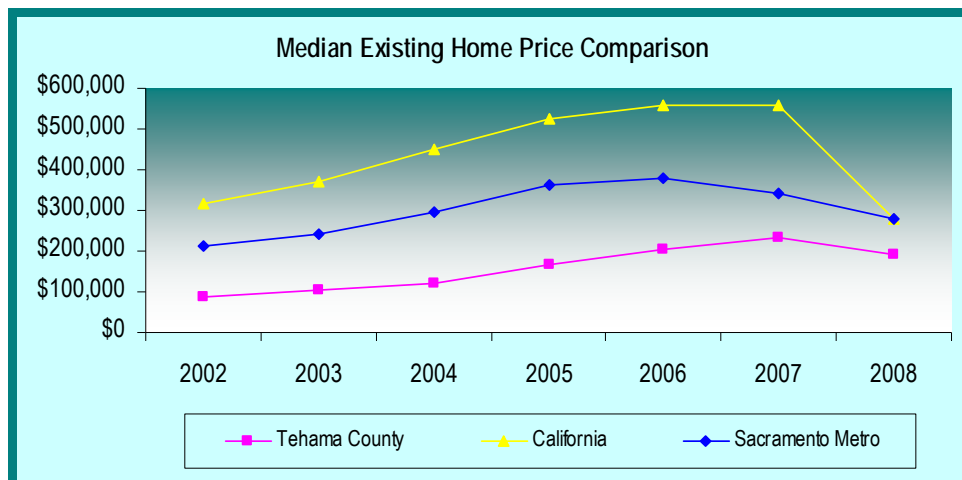
<sup>1</sup>Note that SAT scores prior to 2006 are based on a different test and are not comparable.

**Table 9 – Quality of Life**

	2001	2002	2003	2004	2005	2006	2007	2008
<i>Crime per 100,000 Population</i>								
Tehama County	1,906	1,738	2,341	2,331	2,634	2,000	na	na
Sacramento Metro	4,492	4,661	4,737	4,935	4,610	4,566	3,877	na
State of California	3,873	3,948	3,972	3,917	3,776	3,703	3,556	na
<i>SAT Scores</i>								
Tehama County	999	na	na	1,024	1,053	1,542	1,515	1,497
Sacramento Metro	1,006	1,007	1,018	1,034	1,039	1,525	1,524	1,473
State of California	986	983	987	1,015	1,020	1,506	1,497	1,500
<i>Median SF Home Price</i>								
Tehama County	\$75,000	\$88,000	\$106,000	\$122,000	\$167,000	\$203,000	\$235,000	\$190,000
Sacramento Metro	\$190,037	\$214,500	\$242,800	\$295,800	\$363,200	\$377,600	\$342,730	\$277,625
State of California	\$262,350	\$316,130	\$371,520	\$450,990	\$524,020	\$556,430	\$558,100	\$281,180
<i>Welfare Recipients Share of Total Population*</i>								
Tehama County	8.30%	8.12%	7.87%	8.12%	8.22%	7.91%	8.27%	8.30%
State of California	4.63%	4.58%	4.48%	4.53%	4.21%	4.22%	4.58%	4.99%

Source: Federal Bureau of Investigation; California Department of Justice; California Department of Education; California Association of Realtors; California Department of Social Services; Zillow.com (Red Bluff).

\*Includes CalWOKRS, Non-assistance Food Stamps, Welfare to Work, Refugee Cash Assistance, and Cash Assistance for Immigrants.



## Existing Basic Industry Cluster

Identifying concentrations of exporting businesses, those businesses producing products or services sold and distributed outside of the county, is part of the overall economy analysis. Existing industry clusters are industries that already have an established presence in the community and region including a developed supplier network. These industries are typically the focus of expansion and retention efforts as they provide the largest concentration to the economic base.

These basic industry clusters are also net exporters—i.e. they bring new wealth into the local economy. The high location quotients indicate that there is a higher concentration of these industries than is needed to serve the local market, and thus these industries primarily sell goods and services outside the local area.

The jobs and payroll that these basic industry clusters support in turn create demand for local serving businesses.

### EXISTING BASIC INDUSTRY CLUSTERS TEHAMA COUNTY

*Existing industry clusters include basic industries with location quotients of 2 or more, meaning that the local concentration of these industries is more than twice the national average.*

NAICS	Description	Tehama Employment		Historic Growth 2001-07		2007 Local Firms	2007 Local Avg Wage	Projected Annual U.S. Growth 2006-2016		Manufg Capacity Utilization	Location Quotient
		2001	2007	Absolute	Percent			Employment	Output		
<b>Agriculture and Food Processing</b>											
111000	Crop production	976	870	-106	-11%	107	\$23,100	-1.80%	1.50%		13.28
112000	Animal production	187	113	-74	-40%	33	\$24,273	-1.80%	1.50%		4.46
115000	Agriculture and forestry support activities	266	238	-28	-11%	25	\$27,098	0.70%	3.40%		6.18
311225	Fats and oils refining and blending	0	7	7	700%	1	\$51,625	-1.60%	1.80%	79%	10.24
311421	Fruit and vegetable canning	255	303	48	19%	1	\$40,999	-1.30%	2.30%	49%	38.39
311423	Dried and dehydrated food manufacturing	5	3	-2	-40%	2	\$43,194	-1.30%	2.30%	73%	2.24
424450	Confectionery Merchant Wholesalers	0	68	68	6800%	2	\$22,758	0.70%	5.00%		11.53
424520	Livestock Merchant Wholesalers	2	6	4	200%	2	\$11,613	0.70%	5.00%		2.39
424590	Other Farm Product Raw Material Wholesalers	0	21	21	2100%	1	\$31,751	0.70%	5.00%		19.25
423820	Farm and Garden Machinery Wholesalers	26	37	11	42%	1	\$34,624	0.70%	5.00%		3.08
221310	Water supply and irrigation systems	68	14	-54	-79%	5	\$15,247	1.70%	2.70%		3.34
<b>Forestry and Wood Products</b>											
113200	Forest nursery and gathering forest products	0	23	23	2300%	1	\$33,092	-2.90%	1.70%		74.56
113300	Logging	132	103	-29	-22%	10	\$43,823	-0.80%	1.40%		13.30
321113	Sawmills	0	159	159	15900%	3	\$45,722	-2.30%	0.00%	76%	12.29
321911	Wood window and door manufacturing	0	651	651	65100%	1	\$37,719	-0.60%	1.20%	60%	69.28
321918	Other millwork, including flooring	1613	532	-1,081	-67%	0.3	\$33,109	-0.60%	1.20%	70%	74.02
322231	Die-cut paper office supplies manufacturing	126	61	-65	-52%	1	\$50,121	-2.00%	-0.30%	71%	46.50
337129	Wood TV, radio, and sewing machine housings	0	1	1	100%	1	\$34,669	-0.80%	1.20%	51%	3.25
337212	Custom architectural woodwork and millwork	0	37	37	3700%	2	\$46,046	-0.70%	2.00%	75%	17.93
811310	Commercial machinery repair and maintenance	48	46	-2	-4%	6	\$46,759	0.70%	4.40%		2.30
<b>Miscellaneous Manufacturing</b>											
326130	Laminated plastics plate, sheet, and shapes	7	28	21	300%	1	\$43,711	0.20%	4.10%	63%	12.07
331491	Nonferrous metal, except CU and AL, shaping	0	29	29	2900%	1	\$47,825	-3.70%	0.20%	79%	16.98
333922	Conveyor and conveying equipment mfg.	0	22	22	2200%	1	\$57,601	-1.00%	1.70%	62%	6.30
334290	Other communications equipment manufacturing	0	47	47	4700%	1	\$101,168	0.00%	4.10%	68%	15.11
335121	Residential electric lighting fixture mfg.	0	26	26	2600%	1	\$49,586	-3.20%	0.60%	72%	16.50
339911	Jewelry, except costume, manufacturing	37	7	-30	-81%	1	\$18,475	-1.80%	3.80%	62%	2.01
339942	Lead pencil and art good manufacturing	0	34	34	3400%	1	\$21,974	-1.80%	3.80%	75%	35.59
<b>Construction Suppliers</b>											
423320	Brick, Stone and Construction Material Wholesalers	3	26	23	767%	2	\$25,372	0.70%	5.00%		3.68
423810	Construction and Mining Machinery Wholesalers	4	31	27	675%	1	\$38,678	0.70%	5.00%		3.10
<b>Logistics</b>											
484121	General freight trucking, long-distance TL	83	301	218	263%	6	\$62,666	1.00%	2.60%		4.85
484220	Other specialized trucking, local	138	122	-16	-12%	11	\$38,074	1.00%	2.60%		5.13
493110	General warehousing and storage	10	741	731	7310%	5	\$32,707	2.10%	3.80%		12.71
<b>Professional and Technical Services</b>											
541620	Environmental consulting services	1	26	25	2500%	1	\$24,779	5.90%	6.40%		3.17
541690	Other technical consulting services	9	42	33	367%	14	\$32,035	5.90%	6.40%		4.01

Source: IMPLAN ES202 data for Tehama County.

## 1.2 Retail Market Overview

Given Tehama County's location on I-5 and the visitor opportunities within the county and the surrounding area, the retail market and related sales tax from expenditures is important to the local economy. This segment of the analysis looks at the retail sales potential.

Retail sales are consumer oriented and are typically generated from:

- Local full-time residents
- Area employees/businesses
- Visitors
- Pass-through traffic

### Retail Leakage or Gap

A review of data indicates between local consumer and visitor purchases there is a **Retail Leakage (or Gap) in the Tehama County Trade Area in 2008 of \$92.7 Million** which equates to approximately 427,874 square feet of retail space.

Retail leakage indicators looks at the relationship between Supply & Demand

**Supply** = based on retail sales reported by establishments

**Demand** = expected amount consumers will spend at retail establishments

**Table 10 – Retail Leakage or Gap**

Merchandise Category	Retail Leakage or Gap (Tehama County Trade Area 2008)
Apparel	\$ 1.2 million
Home Furnishings	\$ 0.5 million
Electronics & Appliances	\$ 3.5 million
Home Improve. & Gardening	\$ 1.1 million
Sporting Goods, Hobbies Books & Music	\$ 0.8 million
General Merchandise	\$78.0 million
Miscellaneous Specialty Retail	\$ 2.6 million
Health & Personal Care	\$ 1.3 million
Restaurants	\$ 4.1 million
<b>Total</b>	<b>\$93.1 million or approximately 427,874 sq. ft.</b>

Source: ESRI BIS, Marketek, Inc.

Calculated using target sales based on ULI "Dollars and Cents of Shopping Centers"

The following chart estimates the potential retail current unmet and future demand by local market and visitor in estimated square footage and by merchandise type.

**Table 11 – Retail Market Potential – Tehama County, 2009 - 2019**

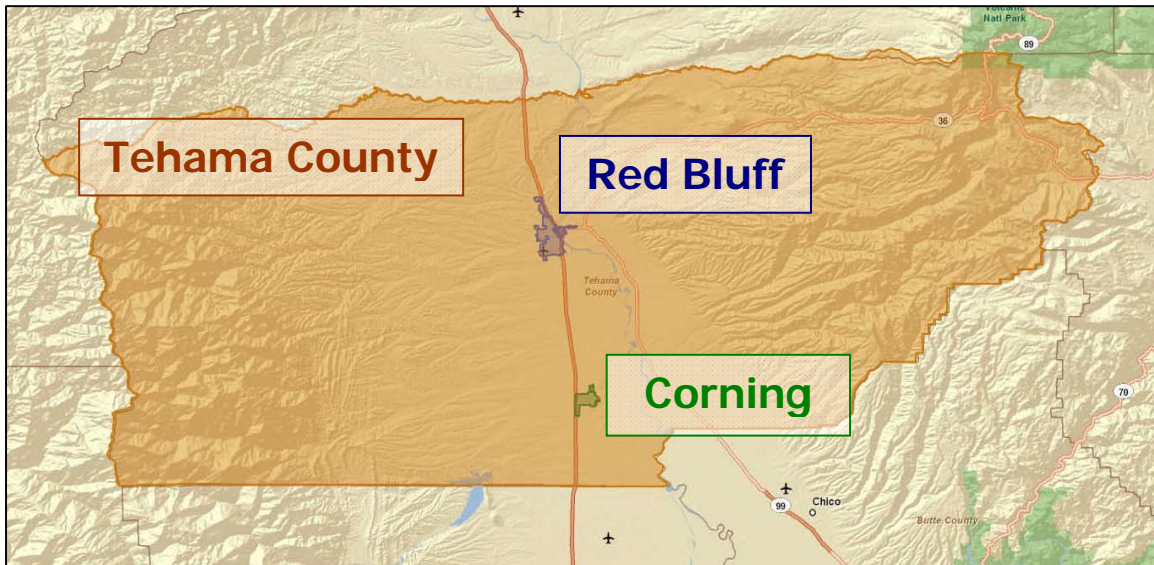
Merchandise Type	Existing Unmet Demand (Sf)	Future Market Area Demand (Sf)	Future Visitor Demand (Sf)	Total Potential New Space (Sf)
Shopper Goods	408,903	66,148	25,653	500,704
Convenience Goods	3,454	36,113	5,683	45,250
Restaurants	15,516	24,820	44,465	84,801
Entertainment	n/a	7,769	41,044	48,814
Personal Services	n/a	10,724	---	10,724
<b>Total</b>	<b>427,874</b>	<b>145,574</b>	<b>116,845</b>	<b>690,293</b>

Source: ESRI BIS; Urban Land Institute; Marketek, Inc.

## Local Tehama Retail Trade Area

The following charts highlight the local **Retail Trade Area**:

Tehama County Retail Area serves an estimated population of 63,516 not including visitors and pass-thru traffic.





**Table 12 – Trade Area Population**

	2000	2009	Avg Annual % Change 2000-09	2014 Forecast	Avg Annual % Change 2000-14	Hispanic Population
<b>Red Bluff</b>						
Population	13,147	14,247	0.93%	14,731	0.68%	18.7%
Households	5,109	5,623	1.12%	5,282	0.73%	
<b>Corning</b>						
Population	6,741	7,387	1/06%	7,638	0.68%	36.6%
Households	2,422	2,634	0.97%	2,713	0.60%	
<b>Tehama County</b>						
Population	56,039	63,516	1.485	66,800	1.03%	21%
Households	21,013	24,039	1.60%	25,306	1.05%	

**Table 13 – Trade Area Demographics**

	Income	Median Age	% of Households
Tehama County Trade Area	\$39,281	40.2	Rooted Rural 22.5% Rural Resort Dwellers 19.6%
City of Red Bluff	\$38,884	33.6	Main Street, USA 37.0% Old & Newcomer 29.1%
City of Corning	\$31,411	30.8	Main Street, USA 29.5% Simple Living 26.4%
State of California	\$61,614	34.3	N/A
Trade Area Housing 2007	60% of Housing Units are Owner-Occupied Median Value of All Housing Units, \$297,439		
Business & Employment (Tehama County Trade Area)	2,385 businesses 19,770 employees	39% services	25% retail

Source: ESRI, BIS, Marketek, Inc.

## Tehama County Visitor Market



### Traffic Counts

ADT – Average Annual Daily Traffic

**Table 14 – Estimated Visitor Spending 2007**

Commodity Purchased	Spending (in mil \$)
Accommodations	\$ 19.0
Restaurants	\$ 30.6
Groceries	\$ 7.1
Ground Transportation	\$ 26.6
Arts, Entertainment & Recreation	\$ 17.6
Retail Sales	\$ 18.2
<b>Total Tehama County</b>	<b>\$119.1</b>

Source: Dean Runyan Associates

## 1.3 Economic Development Programs

Economic Development Corporations (EDCs) are most often focused on Business Attraction and/or Business Retention and Expansion programs. However, there are other activities that are considered integral parts of economic development given the community's attributes and characteristics such as:

1. Marketing & Business Attraction
2. Business Retention & Expansion
3. Entrepreneurship & Innovation
4. Financing & Small Business Development
5. Visitor Attraction & Tourism
  - Downtown
  - Retail
  - Tourist Attractions
6. Workforce Development
7. Place Development
8. Physical sense of place
9. Infrastructure

### Service Providers

For Tehama County there are a number of organizations that provide services to the local businesses, city and county, including:

- **Tehama Economic Development Corporation (Tehama EDC)**  
Due to lack of funding Tehama EDC has laid-off staff and closed their doors. The Job Training Center is providing staff to maintain the organization – website, phones, responding to inquiries.
- **The Job Training Center**  
Core services are workforce development assistance (e.g. recruitment, hiring, training, professional development). Job Training Center provides business services to local businesses specifically in the area of human resource (HR) functions (Job Training Center is renown throughout California for their excellent HR services and HR training). All other requests for business counseling or financing are referred to the economic development and business network, i.e., SBDC and 3Core (Tri-County EDC).

There is an extensive outreach program to businesses for the HR services and job placement program.

Youth entrepreneurship training is also a program sponsored by the Job Training Center for young, school age, entrepreneurs.

With the closure of the Tehama EDC, Job Training Center will also manage an Incubation Program with 3Core (Tri-County EDC), providing intensive business coaching to small entrepreneurial businesses. The program was proposed by 3Core and is funded through the Community Development Block Grant program.

- **3Core (formerly named Tri-County EDC)**

3Core is a three-county Economic Development Administration (EDA) District for Tehama, Glenn and Butte Counties. Core services include business financing (10 plus different revolving loan funds), technical assistance to member counties and cities (grant writing) and infrastructure financing. 3Core also provides a business incubation program partnered with The Chico Project. Since 2006, 3Core has assisted the county, cities and businesses in receiving \$1,205,811 in grants and loans, which was leveraged to total project costs of \$4,938,521.

Annually 3Core works with the cities and county to update the EDA Comprehensive Economic Development Strategy (CEDS) which incorporates the priority economic development and infrastructure projects. 3Core then seeks state and federal funding sources for the projects. The CEDS is required to receive EDA project funding. The top three priority projects for the county and cities include:

Table 15 – Tehama CEDS – Top Three Priority Projects by Area	
County of Tehama	<ol style="list-style-type: none"> <li>1. Industrial/Commercial Marketing Strategy.</li> <li>2. Welfare reform support activities – Job Creation.</li> <li>3. Identify and secure additional small business loan capital.</li> </ol>
City of Corning	<ol style="list-style-type: none"> <li>1. Repair and rehabilitate streets in the city.</li> <li>2. Plan and begin implementation of intersection and interchange modifications at the Solano Street and South Avenue intersections with Highway 99W and I-5 Interchanges.</li> <li>3. Highway 99W commercial and industrial corridor infrastructure.</li> </ol>
City of Red Bluff	<ol style="list-style-type: none"> <li>1. Infrastructure rehabilitation and expansion.</li> <li>2. Formation of a Redevelopment Agency.</li> <li>3. Industrial development/job creation/retention.</li> </ol>

- **Upstate California EDC**

Upstate is a regional business recruitment/marketing collaborative of the 20 counties in northern California. Cities, counties and EDCs belong to Upstate to leverage limited marketing dollars. Upstate attends tradeshows and other venues to generate leads for its members. Leads are shared with all members. Responses to inquiries with the State of California CalBIS staff and businesses are coordinated by Upstate staff. Upstate maintains a regional website, [www.upstatecalifornia.com](http://www.upstatecalifornia.com). Individual members are responsible for keeping their information on the Upstate website fresh and current.

- **Small Business Development Center (SBDC), Butte College**

An SBDC counselor is on site in Red Bluff at the Business Connection offices two days per month. SBDC provides business counseling for existing businesses and entrepreneurial start-ups. Also offers small business workshops, training events and youth entrepreneurship workshops. According to the SBDC report for July 2008-June 2009, 787 businesses have been seen by the SBDC, 129 are still being actively counseled. The SBDC is funded by SBA through State of California; no local funds are contributed to the SBDC for increasing services. Quarterly reports are submitted to local area elected officials. Reports can be found on the SBDC website, [www.bcsbdc.org](http://www.bcsbdc.org). SBDC is not funded at

the local level.

- **Center for Economic Development (CED)**

The Center for Economic Development provides technical assistance, training, applied research and other support services (i.e. market analysis, professional development workshops, etc.) to businesses and local governments. CED produces an annual economic profile of all 20 counties in their service area, hosts a workshop series, economic forecast conference and is the lead on a **broadband initiative**.

- Other entities providing services include:

- **Rolling Hills Casino** – Since the closure of the Tehama EDC, the Casino coordinates and manages the Tehama Trails initiative. To date, the Casino, working with the Tehama Trails partners has developed a business plan, finalized and printed 25,000 brochures and distributed these brochures to partners, local hotels and visitor sites, and secured a new web address – [www.Tehamatrails.com](http://www.Tehamatrails.com).
- **Golden Capital Network (GCN)** – as part of the Northern California WIRED initiative, GCN provides workshops, counseling/mentoring and access to angel and venture capital. GCN is part of a national angel and venture capital network tapping a rich source of business expertise and brain trust that may not be available in the north state.
- **Superior California EDD** – Provides access to various loan programs.
- **SBDC, Shasta College** – In addition to Butte College SBDC, the Shasta College SBDC also provides workshops and counseling.
- Red Bluff Chamber of Commerce and Tehama County Convention & Visitors Bureau – provides business networking opportunities and visitor promotion.
- **Corning Chamber of Commerce** - provides business networking opportunities and visitor promotion.

## Economic Development Program Assessment

The following matrix is an assessment of the Tehama County economic development program activities based on a typical economic development program and ranked as a Strength (S), Weakness (W), or Neutral (N).

Table 16 — Assessment Matrix		
ED Program	Ranking	Assessment
Marketing & Business Attraction	W	<ul style="list-style-type: none"> <li>▪ The EDC, when operating, did not have sufficient funds to do marketing and business attraction.</li> <li>▪ Industry attraction is leveraged through Upstate, which also has limited funding but does provide some lead generation.</li> <li>▪ Retail attraction was not done by the EDC.</li> <li>▪ Although there are available sites and buildings on the website, the specific site information is limited and not dated, leading to question if it is truly available.</li> <li>▪ Tour of the county and overview of sites and buildings was provided. Many of the sites appear to have infrastructure issues that need to be addressed before development could occur.</li> <li>▪ Using the following <i>Site Selection Consultant Basic Standards</i> for assessing readiness, Tehama County's competitiveness for new industry would be ranked "weak."               <ol style="list-style-type: none"> <li>1. Ready-to-go Sites and Buildings — served with all utilities, good highway access, proper zoning, compatible neighboring land uses, controls in place that will stop undesired development, located near the labor force and worker amenities, free of man-made or natural environmental concerns, and available at a reasonable lease rate or purchase price relative to competing U.S. cities. Preferred sites are certified by third party.</li> <li>2. Office and Industrial Buildings — ready to go or "on paper" ready to go. Industrial buildings in two categories: around 10,000 square feet and also around 50,000 square feet with clear ceiling heights of 20 feet or more, truck docks, drive-in doors, and land for expansion.</li> <li>3. Labor — Well documented labor by commute shed, skilled and unskilled workers documented, reasonable wages and fringe benefits, training programs to support businesses in meeting workforce challenges, workforce recruitment programs in place that assist companies in identifying and attracting workers.</li> <li>4. Transportation — highway and arterial road networks that support efficient movement of people and goods.</li> <li>5. Business Climate — groups working together, a clear outline of where the community is headed, a business retention program in place, fast tracked permits, and environmental clearances handled.</li> <li>6. Quality of Life — well funded cultural institutions with active programs; high-end and discount shopping centers; ACT and SAT scores above the national average; wide range of quality recreational opportunities.</li> </ol> </li> </ul>

**Table 16 — Assessment Matrix**

ED Program	Ranking	Assessment
Marketing & Business Attraction (cont'd.)		<p>7. Incentives — incentives are part of the recruitment process, often they even the playing field, lowering costs compared to other places, also supports stability and growth of a company.</p> <ul style="list-style-type: none"> <li>▪ Marketing materials were weak or non-existent; nothing presents a business case of why a company should locate in Tehama County (by industry target or commercial/retail).</li> <li>▪ Quality information for responding to a business inquiry is lacking.</li> <li>▪ Websites – there are two websites, <a href="http://www.tlhc.com">www.tlhc.com</a> and <a href="http://www.tehamaedc.com">www.tehamaedc.com</a>, which is very confusing. The tlhc.com site has a property database but could be old (it should be taken down). The Tehama EDC is the newer site, nice graphics, has a property database however the critical information is either “call or n/a”, someone searching for property would probably go to the next community.</li> <li>▪ The new website is not focused on business; it appears more like a mixture of quality of life and tourism. No clear focus on a business value proposition of why a business should locate in Tehama County or what services are offered to local businesses to help them be profitable.</li> <li>▪ Brand – the slogan Tehama Tomorrow is used the on old site and in the virtual tour (only the top level worked) on the new site. This seems confusing with other brands such as Tehama EDC, Tehama Country and Tehama Trails. There is no explanation of the name or why it is used. Also there appears to be two names for the EDC – Tehama Local Development Corporation and Tehama EDC.</li> </ul>
Business Retention & Expansion	W	<ul style="list-style-type: none"> <li>▪ No formal Business Retention &amp; Expansion program is in place.</li> <li>▪ The Job Training Center does outreach to existing businesses particularly focusing on human resource services.</li> <li>▪ The Job Training Center is reviewing a more formal program and outreach to existing businesses.</li> </ul>
Entrepreneurship & Innovation	N	<ul style="list-style-type: none"> <li>▪ The County has received CDBG funding for a Business Incubation Program which will be managed by the Job Training Center and 3Core.</li> <li>▪ Youth entrepreneurship programs (offered by Job Training Center and SBDC) and an entrepreneurship program, NX Level, are offered through SBDC.</li> <li>▪ The Job Training Center has participated in the Northern California WIRED program Venture Island (program is focused on innovation and angel/venture capital funding provided by Golden Capital Network), distributed information to businesses.</li> <li>▪ Two Tehama County businesses participated in the Shasta Venture Island event, Barbarosa Ranchers and Antelope Creek Farms. Two other companies interested in participating were Lucero Olive Oil and The Pipe Man.</li> <li>▪ At Golden Capital Network’s “New Cal 100” last year, Pacific Sun Gourmet was given the Rural Entrepreneurial Innovation Award, and Rolling Hills Casino and Paskenta and Nomlaki Tribe was given the Workforce Innovation Award.</li> </ul>

**Table 16 — Assessment Matrix**

ED Program	Ranking	Assessment
Financing	S	<ul style="list-style-type: none"> <li>▪ This service is provided by 3Core (formerly Tri-County EDC) that manages the Tehama Revolving Loan Fund \$100,000, an Economic Development Administration loan fund, and a USDA \$650,000 IRP loan fund which can assist businesses in Tehama County with capital needs.</li> <li>▪ Between Oct 2007 and Sept 2009, four loans have been closed totaling \$283,865 to Tehama County businesses (these loans would not be funded by traditional institutions).</li> <li>▪ Staff meets directly with businesses through referrals from EDC, Job Training Center, cities and banks.</li> </ul>
Small Business Development	N	<ul style="list-style-type: none"> <li>▪ Small Business Counseling services, ranging from business start-up to specific business needs, are provided by the Butte College SBDC with a counselor on site two days a month. SBDC is located in a stand alone office vs. partnered with other service providers.</li> <li>▪ SBDC report for July 2008-June 2009 states that, 787 businesses have been seen by the SBDC, 129 are still being actively counseled. Specific business results are confidential and cannot be reported.</li> <li>▪ The SBDC is funded by SBA through State of California; no local funds are contributed to the SBDC for increasing services. Quarterly reports are submitted to local area elected officials. Reports can be found on the SBDC website, <a href="http://www.bcsbdc.org">www.bcsbdc.org</a></li> <li>▪ The SBDC's current portfolio is 129 active business clients in the Tehama County area. Specific business results are confidential and cannot be reported. Services are limited due to no local funding.</li> <li>▪ The Job Training Center has a business services program focused on Human Resource support, providing assistance on labor law, compliance, personnel practices, safety, handbooks, job descriptions, and sexual harassment, anything that is related to HR functions. Business counseling other than HR is referred to partner agencies. All other business counseling is referred to SBDC or 3Core for financing, 12 existing and start-up businesses were referred to SBDC in past six months.</li> <li>▪ The Job Training Center sponsors workshops with partners; these are typically in response to requests or needs identified from businesses.</li> </ul>
Visitor Attraction & Tourism	N	<ul style="list-style-type: none"> <li>▪ Several entities (Chambers, Farm Bureau, Rolling Hills Casino, etc) are involved in visitor attraction with the lead agency being the Red Bluff Chamber of Commerce / Convention &amp; Visitors Bureau.</li> <li>▪ A Strategic Marketing Plan (SMP) which updated a 1997 Plan was recently completed. The plan is very detailed (70 actions) on events, marketing and implementation activities. This plan was updated as a result of the Lake Red Bluff closure.</li> <li>▪ There are some excellent actions in the SMP called "<i>Cowboy Up</i>".</li> <li>▪ Collaboration among all entities involved in Visitor Attraction would be strengthened to be more aggressive and effective.</li> </ul>



**Table 16 — Assessment Matrix**

ED Program	Ranking	Assessment
Workforce Development	S	<ul style="list-style-type: none"> <li>▪ The Job Training Center has excellent programs that are valued by local businesses.</li> <li>▪ The Job Training Center administers the Workforce Investment Act program funded by the US Department of Labor. Job Training Center operates the local One Stop through a contract with Northern Rural Training &amp; Employment Center (NoRTEC). Programs are focused on job creation and placement for dislocated, adult and youth workers.</li> <li>▪ Through NoRTEC’s JPA, the Job Training Center participates with the 11-counties in the region to deliver services and also participates in obtaining other grants and resources for education and training with the local community colleges.</li> <li>▪ The Job Training Center recently participated in the successful application to the California Energy Commission for a \$2 million grant for Green Construction training which will be partnered with the community colleges in Northern California. They also are participating in applications for health care training, Pathways Out of Poverty, and energy efficiency programs.</li> </ul>
Place Development & Infrastructure Development	W	<p>“Place development” is typically done by cities to improve their physical appeal to businesses, and also includes place branding, becoming known for something specific in the marketplace. Tehama County does not have a distinctive brand.</p> <ul style="list-style-type: none"> <li>▪ Branding could be accomplished through the countywide tourism efforts.</li> <li>▪ Physical improvements, such as streetscape and downtown improvements have occurred in both Corning and Red Bluff however more should be done to draw the visitor into the downtowns.</li> <li>▪ 3Core assists county and cities with infrastructure projects, such as, roads, sewer and water.</li> <li>▪ The County is submitting an application for a Recycling Market Development Zone (RMDZ) designation.</li> <li>▪ Job Training Center is participating in the application for an Innovation Zone for Northern California with a focus on Green and CleanTech industries.</li> </ul>
Organization & Leadership	W	<ul style="list-style-type: none"> <li>▪ No clear focus on economic development initiatives and services.</li> <li>▪ Lack of consensus on direction, goals and objectives of EDC.</li> <li>▪ Lack of consistent funding from county/cities and private sector.</li> <li>▪ Perceived lack of leadership.</li> <li>▪ Team work needed to tackle readiness factors.</li> </ul>

## 1.4 Strengths, Weaknesses, Opportunities & Threats (SWOT)

During the stakeholder interview process, local business owners and operators, elected officials, county and city staff, educators and administrators, and young professionals were asked to identify the County's strengths, weaknesses, opportunities and threats as they relate to economic and business development. The goal was to identify "assets" that are unique to Tehama County and can be used to build a strategic economic development program. Responses are not in any particular order.

**Table 17 – Strengths – Stakeholder Comments**

- Available land
- Air quality
- Relative low cost of development, inexpensive operating costs
- Affordable housing, Cost of living (esp. housing)
- Location (I-5 and 99)—and especially between LA and Seattle (natural stopping point), sandwiched between two urban counties (Butte and Shasta) with their amenities, including trained workforce, colleges, etc.
- Trainable workforce, labor pool (especially for unskilled)
- Natural resources (Sacramento River, Lassen Volcano, etc.), rare recreational setting Lassen Volcanic National Park
- Potential designation as Sacramento River National Recreation Area
- The river (not the lake)
- Soon will be largest olive growing region in the world
- Agriculture (all types, especially slow food and more "natural" trends)
- Roger's Ranch – Corning HS
- Open space and outdoor recreational opportunities, centered around the natural resources (fishing, hunting)
- Tourism/hospitality industry
- Green industry
- Gateway to Lassen
- Close knit community
- Railroad
- History and historical assets (buildings and locations)
- Quality of life, great place to live, people chose to live here (particularly young professionals choosing to raise families here)
- Water (quantity and quality, best municipal untreated water supply and aquifer, (Red Bluff)

**Table 18 – Weaknesses – Stakeholder Comments**

- Lack of broadband
- Workforce skill level (limited educated workforce)
- Lack of fully entitled, ready to build commercial and industrial land
- Struggling EDC
- Lack of vision/direction
- Slow decision making process
- Lackluster leadership
- Old-school leadership, lacks innovation, youthful, hopeful spirit
- No economic or 'build it green' incentives
- Distance to major cities/markets
- Lack of consumers
- Inadequate infrastructure
- Government regulations
- 115 degree heat
- California regulatory climate and cost of doing business is very high
- Low and fixed income population that makes economic success difficult
- Community opposition to expansion, wanting to maintain rural and agricultural environment
- Cost of doing business in California (taxes)
- Distance to metropolitan areas
- Lack of development expertise (cities and county)
- Lack of amenities
- Fragmented community efforts to attract visitors
- Lack of County brand
- Lack of signage
- Friday night lights syndrome (heavy competition between neighboring towns, Friday night football games) instead of cooperation/onesty.

### Table 19 – Opportunities – Stakeholder Comments

- Expand recreational offerings
- Integrate, package, market recreational offerings
- Agriculture (niche products/markets – value added) and agri-tourism (farm trails and olive tasting, wineries, Hwy 99 and I-5), Farm trails/market
- Additional commercial development along the I-5 corridor
- County applying for an RMDZ (remanufacturing, renewable energy using forest slash, composting, etc.)
- Branded local products (beef, olives, other)
- Revitalize the EDC (neutral point of contact and conduit for information about the county)
- The new college campus
- Development of river related businesses
- Renewable energy development (new tech biomass or solar park)
- Agri-tourism
- Eco-tourism along the River
- Recycled product manufacturing
- Solar panel manufacturing
- Railroad intermodal facility (b/c of I-5 and 99 and SR 36)
- Training of the workforce, especially mechanical and electrical
- Lassen Volcanic National Park
- Sacramento River and tourism
- Tourism (proximity to recreational opportunities)
- Business Park near the Diamond Mill
- Distribution centers
- Sun City Tehama
- I-5 Corridor
- Future medical needs
- Land inventory
- Location

### Table 20 – Threats – Stakeholder Comments

- Loss of Diversion Dam
- Ban on salmon fishing
- State and federal protection requirements (i.e. endangered species)
- Low expectations of populace/lack of vitality
- Local developer fees (if implemented)
- Local resistance to change – agriculture is okay, tech is not (i.e. the medical waste facility that got denied by the county)

## Young Business Leaders

On October 8, 2009 the Job Training Center invited young business leaders to an evening work session held at the Rolling Hills Casino to engage these young business leaders in providing input to Tehama County’s economic future. Most impressive is that these young business leaders “choose” to live in Tehama County. Many had moved away and chose to move back, all were passionate about the communities they live in and the future opportunities of the county.

Following are responses to the question of strengths and weaknesses of the area.

**Table 21 — Responses Strengths & Weaknesses**

Resources & Assets	Negatives
<ul style="list-style-type: none"> <li>▪ Historical downtown</li> <li>▪ I-5</li> <li>▪ Agriculture</li> <li>▪ The Sacramento River</li> <li>▪ Convenience</li> <li>▪ Simplicity of life</li> <li>▪ Loyal personal relationships</li> <li>▪ Growth possibilities</li> <li>▪ Outdoor recreation</li> <li>▪ Air quality and climate</li> <li>▪ Growing arts community</li> <li>▪ Trusted schools and staff</li> </ul>	<ul style="list-style-type: none"> <li>▪ Not open to change; negative attitude to anything new</li> <li>▪ Not a college/university town; we won’t have the same interests, education levels, resources that those towns have</li> <li>▪ Heat</li> <li>▪ Need new leadership</li> <li>▪ There’s a desire to spend our money locally, but there are not the shops, restaurants, or products to sustain interest</li> </ul>

**Table 22 — Memorable Comments**

- Build on the charm of downtown.
- We’re currently at “zero” starting over from what feels like a blank slate.
- The river is a gold mine; we are not capitalizing on it; we need a riverwalk and better entertainment along side it.
- We need urban planning.
- We need to support new ideas, project, and events.
- “I’m the youngest one at Board of Supervisors meetings;” “Who can afford to take on a full-time job that pays \$1,100 a month?” “Why can’t meetings be held in the evenings so we can attend?”
- We don’t need to make our roads big; small roads make people stop.
- Capitalize on the State Theater and the Corning Theater; coordinate dining, coffee houses, cafes, wine bars, etc. for pre- and post-event entertainment.
- We look good in a nice marketing piece, e.g. Tehama Trail Map.
- The area needs a brand or logo.
- Maybe we should privatize the Fairgrounds; it needs a modern, consistent look.
- Instill PRIDE in Tehama County versus the ‘Dead Bluff’ image.
- Re-energize; new focus; a paradigm shift.

As part of the work session, Kathy Schmitz and Kathy Garcia (job Training Center) facilitated an “action strategy” with the question “If money was not an issue, what could we do to revitalize Tehama County’s economy and quality of life.” Narrowing the actions to priorities, the group was asked to name these actions as chapters of a book.

### Table 23 – Young Business Leaders Work Session

If money was not an issue, what could we do to revitalize Tehama County’s economy and quality of life?

#### Give it Some Juice:

- ✦ Riverfront Revitalization
- ✦ Dog Island Park
- ✦ Architectural Face Lift
- ✦ Blow Up Donut House
- ✦ Blow Up E’s & Cinderella
- ✦ Restore State Theater
- ✦ Fairgrounds Renovation

#### The Sales Pitch:

- ✦ Market Tehama County
- ✦ Sevillano Links Professional Event
- ✦ One Voice (currently fragmented groups and agendas)
- ✦ Wine, Olive Oil, etc. (play to natural attributes, products and events)
- ✦ Expansion of Local Industry – educational programs to support it (why not ag-connections?)
- ✦ Taste of Red Bluff (Tehama County)

#### Recreation Unlimited:

- ✦ Sport Complex
- ✦ Recreation Complex
- ✦ Family Recreation Center @ old RB Ford
- ✦ Outdoor Motorsports
- ✦ Bike Trail Connections

#### Opportunity Knocks:

- ✦ High-Tech Industry
- ✦ Alternative Energy (new Shasta College campus classes)

#### Break the Cycle (poverty – easier access to higher education):

- ✦ Library (better building, resources, hours, access, connected to new image)
- ✦ Learning Centers/Communities (Higher Education, Library)

## 1.5 Asset Matrix Test

From the SWOT process, the Strengths and Opportunities are put through an additional test – the Asset Matrix Test. The Asset Matrix Test is a simple assessment tool that screens for value. Assets must be 1) valuable, 2) rare, and 3) hard to imitate. Those assets that are identified as *valuable, rare and hard to imitate* provide the highest competitive advantage to a community for creating market opportunity. Strategies should first be built around these assets and then around other strengths and opportunities which might need more work to become a competitive advantage.

Table 24 – Tehama County’s Top Assets		
Asset Value	Tehama County’s Assets	Is it a Competitive Advantage?
Valuable	<ul style="list-style-type: none"> <li>▪ Industrial land supply</li> <li>▪ Airport</li> <li>▪ Rural lifestyle</li> <li>▪ Affordable housing</li> <li>▪ Cost of living</li> <li>▪ Trainable workforce</li> </ul>	Strength – but not a competitive advantage
Valuable & Rare	<ul style="list-style-type: none"> <li>▪ Economic Base (existing and emerging industries)</li> <li>▪ Historic buildings and environments</li> </ul>	Strength and a competitive advantage
Valuable, Rare and Hard to Imitate	<ul style="list-style-type: none"> <li>▪ Location and Interstate 5</li> <li>▪ Lassen Volcanic National Park</li> <li>▪ Natural and recreation resources (Sacramento River, open space, etc)</li> <li>▪ Agriculture and agri-tourism</li> <li>▪ Water quality and quantity</li> </ul>	Competitive advantage with leadership, planning and implementation

## 1.6 Findings

Tehama County has very passionate and committed individuals who want to see the area grow and prosper. They see the opportunity to position their location as a business and visitor destination built on the County's unique assets.

Issues that need to be addressed:

- Lack of a "place-based" brand
- Fragmented groups and agendas for marketing attributes
- Not ready to "go to market" with business attraction (lack of ready-to-go sites, data, no focus on priority areas for new development)
- Lack of consensus on direction for economic development and desired results
- Limited public and private funding for strategic initiatives
- Perceived lack of leadership

Despite the fact the Tehama EDC has closed its doors, there are still on-going and new economic development activities. The County and Tehama EDC Board should provide some very clear goals for an economic development work plan including:

1. Clear direction and focus
2. Restructuring deployment of economic development programs and services
3. Promoting unique "destination" assets
4. Leveraging new programs to initiate strategies around green industry



# **Phase II – Where do we want to be?**



## Phase II – “Where do we want to be?”

Phase II is defining where Tehama County wants to be in the future. This section is about vision and strategic goals that the communities and stakeholders feel are most important to create a healthy and prosperous economy. The vision statement is what we envision the future to be like to live, work and play. The goals are specifically related to strategic actions which will achieve desired outcomes of the vision.

### Vision and Goals

The economic development vision for Tehama County was developed based on the comments received through stakeholder interviews, document research (e.g. Tehama County General Plan) and the assessment.

The following Vision Statement has been drafted for the County’s consideration.

As the economic development program is restructured and implemented, the County, Tehama EDC and other partners should review and finalize a Vision Statement which should become the foundation for the economic development strategy.

ASSET MATRIX TEST - Tehama County’s Top Assets		
Asset Value	Tehama County’s Assets	Is it a Competitive Advantage?
Valuable	<ul style="list-style-type: none"> <li>▪ Industrial land supply</li> <li>▪ Airport</li> <li>▪ Rural lifestyle</li> <li>▪ Affordable housing</li> <li>▪ Cost of living</li> <li>▪ Trainable workforce</li> </ul>	Strength – but not a competitive advantage
Valuable & Rare	<ul style="list-style-type: none"> <li>▪ Economic Base (existing and emerging industries)</li> <li>▪ Historic buildings and environments</li> </ul>	Strength and a competitive advantage
Valuable, Rare and Hard to Imitate	<ul style="list-style-type: none"> <li>▪ Location and Interstate 5</li> <li>▪ Lassen Volcanic National Park</li> <li>▪ Natural and recreation resources (Sacramento River, open space, etc)</li> <li>▪ Agriculture and agri-tourism</li> <li>▪ Water quality and quantity</li> </ul>	Competitive advantage with leadership, planning and implementation

### Draft Vision Statement

Tehama County’s economic prosperity is attributed to the clear vision, strong partnerships, political will, and cooperation embraced by local leadership.

Tehama County boasts unparalleled recreational opportunities – Tehama Trails is an adventure to enjoy the growing viticulturists and olive oil producers, niche organic products as well as scenic venues along the Sacramento River and Lassen Volcanic National Park or the opportunity to “Cowboy Up” at the Red Bluff Roundup.

Tehama County is vibrant and prosperous with a strong, diverse economic base along I-5, and an innovative and creative environment where new ventures and entrepreneurs thrive. Businesses, workers and residents benefit from the region’s efficient transportation options, and affordable housing that is close to work, sustainable natural resources, recreational outings, good schools and colleges, and a highly educated workforce.

Tehama County is proud of its commitment to sustainable growth as evidenced by its green buildings, energy generation and conservation efforts and the reduction of the region’s carbon footprint.

Tehama County is a place where people of all ages, incomes, and ethnicities want to live and can enjoy a high quality of life.

## Economic Development Outcomes

As outlined in the County's Community Development Block Grant (CDBG) application and identified in the County's General Plan:

The ability to attract and retain commercial and industrial business through new development, reconstruction, and rehabilitation is seen by the County as a vital component to the overall economic health of the community.

The outcomes desired include:

- Economic Diversification
- Private Sector Investment
- Increased Job Opportunities
- Taxable Sales Growth

These outcomes were supported by the input of numerous stakeholders which resulted in **four main recommended goals** as noted below:

## Economic Development Goals

1. Create a Tehama County Brand that differentiates Tehama County from other Northern California locations, particularly for the Visitor Market, sets it apart as a place to visit yet remains true to Tehama's history and heritage.
2. Create an integrated and unified Visitor Attraction effort which involves all venues. Take advantage of Tehama's unique location and recreation opportunities to package the County as a destination. Build on enhancing the visitor experience and increasing retail sales tax by revitalizing the downtowns and attract new destination developments.
3. Create a strong county-wide Economic Development arm supported by both the public and private sector that consists of
  - Business Development Team focused on small business incubation, business retention and expansion and green business initiatives and
  - Business Attraction Team focused on ensuring the County is "location ready" to compete for new business investment and creating a business case targeted to the specific industries that match Tehama attributes.
4. Leverage resources with on-going special projects and partnerships that will create unique opportunities for private sector investment and job creation.

# **Phase III – How will we get there?**



## Phase III – “How will we get there?”

There is a much used phrase that reflects the importance of vision, goals and leadership “if you don’t know where you going, any road will take you there.” In Phase III are recommended strategic actions based on the findings and goals for creating economic prosperity in Tehama County.

Economic development activities that lead to job creation, capital investment, rising incomes and improved revenue streams are a result of two market drivers:

- 1) Export oriented businesses, and
- 2) Population serving businesses.

Tehama County has the unique opportunity to support both of these economic drivers. The following outlines recommended strategies and structure for implementing strategies.

## Stakeholder & Leadership Work Session

A work session was held on October 21, 2009 with the Tehama County Economic Development Board to present the key findings and recommended strategic actions<sup>2</sup>. Key stakeholders and the Strategies will be presented in a work session with the Tehama EDC Board on October 21, 2009 before finalizing.

The presentation focused on:

- Findings – Where are we now?
- Confirmation of recommended Goals
- The critical need for being “Location Ready”
- Recommended approach to strategic initiatives
- Organizational structure

**Phase I – Where are we now?**

- **Findings:**
  - Issues:**
    - Lack of a “place-based” brand
    - Fragmented groups and agendas for marketing attributes
    - Not ready to “go to market” with business attraction (lack of ready-to-go sites, data, no focus on priority areas for new development)
    - Lack of consensus on direction for economic development and desired results
    - Limited public and private funding for strategic initiatives
    - Perceived lack of leadership
  - Actions that should be taken to address issues:**
    - Clear direction and focus
    - Restructuring deployment of economic development programs and services – change up status quo
    - Promoting unique “destination” assets
    - Leveraging new programs to initiate strategies around green industry
    - Creating a catalyst project

<sup>2</sup> Appendix 2 – Tehama County Business Attraction & Retention Program Presentation, *Phase III – How Do We Get There?* October 21, 2009

The Board agreed with findings as well as recommendations for

- goals,
- organizational structure (re-structure) and
- strategic initiatives.

The Board felt the approach provided an excellent roadmap for the county, cities and EDC to implement and build support for transformational action to position Tehama County for economic growth.

The following outlines the Action Roadmap and priority strategic initiatives.



**Key for Leadership**

1. Clear Vision
2. Political Will (Leadership)
3. Consensus on Goals & Strategy
4. Compelling Business Case
5. Capacity to Get There
6. Catalyst Project
7. Tell the Story



## Action Roadmap

Following is an Action Roadmap to provide the county, cities and Tehama EDC a guide for leveraging Tehama County's unique assets and implementing transformational change for future economic growth. *Although the EDC Board with representatives of the county and cities approved in concept, the next steps for the EDC would be to take the Action Roadmap to each city to review, comment, gain consensus on priorities and based on that input, prepare a schedule of the plan and specific assignments and milestones for project implementation.*<sup>3</sup>

## Vision & Goals

The Board concurred with the draft vision statement and the goals outlined in Phase II – Where do we want to be?



**Phase II – Where do we want to be?**

**Vision:**

- Tehama County's economic prosperity is attributed to the clear vision, strong partnerships, political will, and cooperation embraced by local leadership ...
- Tehama County boasts unparalleled recreational opportunities ...
- Tehama County is vibrant and prosperous with a strong, diverse economic base along I-5 ...
- Tehama County is proud of its commitment to sustainable growth ...



**Phase II – Where do we want to be?**

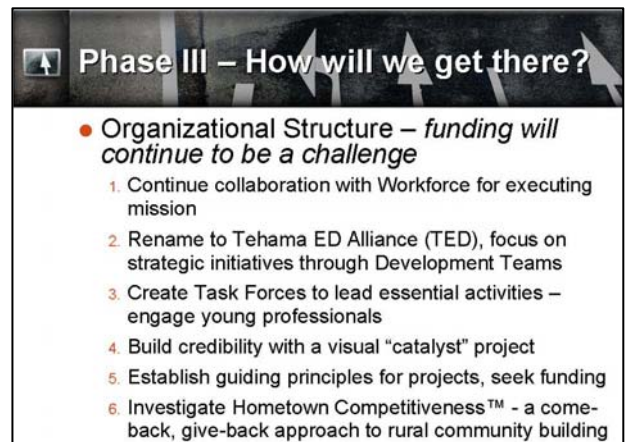
**Goals:**

1. Create a Tehama County brand that differentiates Tehama County from other Northern California locations.
2. Create an integrated and unified Visitor Attraction effort which involves all venues.
3. Create a strong county-wide Economic Development arm supported by both the public and private sector that consists of:
  - Business Development Team focused on small business incubation, business retention and expansion and green business initiatives, and
  - Business Attraction Team focused on ensuring the County is "location ready" to compete for new business investment and creating a business case targeted to the specific industries that match Tehama attributes.
4. Leverage resources with on-going special projects and partnerships that will create unique opportunities for private sector investment and job creation.

## Organizational Structure

Due to budget cuts and funding declines, the Tehama EDC released full-time staff and closed their physical office. Services for the EDC are currently being maintained by the Job Training Center through a contract with the Tehama EDC. The Job Training Center is maintaining the website, responding to inquiries and also managing the County's grant funding for Business Incubation Program along with their business services and outreach to businesses.

Funding will continue to be a struggle. A survey of several EDCs was conducted<sup>4</sup> to identify funding sources and services. Several counties in the North State do not have EDCs and since the funding interviews, Shasta EDC is now faced with furloughs. To move forward funding will need to be leveraged with existing programs, local government support and private sector commitment.



**Phase III – How will we get there?**

- **Organizational Structure – funding will continue to be a challenge**
  1. Continue collaboration with Workforce for executing mission
  2. Rename to Tehama ED Alliance (TED), focus on strategic initiatives through Development Teams
  3. Create Task Forces to lead essential activities – engage young professionals
  4. Build credibility with a visual "catalyst" project
  5. Establish guiding principles for projects, seek funding
  6. Investigate Hometown Competitiveness™ - a come-back, give-back approach to rural community building

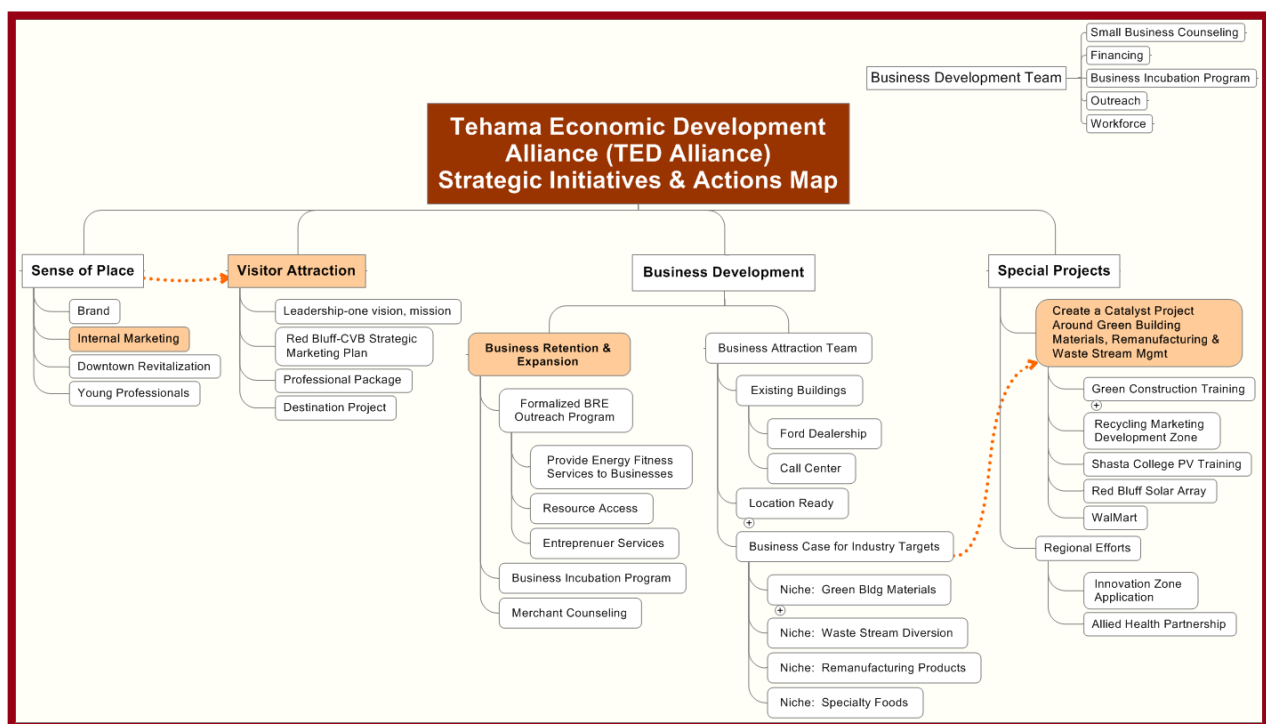
<sup>3</sup> Appendix 3 – Planning forms, Project Implementation Matrix and 30-60-90 Day Launch Schedule

<sup>4</sup> Appendix 4 – EDC Funding Survey

## Strategic Initiatives

The chart<sup>5</sup> below, Tehama Economic Development Alliance Strategic Initiatives and Action Map, outlines the initiatives that the county, cities and EDC should provide leadership and direction for implementation. Given the funding and staff capacity constraint, the four initiatives highlighted in orange should be priority initiatives that align with the recommended goals:

- Tehama County Brand
- Integrated and unified Visitor Attraction effort
- Strong countywide economic development arm with Business Development and Business Attraction Teams
- Leverage current programs and resources to create unique opportunities



The following outlines actions to execute “change” *not just organizationally but attitudinally* – fragmented efforts must cease, replaced with a new sense of collaboration to achieve success. As noted previously, actions to address the issues identified include:

- Clear direction and focus
- Restructuring deployment of economic development programs and services – change status quo
- Promoting unique “destination” assets
- Leveraging new programs to initiate strategies around green industry
- Creating a catalyst project

<sup>5</sup> Appendix 5 –Tehama Economic Development Alliance, Strategic Initiatives & Action Map

The EDC Board will need to review and confirm action recommendations. Of the five Action Recommendations, the first three action recommendations are organizational and structural in nature, creating the infrastructure and support for moving these initiatives forward. Action recommendations 4 and 5 specifically address the goals outlined in Phase II – Where do we want to be? Below is a brief overview of Action Recommendation purposes:

**Action 1: Organizational restructure** – rename Tehama EDC to an alliance involving other organizations, adopt vision, charter and goals, establish clear direction and focus.

**Action 2: Building capacity** – staffing, partner organizations and creating Development Teams.

**Action 3: Internal marketing** – building local support and enthusiasm for vision, action plan and collaboration.

**Action 4: Visitor attraction** – a priority initiative. Create one brand, such as “Cowboy Up” and develop a unified Visitor Attraction strategy.

**Action 5: Core economic development services** – given limited funding, leverage existing programs to provide direct business services and identify potential catalyst projects.



**Action 1: Rename and restructure the economic development organization to achieve a leadership structure that is supported by the community with a clear direction and focus for creating economic transformation. Tehama must control its future.**

**Implementation Steps:**

1. Tehama EDC Board should take action:
  - a. Rename the Tehama EDC to the Tehama Economic Development Alliance (TED). Purpose – focus strategic initiatives through collaborations with TED providing the leadership to focus on working together, leveraging resources and have common vision and goals.
  - b. Adopt a new Charter consistent with goals:

“TED will provide a unified voice focused on transformational actions to brand and create catalyst projects that align with Visitor Attraction and Business Development goals and establish a community endowment fund for projects that define Tehama County as a unique location in the Northern California to visit and locate.”
  - c. Review, revise and adopt specific goals such as set forth in this plan:
    1. Create a Tehama County brand that differentiates Tehama County from other Northern California locations, particularly for the Visitor Market, sets it apart as a place to visit yet remains true to Tehama’s history and heritage.
    2. Create an integrated and unified Visitor Attraction effort which involves all venues. Take advantage of Tehama’s unique location and recreation opportunities to package the County as a destination. Build on enhancing the visitor experience and increasing retail sales tax by revitalizing the downtowns and attracting new destination developments.
    3. Create a strong countywide Economic Development arm supported by both the public and private sector that consists of:
      - i. A Business Development Team focused on small business incubation, business retention and expansion and green business initiatives, and
      - ii. A Business Attraction Team focused on ensuring the County is “location ready” to compete for new business investment and creating a business case targeted to the specific industries that match Tehama attributes.
    4. Leverage resources with on-going special projects and partnerships that will create unique opportunities for private sector investment and job creation.
  - d. Review and revise recommended action plan and flesh out organizational collaborations, determine who should be involved to accomplish goals, invite to table, set expected outcomes, timelines and roles/responsibilities.

e. Outline a 30-60-90 day plan of action, including:

1. Review goals and action plan with the county, cities and other organizations for consensus on Vision and Charter.
2. Prioritize, given staffing and budget, specific projects that can be implemented and achieved, recommended top priorities are:
  - Internal marketing to build TED's credibility and spread message on strategic initiatives.
  - Brand and Visitor Attraction strategy that is focused and brings all fragmented efforts under one umbrella.
  - Business Retention & Expansion – leverage with Job Training Center's business services and outreach.
  - Identify "catalyst" project around "green" building materials, remanufacturing and waste stream management – leverage with proposed Recycling Market Development Zone.
3. Develop key messages to promote the new Charter and focus.
4. Hold a public forum to introduce and solicit buy-in for the Vision, Goals and Strategic Actions to focus on transformational change.

**Lead Agency:**

Board of Directors, Tehama EDC, facilitated by Job Training Center

**Who needs to be Involved:**

- Board members
- County and city representatives
- Key organizations identified to be collaborators
- Engage one-two young professional representatives into process

**Timeline:**

Goal: Complete by end of first quarter 2010

**Measure Success:**

Adoption of new structure, consensus among all entities, hold public forum to solicit support.

**Budget:**

Staffing time and expenses for Forum, which could be self-funded.

## **Action 2: Staff core services, facilitate engagement of more partners in collaborative efforts and create business development teams to focus on specific initiatives.**

### **Implementation Steps:**

#### **1. Organizational Staffing**

- a. Continue collaboration and contract with Job Training Center (JTC) to provide economic development, facilitation and promotional services. Leverage with JTC's business services and outreach program. *Note: many EDCs interviewed were partnered or had merged with the local Workforce Development.*
- b. Involve and contract, if needed, key organizations, such as, TriCounty EDC (3Core)<sup>6</sup>, Golden Capital Network and proposed Recycling Market Development Zone, to provide specialized services not provided by JTC.
- c. Ensure activities being performed by partner organizations are part of the plan and linked back to the key initiatives, request reports to inform investors and community of services available and being provided to local businesses.
- d. Apply for an AmeriCorps<sup>7</sup> staff person to work with JTC on specific projects for the action plan.
- e. Involve other organizations as initiatives are implemented.

#### **2. Leverage Funding Sources to Accomplish Initiatives**

- a. Begin discussions with USDA and ETP to identify potential funding opportunities over the next year to support implementation of one of the initiatives and assist funding staff.
- b. Identify with public agencies, work elements currently performed by county/cities that could be part of the action plan to help support implementation.
- c. Investigate the HomeTown Competitiveness organization and their strategic approach to "a Come-Back/Give-Back Approach" to Rural Community Building, particularly their Charitable Asset Pillar, which is to strengthen and sustain charitable giving at the local level in order to build an endowment that will sustain local civic institutions and create a new source of opportunity capital for community economic development efforts. They have successfully worked in rural communities throughout the west and Midwest to build the local HomeTown competitiveness, which is built on four pillars – leadership, charitable assets, entrepreneurship and youth – many of the same values held by Tehama County and their residents. <http://www.htccommunity.org/about>
- d. Leverage regional grant/program efforts to local area bringing programs, resources and services to local businesses which will also results in jobs or dislocated worker employment, such as, recent Clean Energy Workforce Training Program and California Energy Commission grant applications for energy efficiency programs.
- e. Seek grant opportunities that support specific initiatives – not grant for grant sakes – grants should support specific initiatives or leverage resources to support initiatives.

#### **3. Create Development Teams**

*Note: Given current lack of funding for economic development it will be difficult to launch any significant initiatives except Core Services that can be implemented by leveraging resources with other programs and*

---

<sup>6</sup> Appendix 6 – 3Core (formerly TriCounty EDC) Services Sheet

<sup>7</sup> Appendix 7 – AmeriCorps Application

*projects. Caution is recommended to be strategic during the early revitalization of this initiative to focus on building noticeable projects that will build TED's credibility without having to do everything. TED should be very clear in its promotion that efforts are public-private with focus on providing leadership, implementation will require staff and budget.*

Development Teams or Task Forces are methods to engage individuals to lead essential activities. Three teams are recommended:

1. **Visitor Attraction** – this team should be TED Board of Directors, County, Cities and the Marketing Director of Rolling Hills Casino – purpose to provide the leadership to unify and bring together all groups doing visitor attraction marketing, facilitate a common vision, goals, outcomes and strategic collaborative approach to creating a **unique brand** and increase visitor attraction. This Team needs to be single-minded on a unifying Visitor Attraction collaboration.
2. **Business Development Team** – Business Development is a priority core service which should be focused on small business incubation, business retention and expansion and green business initiatives. This team should be business and industry leaders (and partner organizations) who can help advise on strategic approaches, outreach and knowledge of how to link resources/opportunity to business (connect dots for new business opportunities for existing businesses, use the Business Team and then network to link businesses to TED, refer businesses to TED and lend their name to help promote TED's Charter and new day of economic opportunity.
3. **Business Attraction Team** – This team should be established to create a “Red Team” which would come together to respond to any new business inquiry. This team's short term focus needs to be on preparing Tehama to be “location-ready”, not on business attraction. At this time, staff support would not be available. However, with the right public/private Team they could be addressing the weaknesses identified in the Assessment to get Tehama County “location ready”. Key for this Team is a leader motivated to this effort, who knows the market, real estate and planning and industry opportunities. The County and city planning directors should be a part of this Team (and could lead this Team).

#### **4. Young Professionals Organization**

The JTC held an initial meeting with a group of young professional which had an exceptional turn-out of interested young business people. This effort should be continued to welcome and engage a new generation of business leaders.

##### **Lead Agency:**

Tehama EDC (TED), supported by the Job Training Center (JTC)

##### **Who needs to be Involved:**

This activity is administrative as well as organizational structure with outreach to other partner agencies/organizations and private sector. Action 2 should include many of those involved in Action 1.

##### **Timeline:**

Organizational staffing will be an on-going activity as well as seeking funding. Team leaders should be identified by end of first quarter, 2010. Team leaders should recruit members (if funding is available a staff person should assist Team Leaders with administrative and organization support)

##### **Measure Success:**

- Report to the Board on key partner network project accomplishments – who is doing what and how it is meeting TED's initiatives
- Application and approval for AmeriCorps staff



- Report on funding opportunities and applications
- Team Leads selected and work scope prepared for Year 1

**Budget:**

Job Training Center (JTC), as TED's contractor, should review activities and provide an estimate of time and cost to facilitate and implement these activities.



### Action 3: Create an internal marketing campaign to build support and engage commitment for vision, goals and strategic initiatives.

#### Implementation Steps:

One of the biggest challenges to be faced is the funding initiative to create economic growth. In Tehama County funding must be private-sector as well as public – public funding and grants are not a sustainable platform for effective economic development. The community must have confidence that TED and key leadership can drive a performance-based strategy. Credibility must be established and the community must believe in the vision and purpose for economic development.

1. **Messages** – with the adoption of new structure, name, vision and goals, create key messages that all board directors and members can speak from – why has this be done, what is it, why it is important, what will we do, why you need to be involved and how will we measure effectiveness (other messages might be included). Most important are answering questions of Why? Answering the questions with goals and a plan.

Prepare an Executive Summary and a PowerPoint presentation for any director to give a presentation to groups or entities to generate excitement and enthusiasm in guiding Tehama’s future while protecting and valuing its unique assets.

2. **Forum** – as noted in Action 1, hold a public forum to introduce the Tehama Economic Development Roadmap, supported by the county, cities, key organizations and key businesses. Engage a major employer in the county and a new young professional business owner to help drive the message.
3. **HomeTown Competitiveness (HTC)** – part of Action 2 is investigating this opportunity to engage HTC to assist Tehama County particularly with the Charitable Endowment for economic development. Have as key presenters to engage attendees in wanting to be involved at some level.
4. **Outreach** – must tell the story locally of why an economic development initiative is important and the need to be supported by everyone. The story could be told via:

- Editorial – columns
- Ads – radio/paper/television (see clever ad used in Colorado to raise funds for economic development)
- Newsletters
- Partner organizations newsletters
- Presentations to clubs and organizations

Sample Ad Campaign  
for EDC Fundraising



**She has future leader  
written all over her.**

But she will never fulfill her potential without a great education.

The caliber of our schools is directly tied to the health of our economy. More and better jobs mean more money for the things that matter most—like a well-funded school system.

**Discover how Jobs Work for our communities.  
Call 970.667.0905, or visit [jobs.leadership2010.com](http://jobs.leadership2010.com)**

Northern Colorado Economic Development Corporation  
Enhancing economic vitality in Northern Colorado

**Lead Agency:**

TED – Board of Directors and staff. This activity will take staff time. If successful in getting an AmeriCorps person they could have this responsibility, otherwise need to meet with Job Training Center to see if one of the staff could lead this particular initiative possibly as a co-sponsor.

**Who needs to be Involved:**

Board of Directors and key staff person for implementation. This would be a priority activity to build the Vision and reputation of TED. Walmart's foundation might also be interested in participating.

**Timeline:**

Conduct for a minimum of one year, launch late first quarter 2010.

**Measure Success:**

Support from public and private sector entities, provide funding for an endowment fund for economic development activities.

If a fund is started, the Board will need to establish guiding principles for the use of the funds that are aligned with the strategic initiatives, i.e., help with matching funds for a Visitor Attraction/Brand strategy.

**Budget:**

Some items can be done with just staff time. HomeTown Competitiveness (HTC) will have a cost that would be investigated in Action 2, however, the value in investing in HTC may be in establishing the Endowment Fund that would provide a better ROI in the long run, which might not otherwise be set up. A minimum of \$10,000 should be set aside for internal marketing (preferably \$25,000).

## **Action 4: Create a brand identity for Tehama that is universally used for Visitor Attraction which is supported by a unified Visitor Attraction strategy.**

**Addresses Goal 1:** Create a Tehama County Brand that differentiates Tehama County from other Northern California locations, particularly for the Visitor Market, sets it apart as a place to visit yet remains true to Tehama's history and heritage.

**Addresses Goal 2:** Create an integrated and unified Visitor Attraction effort which involves all venues. Take advantage of Tehama's unique location and recreation opportunities to package the County as a destination. Build on enhancing the visitor experience and increasing retail sales tax by revitalizing the downtowns and attract new destination developments.

### **Implementation Steps:**

As noted in the assessment, Tehama County because of its diverse geography and many recreational and cultural attractions (olive oil, historic downtown, gateway to Lassen, et al) has not created a "brand name", instead of creating a distinction (which may only be one of the many assets) the message brand gets watered down as it attempts to send a variety of messages and themes instead of one strong one.

The Red Bluff Chamber of Commerce prepared a Strategic Marketing Plan<sup>8</sup> which was an update of a 1997 plan. The plan has some excellent concepts, ideas and actions and it is an excellent start to developing a more formal Visitor Attraction plan such as the Angeles Camp, Ca – Branding, Development & Marketing Action Plan<sup>9</sup>.

1. TED Board of Directors and Visitor Attraction Team should provide leadership to this specific, priority effort to ensure that all entities/organizations are involved in one common, consensus driven Visitor Attraction Plan. *Note: It was difficult to tell whether the Chamber plan included all areas and organizations in the County.*
2. A key part of a Visitor Attraction strategy would be creating new, or "catalyst" destinations to attract visitors. Tehama County has some unique opportunities, if capitalized on, to create destination attractions.
3. Retain a firm, such as, Roger Brooks with Destination Development<sup>10</sup> to take the plan to the next level and help facilitate all groups in developing a Visitor Attraction Strategy that includes Branding and potential identification of "destination" projects. Roger Brooks represents "destination" developers. County and cities could apply for CDBG funding for this activity.
4. In the interim, if funding is not available for a full retainer for the project, invite Roger Brooks as a speaker to discuss Tehama County's potential development opportunities or engage him for one of his 1-2-day workshops. A great way to kick-off this initiative.
5. Brand – the Chamber plan used the theme "Cowboy Up", which could be perfect for Tehama County to use universally for promotions.

### **Lead Agency:**

County and cities to provide the core leadership encouraging all entities of the importance to work together and brand Tehama County. Jointly apply for CDBG funding for preparing a Visitor Attraction & Destination Development Opportunity Strategy. This initiative needs a key chair of the Visitor Attraction Team, which should be a dynamic marketing person associated with one of the "visitor" businesses in Tehama County.

<sup>8</sup> Appendix 8 – Red Bluff Chamber of Commerce Tourism – Marketing Plan, 2009

<sup>9</sup> Appendix 9 – Branding, Development and Marketing Action Plan, prepared by Destination Development through a CDBG Grant

<sup>10</sup> Roger Brooks, Destination Development, <http://www.destinationdevelopment.com/>

**Who needs to be Involved:**

All entities involved in tourism and visitor attraction, Chambers of Commerce, Fair, Casino, Downtown Association, Lassen Park, wine and olive oil industry, hotels, et al.

**Timeline:**

This is a priority activity, find a chair and at minimum host an initial meeting with all groups to present the Board's (County and Cities) adopting this initiative as a priority, emphasize the need for collaboration and branding and provide some recommended next steps, such as, inviting Roger Brooks to Tehama County. First Quarter 2010.

**Measure Success:**

Organizing all groups to work together. Identifying a brand. Holding a workshop.

**Budget:**

\$5,000 - \$10,000

## Action 5: Leverage existing programs to provide Core Business Development Services and identify potential catalyst projects.

**Addresses Goal 3:** Create a strong county-wide Economic Development arm supported by both the public and private sector that consists of

- Business Development Team focused on small business incubation, business retention and expansion and green business initiatives and
- Business Attraction Team focused on ensuring the County is “location ready” to compete for new business investment and creating a business case targeted to the specific industries that match Tehama attributes.

**Addresses Goal 4:** Leverage resources with on-going special projects and partnerships that will create unique opportunities for private sector investment and job creation.

### Implementation Steps:

The core business services for economic development are typically Business Retention/Expansion and Business Attraction, or specific activities that will assist in growing the economy and creating jobs. Today with unemployment rising, government cutbacks and individuals being dislocated because of the down economy, focus is on jobs. There are also new opportunities with the “green” economy taking root and stimulus dollars to help with recovery.

Given the limited budget for economic development in Tehama County, core services will need to be leveraged with other initiatives and assisted by the Business Development and Business Attraction Teams formed in Action 2. The Goal is to implement those initiatives, which create jobs and at the same time seek “catalysts” project that make transformational change.

#### 1. Business Retention & Expansion (BRE) – Existing Program

Partner with Job Training Center (JTC) with their Layoff Aversion program and potential new BRE outreach program with tracking system for reporting.

- Tie outreach to new energy program services for business, i.e., Energy Fitness and Retrofit.
- Key with outreach is to ensure businesses that identify needs have been followed-up with or referred to agencies that can help them (and those agencies follow-up). If there are no resources to help a business they should be so advised. Link with regional program such as Entrepreneur Services provided by Golden Capital Network, loan services provided by 3Core and Small Business Development Center (SBDC). Note: *A meeting should be held with SBDC and College to structure a better method for SBDC to report their assistance to existing businesses.*
- JTC will be implementing the Business Incubation Program with 3Core.

A merchant counseling program would be helpful to many of the small retail businesses, however, may not be eligible for funding.

#### 2. Special Projects

- There are a number of regional efforts that Tehama could participate and receive some benefit, these opportunities could also help identify “catalysts” projects:
  - Clusters of Opportunity Grant – deeper research into cluster opportunities at a sub-regional level – identify how to leverage the data to business services and training.

- Allied Health Partnership – Tehama has a growing and well-known health niche, potential to assist the allied health with training and potential assistance in growing the market niche.
- Application for Innovation Zone for the North State.
- Create a catalyst project around the green economy, specifically in green building materials, remanufacturing and waste stream management
  - Recycling Market Development Zone (RMDZ) designation (application submitted in Nov 2009), promote when received.
  - Hold a meeting with manufacturers to discuss benefits to local businesses, local business practices around “green” and “sustainability” – what it means to them. Strategize other business opportunities to either form new business ventures around the green economy or attract businesses, utilizing key assets such as the RMDZ, Green Construction Training, Shasta College PV Training, potential renewable energy opportunities – solar arrays, remanufacturer from waste stream.
  - Create synergy around a project opportunity; find old building that can be reused for new product development – think out of the box to create opportunity and synergy between businesses.

### 3. Business Attraction

This activity will need to be driven by the Business Attraction Team. Focus should be on preparing Tehama’s product, identifying the prime sites for new business development, ensuring those properties are ready to go, i.e., “shovel-ready” and improving the Tehama website with key data.

- Should continue to be a member of Upstate, regional marketing entity for northern California, attending tradeshow and events that match Tehama business targets and properties. Upstate marketing schedule is attached.<sup>11</sup>
- Respond to and follow-up on all inquiries.
- If the Board concurs, consider opening discussions with other counties along I-5 to collaborate on an I-5 marketing and attraction strategy.

#### Lead Agency:

TED supported by Job Training Center.

#### Who needs to be Involved:

Board, County, Cities, regional organizations and other entities that are providing services and resources to businesses, such as, Recycling Market Development Zone (if approved), Community Action Agency.

#### Timeline:

These projects may be driven by timelines of funding sources. Business outreach should begin first quarter 2010 and if energy grants are approved, be included in process by 2<sup>nd</sup> Quarter.

#### Measure Success:

Business connected, services provided.

#### Budget:

Budget should be developed by JTC considering how it can leverage with other resource programs.

---

<sup>11</sup>Appendix 10 – Upstate California’s 2010 Marketing Schedule



## Recommended 30-60-90 Day Launch Schedule

To help organize and assign priorities, and not become overwhelmed with the Roadmap, the 30-60-90 day Launch Schedule Form is a planning tool for organizing what can realistically be done in 30 day increments to **launch** the plan. As the Board reviews the plan, adjust and revise, add specific lead individuals, resources needed and milestones that need to be met. Following is provided as a starting point.

**Table 25 — 30-60-90 Day Launch Schedule**

Month	Objective & Action item schedule	Lead	Resources Needed	Milestones
30 days	<ul style="list-style-type: none"> <li>Board reviews plan, makes revisions and refines timelines and lead agencies, as needed</li> <li>Board consensus on new charter and goals</li> <li>Review charter, goals and plan with Supervisors, and Council members of each city</li> <li>Board members to identify individuals that will participate on Development Teams</li> <li>Invite one-two new young professionals to participate</li> </ul>			
60 Days	<ul style="list-style-type: none"> <li>Jointly (board, county, cities) adopt plan</li> <li>Create key message platform and PowerPoint presentation for board members to present to groups</li> <li>Apply for AmeriCorps staff person</li> <li>Begin planning a public forum to introduce plan</li> <li>Identify key leaders to help present and support the launch of a new Action Plan</li> <li>Investigate HomeTown Competitiveness program</li> <li>Identify speakers for public forum, to support the roll-out of the plan – someone from HomeTown Competitiveness or Roger Brooks.</li> <li>If approved by the state, announce RMDZ designation</li> <li>Plan and begin internal marketing</li> </ul>			
90 Days	<ul style="list-style-type: none"> <li>Hold a Forum</li> <li>Launch outreach promoting Energy Fitness and services for local businesses</li> <li>Conduct meetings with Development Teams to identify special projects</li> <li>Continue internal marketing</li> </ul>			



## Appendix

1. Web Survey
2. Tehama County Business Attraction Program presentation, Phase III “How will we get there?” – October 21, 2009
3. Planning forms, Project Implementation Matrix and 30-60-90 Day Launch Schedule
4. EDC Funding Survey
5. Tehama Economic Development Alliance (TED), Strategic Initiatives & Action Map
6. 3CORE (formerly Tri-County ED) Services Sheet
7. AmeriCorps Application
8. Red Bluff Chamber of Commerce Tourism – Marketing Plan, 2009
9. Branding, Development and Marketing Action Plan, prepared by Destination Development through a CDBG grant
10. Upstate California EDC’s 2010 Marketing Schedule



## About the Consulting Team

Chabin Concepts' core competency is in realistic, achievable and measurable actions.

We are more than a consulting group – we are a solutions network. We use our network to bring our clients the best practices of renowned experts in urban and rural economic development, site location analysis and hands-on experience in implementing and managing competitive and results-oriented economic development programs.

We value every client and project, respecting the characteristics, heritage and goals of each community, their stakeholders and their economic development team. We commit to integrating our values, integrity and philosophy to create success through:

- Involvement of the community and all partner organizations.
- Research that is tailored to specific areas of interest, program implementation or industry focus.
- A team of experienced and diverse professionals to bring specialized techniques, knowledge, and expertise.
- Innovative strategies and creative economic development tools.
- Tactical plans designed for implementation.
- Effective and successful economic development roadmaps – integrating resources, innovative tools and creative marketing – for communities to accomplish their goals consistent with their values.

The consulting team for Tehama County Business Attraction and Retention Program Analysis included Audrey Taylor, President, Chabin Concepts, Project Team Lead, Fawn McLaughlin (FJMcLaughlin and Associates), Mary Bosch (Marketek) and Sarah Murley (Applied Economics).

The consulting team would like to thank Tehama County Planning Director, George Robson, Tehama County Planning Director, Kathy Schmitz, Job Training Center, Claudia Martin, EDC Director, EDC staff and members of the Board of Directors for their assistance in providing the background and extensive data needed to complete this project.

