

# Innovate, Sustain, and Compete

*Sonoma-Mendocino CEDS | November 2016*



*Prepared by Civic Analytics LLC for the  
Sonoma-Mendocino Economic  
Development District*

[Point Arena-Stornetta, California](#)

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[Fort Ross, California](#)

<b>CEDS</b>	Comprehensive Economic Development Strategy	<b>STEAM</b>	Science, Technology, Engineering, Arts, Math
<b>Diversification</b>	An economy with varied industries comprising its base; avoiding overreliance on any one sector	<b>SWOT</b>	Strengths, Weaknesses, Opportunities, Threats – a commonly used strategic plan framework for identifying issues impacting a community
<b>EDA</b>	Economic Development Administration		
<b>EDD</b>	Economic Development District		
<b>GDP</b>	Gross Domestic Product—the total value of goods and services produced in an economy		
<b>MSA</b>	Metropolitan Statistical Area—an urbanized area designated by the Federal Government		
<b>PCI</b>	Per Capita Income (Total Income / Population)		
<b>Resilience</b>	A community’s ability to prevent, withstand, and recover from a major economic disruption		



Sonoma County and Mendocino County, California, (Sonoma-Mendocino) constitute a region of immense natural beauty, quality of life, and economic drivers that attract visitors from around the world. The region's storied history of technology innovation and strategic geographic positioning in proximity to San Francisco and the rest of the Bay Area provide for a wide array of economic development opportunities. Locally grown and organic food, natural products and healthy living industries, clean energy, and, potentially, legal cannabis, are other drivers that will play an increasingly important role in diversifying and strengthening the economy in the future.

However, as the region continues along the path of recovery from the Great Recession, it is clear that many residents are not fully participating in opportunities created by a growing economy. Many residents lack the postsecondary education and/or training required to compete for living wage jobs that pay enough to make housing affordable, an equity concern that falls disproportionately on minority residents. Inclusive economic development and broad-based prosperity are by no means challenges unique to Sonoma-Mendocino, but will undermine the region's long-term economic prospects if not addressed in direct and deliberate ways.

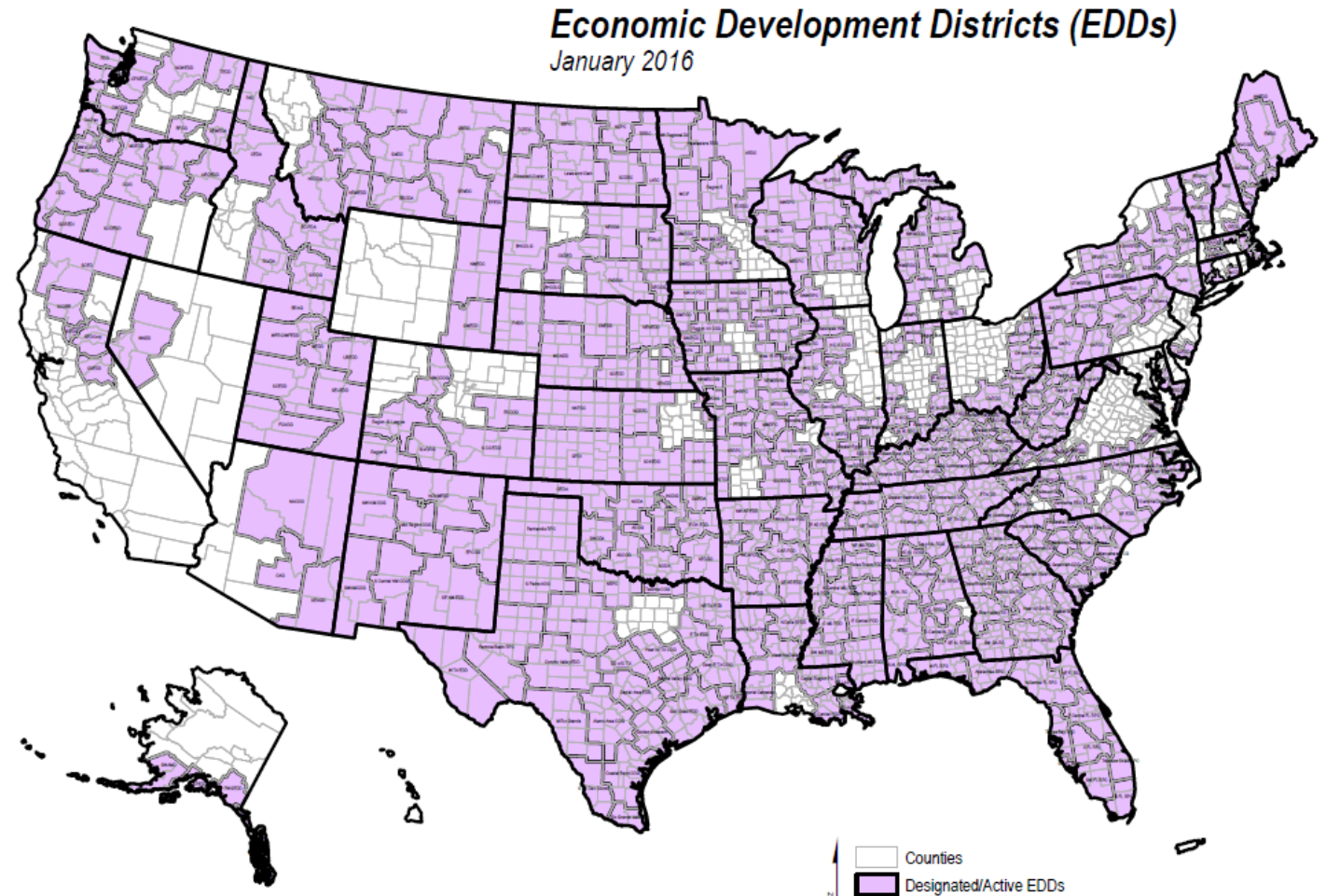
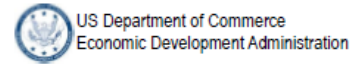


[Sebastiani Theatre; Sonoma, California](#)

Sensing an opportunity to collaborate on issues impacting the entire region, Sonoma County and Mendocino County formed a joint powers agreement in 2015 to create the Sonoma-Mendocino Economic Development District and launch *Innovate, Sustain, and Compete*, a comprehensive economic development strategy (CEDS) built around four core themes: economic diversification (resilience), human capital, innovation and entrepreneurship, and inclusive economic development. The call to action was clear:

- Sonoma-Mendocino must diversify its economy to build resilience against downturns in consumer confidence, discretionary spending, and real estate investment.
- Educational attainment, a traditional strength for the region, has not kept pace with US gains and now trails the national average for postsecondary completion.
- Average earnings are not keeping up with housing costs, creating a disproportionate impact on minority workers.

The Sonoma-Mendocino Economic Development District (EDD) intends to apply to the U.S. Economic Development Administration for designation as a federally-funded EDD, which, if approved, will provide funding for implementing *Innovate, Sustain, and Compete*.



## Vision Statement

Sonoma-Mendocino is a sustainable, inclusive, and diverse economy.

## Economic Diversification (Resilience)

Goals:

- Expand the non-tourism/real estate share of regional GDP to bolster Sonoma-Mendocino's resilience to economic downturns.
- Grow the region's green economy – renewable energy, clean tech, and related enterprises – to become a national leader in sustainability.

## Human Capital

Goals:

- Exceed the US rate of population growth in the primary working age cohort (25-64) to achieve healthy and sustainable expansion of the Sonoma-Mendocino labor force.
- Raise the postsecondary completion rate for the 25-64 age cohort until Sonoma-Mendocino again exceeds the US rate.
- Close the postsecondary completion gap between Sonoma County and Mendocino County in the age 25-64 cohort.

## Innovation and Entrepreneurship

Goals:

- Continue to exceed the US average on the Kauffman Foundation's core measures of entrepreneurial activity\*

## Inclusive Economic Development

Goals:

- Reduce the number of economically distressed communities in the region, as defined by EDA investment eligibility criteria.
- Close the gaps in earnings by race/ethnicity to ensure that all workers can compete for living wage jobs that make housing affordable.
- Achieve parity with US average earnings.

These goals outline what CEDS implementation will accomplish and how success will be measured in terms of outcomes – i.e. how the region will be improved as a result of CEDS implementation.

No one organization is responsible for achieving all the goals in a CEDS. Rather, the intent of a CEDS is for organizations to work together, each pursuing its own mission and programs, but all aligned toward a set of common, measurable outcomes achieved over time through successful implementation of the strategy. This model, sometimes referred to as collective impact, is the foundation of an effective CEDS.

\* See p. 24 for definition.

EDA's Partnership Planning program provides EDDs with approximately \$75,000 in annual funding for CEDS implementation. This funding is typically matched on a 1:1 basis by the EDD, providing total funding of approximately \$150,000 per year.

EDA can invest in CEDS implementation projects benefiting economically distressed areas, defined as an area with less than or equal to 80% of US per capita income and/or an unemployment rate that is greater or equal to one percentage point higher than the US rate for the most recent twenty-four month period. EDA grants for public works related projects are typically in the \$1 million-\$3 million range, while smaller grants are available for short-term planning projects, feasibility studies, and technical assistance initiatives.

EDA is the governing agency for the EDD program, but should not be viewed as the only audience for the CEDS. The CEDS should be a vehicle for driving public-private partnerships of all types, regardless of potential fit for an EDA grant application. EDA is only one of many potential investors for economic development initiatives in a region.



#### IN THIS SECTION:

[Overview](#)

[EDA's 50th Anniversary](#)

[Leadership](#)

[Investment Programs](#)

[Multi-Agency Initiatives](#)

[Investment Priorities](#)

[Office of Innovation and Entrepreneurship](#)

[Disaster Recovery](#)

[Resources for Grantees](#)

[EDA Job Opportunities!](#)

[RESOURCES DIRECTORY](#)

## INVESTMENT PROGRAMS

#### **Public Works:**

Empowers distressed communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and generate or retain long-term, private sector jobs and investment.

[Printable Public Works Program \(PDF\)](#)

#### **Economic Adjustment:**

Assists state and local interests in designing and implementing strategies to adjust or bring about change to an economy. The program focuses on areas that have experienced or are under threat of serious structural damage to the underlying economic base. Under Economic Adjustment, EDA administers its [Revolving Loan Fund \(RLF\) Program](#), which supplies small businesses and entrepreneurs with the gap financing needed to start or expand their business.

[Printable Economic Adjustment Program \(PDF\)](#)

#### **Partnership Planning:**

Supports local organizations (Economic Development Districts, Indian Tribes, and other eligible areas) with long-term planning efforts. The [Comprehensive Economic Development Strategy \(CEDS\) Content Guidelines](#), provides suggestions, tools, and resources for developing comprehensive economic development strategies.

[Printable Partnership Planning Program \(PDF\)](#)

Generally, Wine Country is perceived as a higher-income region, but nearly 30% of communities in Sonoma-Mendocino qualify as economically distressed, according to EDA’s eligibility criteria of low per capita income relative to the US.

As a whole, per capita income (PCI) in the two-county region is \$31,902, approximately 12% higher than the US. Yet, there are many pockets of economic distress, defined by EDA as PCI of 80% or lower than US PCI, in the region, including:

- 29% of all cities and places (17/59)
- 21% of all zip codes (12/56)
- 21% of all census tracts
- 20% of all census block groups

Sonoma County exceeds EDA’s threshold for per capita income (117% of US), but some economic distress is evident along the 101 corridor, where the county is more densely populated. Economic distress is more evident in Mendocino County, where 28% of residents live in an eligible area.

*\* For reasons of geography, data sources, and definition used for economic distress, this list of communities may differ from what is reported in other studies, such as Portrait of Sonoma (2014).*

Economically Distressed Communities in Sonoma-Mendocino, 2014  
Census Designated Place (CDP)

PLACE NAME	PCI	% US PCI	POPULATION	COUNTY
Valley Ford CDP	\$9,490	33.2%	167	Sonoma
Philo CDP	\$11,234	39.3%	317	Mendocino
Boonville CDP	\$14,796	51.8%	1,090	Mendocino
Laytonville CDP	\$15,235	53.4%	1,227	Mendocino
Manchester CDP	\$16,462	57.7%	193	Mendocino
Covelo CDP	\$17,585	61.6%	1,444	Mendocino
Willits city	\$18,502	64.8%	4,853	Mendocino
Point Arena city	\$18,534	64.9%	405	Mendocino
Leggett CDP	\$18,922	66.3%	54	Mendocino
Talmage CDP	\$20,095	70.4%	1,335	Mendocino
Roseland CDP	\$20,167	70.6%	5,556	Sonoma
Fort Bragg city	\$20,585	72.1%	7,274	Mendocino
Hopland CDP	\$21,892	76.7%	587	Mendocino
Geyserville CDP	\$22,451	78.6%	879	Sonoma
Calpella CDP	\$22,521	78.9%	424	Mendocino
Redwood Valley CDP	\$22,656	79.3%	1,814	Mendocino
Brooktrails CDP	\$22,821	79.9%	3,589	Mendocino

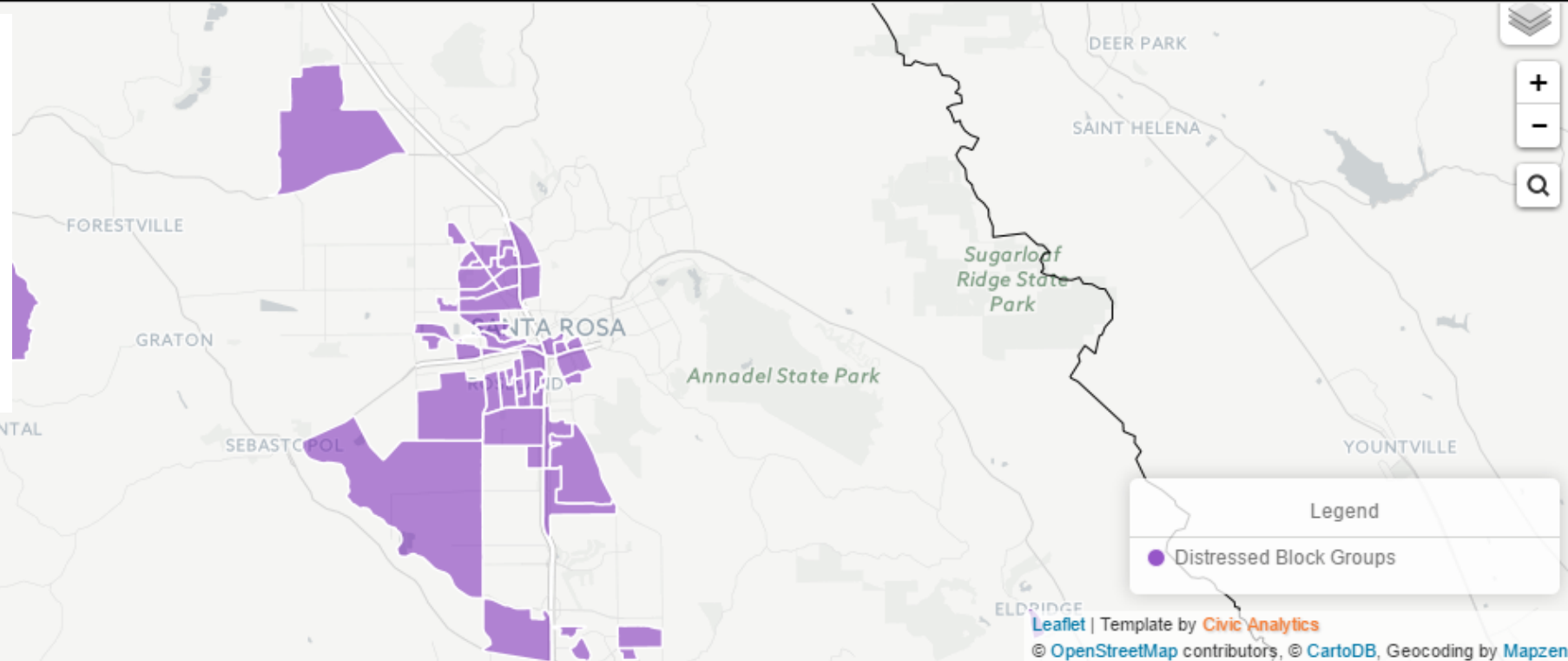


# SONOMA-MENDOCINO ECONOMIC DEVELOPMENT DISTRICT

<http://www.sonomamendocinoceds.com/regional-web-map/>

The Sonoma-Mendocino EDD created a web-based interactive map to identify areas in the two-county region that meet EDA's economic distress criteria. The map is available on the [Sonoma-Mendocino CEDS website](http://www.sonomamendocinoceds.com/regional-web-map/).

Regional stakeholders should use this map as a resource for documenting EDA eligibility, as well as identifying the location of key assets, projects, and impact of CEDS initiatives.



ECONOMICALLY DISTRESSED BLOCK GROUPS 

Show  entries

Search:

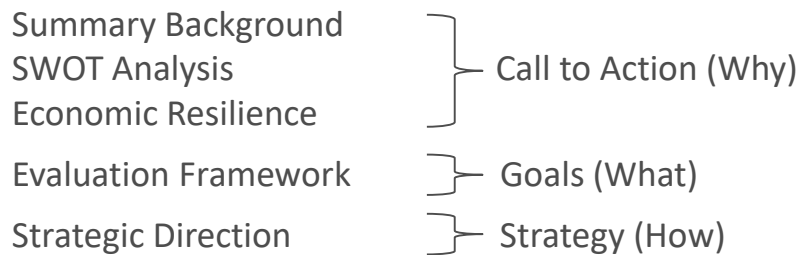
GEOGRAPHY ▲	GEOID ▼	PERCENT OF ▼	PERCENT BE ▼	PER CAPITA ▼
Block Group 1, Census Tract 105, Mendocino County, California	060450105001	73.5%	19.7%	\$20,981
Block Group 1, Census Tract 106, Mendocino County, California	060450106001	70.4%	22.5%	\$20,092

EDA published revised CEDS content guidelines in January 2015. There are five requirements for the CEDS, outlined in the red box to the right, and the new content guidelines provide for a great deal of flexibility in how regions want to format the CEDS, as long as the required topics are addressed.

Trained planners think in terms of SWOT analysis, action plans, and frameworks. Most stakeholders for a CEDS process are not trained planners. They typically have three basic questions:

1. Why are we doing this?
2. What will it accomplish?
3. How will we get there?

Sonoma-Mendocino CEDS arranges EDA’s required topics into this *why, what, how* framework :



## IN THIS SECTION:

Overview

Content

Summary Background

SWOT Analysis

Strategic Direction/  
Action Plan

Evaluation Framework

Economic Resilience

Format

Preparation

Equivalent/Alternative Plans

 Full Report (PDF)



## CONTENT

A CEDS should be developed with broad based community participation and result in a document that is readily accessible to regional stakeholders. Potential partners for developing a CEDS could include government agencies, private sector interests, education providers, non-profits, community and labor groups, workforce boards, utilities, etc. Stakeholders should be able to use it as a guide to understanding the regional economy and to take action to improve it. The CEDS should take into account and, where appropriate, incorporate or leverage other regional planning efforts, including the use of available federal funds, private sector resources, and state support which can advance a region’s CEDS goals and objectives. Its quality should be judged by its usefulness as a tool for regional economic development decision-making.

There are four main elements of a CEDS: 1) summary background, 2) SWOT analysis, 3) strategic direction/action plan, and 4) evaluation framework. The background should provide an overview of the region’s economic situation. Building on data from the summary background, the SWOT analysis should assess the state of the regional economy, including the opportunities and threats posed by internal and external trends and forces, and the availability of resources for economic development. The region’s vision, goals, and measurable objectives, together with an appraisal of the region’s competitive advantages, should form the basis of the strategic direction and action plan. The evaluation framework should establish criteria and performance measures for evaluating the region’s implementation of the strategic direction and progress toward goals and measurable objectives. The elements of the CEDS, seen through a lens of economic resiliency, should logically build upon and/or shape each other to result in a coherent, targeted document.

**Recommended Resource:** See South Florida’s 2012 CEDS with the “six pillars” statewide framework which provides a clearly articulated, unifying framework across EDDs in the state: <http://www.sfrpc.com/CEDS/SouthFloridaCEDS2012-17.pdf> (PDF).

Below are recommendations for what should be included in each of the required sections, and suggested tools, resources and examples to help in each section’s development:

- A. Summary Background: A summary background of the economic development conditions of

EDD Board CEDS Kickoff Meeting  
*February 19, 2016*

CEDS Community Survey  
*March 23-April 25, 2016*

CEDS Stakeholder Interviews  
*April 26-May 13, 2016*

CEDS Public Workshops  
*May 17, 2016 (Santa Rosa)*  
*May 18, 2016 (Ukiah)*

EDD Board Draft CEDS Work Session  
*July 21, 2016*

CEDS Call for Projects  
*August 15-September 30, 2016*

Draft CEDS Public Comment Period  
*August 15-September 30, 2016*

EDD Board Final CEDS Adopted  
*November 2, 2016*



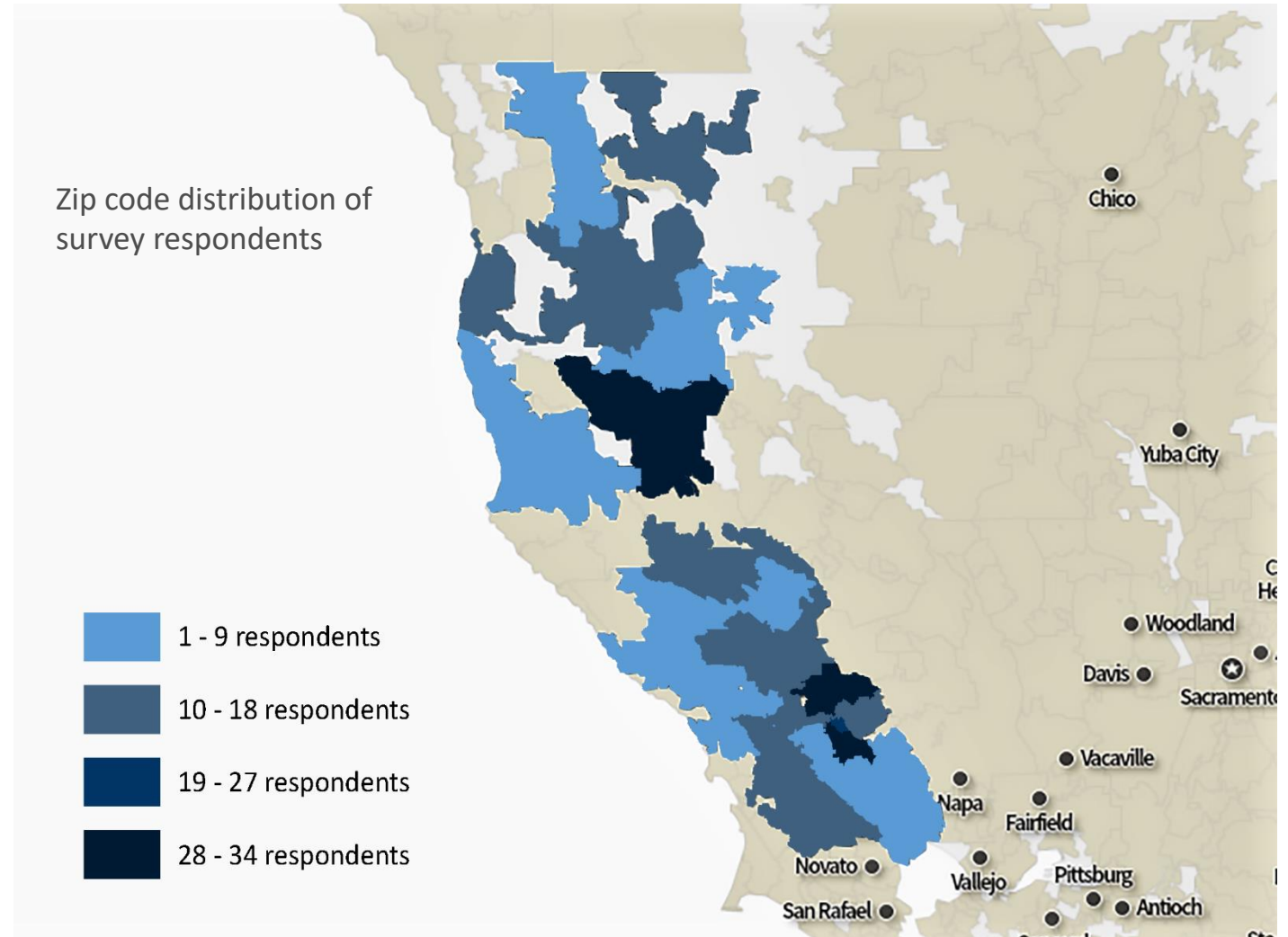
Sonoma-Mendocino Economic Development District Board of Directors at February 2016 meeting in Geyserville, California. Members: Robin Bartholow, Workforce Investment Board (Sonoma); Pam Chanter, VANTREO Insurance Brokerage (Sonoma); Steve Herron, Exchange Bank (Sonoma); John Kuhry, Economic Development & Financing Corporation (Mendocino); Mike Nicholls, North Bay North Coast Broadband Consortium (Sonoma); Robert Pinoli, Skunk Train (Mendocino); Trish Steel, Broadband Alliance of Mendocino County (Mendocino); Joe Webb, Foursight Wines (Mendocino); Also pictured: County staff and Malinda Matson, EDR, EDA Seattle. Not Pictured: Paul Castro, California Human Development (Sonoma/Mendocino).

Forming a complete picture of a regional economy requires analysis of secondary data, statistics from the US Census Bureau and other federal and state sources, as well as primary data, insight generated from surveys, interviews, and public participation.

The goal of primary data collection is two-fold: (1) to provide a reality-check on secondary research – i.e. do community perceptions of important trends align with what secondary data appears to suggest – and (2) to create as many opportunities as possible for public participation in the CEDS process.

Primary data for the Sonoma-Mendocino CEDS was collected through a community survey, available on the CEDS website in English and Spanish, March 23 to April 25. The survey received 353 responses, 251 from Sonoma County, 102 from Mendocino County. In addition, interviews were completed with thirty public and private sector leaders, including several major employers. Finally, approximately 80 people participated in two public workshops held in Santa Rosa and Ukiah in May.

Most of the secondary research was completed in January-March.

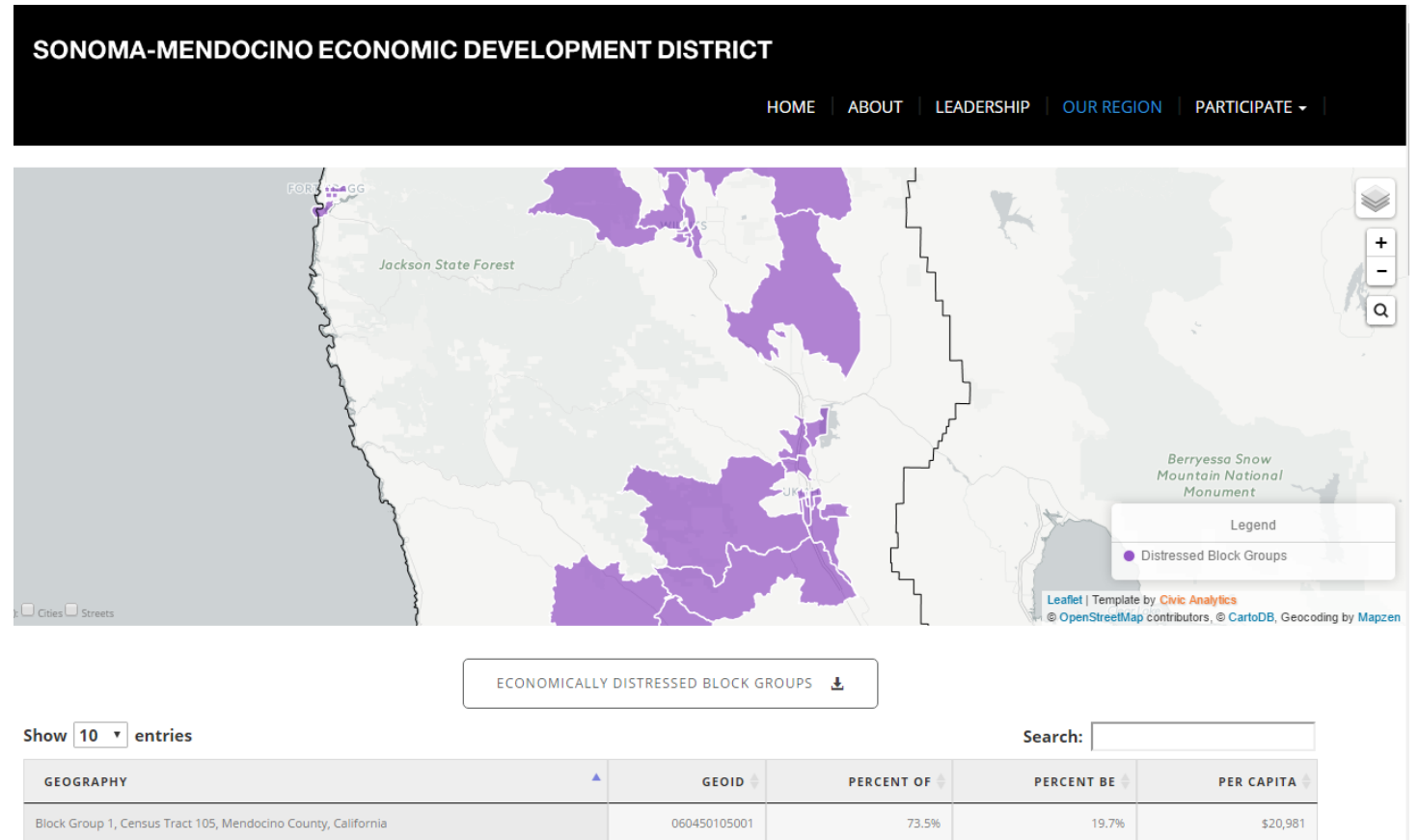


A call to action is a key research finding that clearly demonstrates why a strategy is needed in the first place – a compelling answer to the question, why are we doing a CEDS? Effective calls to action are concise, compelling presentations of information about important trends that should inform CEDS goals and strategies, as well as drive participation and buy-in during planning and implementation.

This section of the document articulates the call to action for Sonoma-Mendocino. Drawing on analysis of secondary data and input collected through the survey, interviews, and public workshops, Sonoma-Mendocino’s CEDS focuses on four key themes:

- Economic diversification (resilience)
- Human capital
- Innovation and entrepreneurship
- Inclusive economic development

This section concludes with a summary of strengths, weaknesses, opportunities, and threats, highlighting input from residents who participated in the CEDS workshops held in Santa Rosa and Ukiah in May.

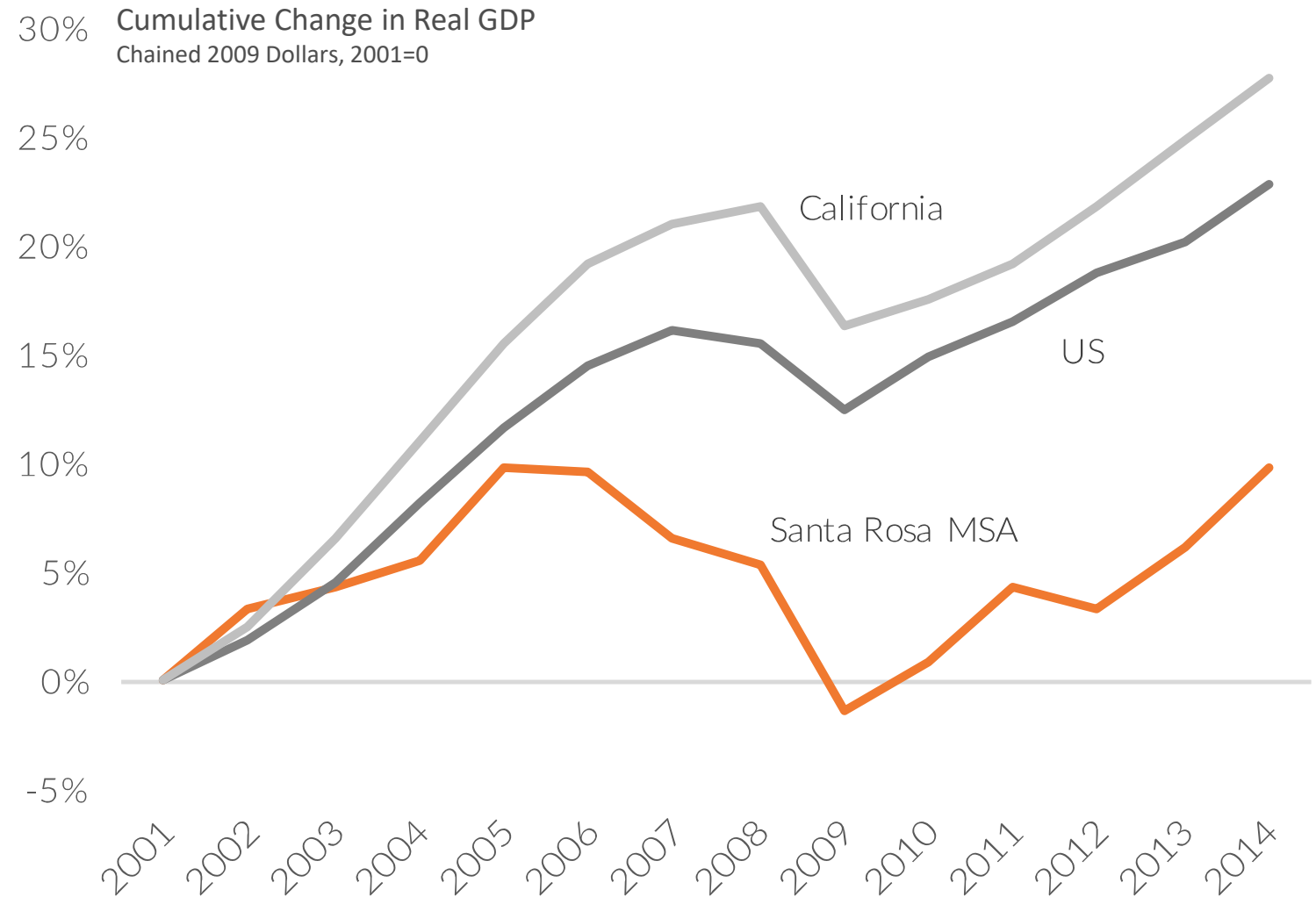


Partial map of EDA eligible areas in Mendocino County (2014 ACS, Five-Year Estimates)

**Sonoma-Mendocino must diversify its economic drivers to build resilience against downturns that impact consumer confidence, discretionary spending, and real estate investment.**

The financial and housing crises and subsequent recession had a profound impact on the Sonoma-Mendocino economy because of the region's high concentration of economic activity in industries (tourism, wine) fueled by consumer confidence and spending, particularly among higher-income households, as well as housing investment.

The 2008 recession had a dramatic effect on the Sonoma-Mendocino region, but Gross Domestic Product (GDP) data suggests that the region was already in decline as early as 2005-2006. Sonoma-Mendocino lost more than \$2 billion in real GDP in 2005-2009, a 10% decline compared to a loss of less than 1% for the state and national economies. In fact, on an inflation-adjusted basis, the regional economy was smaller in 2009 than it was in 2001.





# Economic Diversification (Resilience)

Construction and real estate combined lost \$1.4 billion in real output in 2005-2009. Put another way, for every \$1 in GDP lost, \$0.62 can be traced to losses in construction and real estate. Real output in other consumer discretionary spending sectors, such as arts/entertainment, food, recreation, and accommodation, declined by \$166 million in 2005-2009, a small figure compared to the losses in construction and real estate, but twice (-18%) the statewide rate (-9%) and also well above the US rate (-7%).

Construction is still below pre-recession levels, but real estate and visitor spending industries in the region have rebounded sharply. In 2014, real estate had its second-best year, measured by real output growth, since 2001. Arts and entertainment, recreation, hotels, and food services combined reached an all-time high of \$967 million in real value added to GDP.

The majority of interviewees concurred with the secondary research, reporting that, overall, the economy has recovered and is healthy.

But survey results revealed stark differences in perceptions between Sonoma and Mendocino.\* Sixty-nine percent of respondents in Sonoma reported that economic circumstances are better today compared to five years ago, versus only 29% in Mendocino. Looking ahead, when asked how the economy would be performing five years from now, Mendocino residents were slightly more optimistic, with 41% expecting the economy to improve, but Sonoma respondents were much less confident about the future, at least compared to current state. Despite the seemingly broad consensus about the current health of the regional economy, only a slight majority (53%) of Sonoma respondents said they expect the economy to improve.

One possible interpretation says people see the need for economic diversification, but there is no consensus on where that diversification will come from. Indeed, in the survey, diversifying the economy got the fourth-highest number of votes among the economic priorities selected, and an analysis of secondary data on economic

trends during the recovery validates that choice. Thirty-five percent of economic growth in 2009-2014 in Sonoma-Mendocino can be attributed to real estate—\$779 million of the \$2.2 billion gained in inflation-adjusted GDP—compared to real estate's share of 15% across all US metro areas. By contrast, the professional/business services sector, where many high-wage, high-demand jobs in tech and related industries are concentrated, has accounted for about 24% of inflation-adjusted GDP growth across all metro areas during the recovery, compared to 3% in Sonoma-Mendocino.

In short, economic recovery thus far in Sonoma-Mendocino has been fueled by the very same industries that magnified the impact of the last recession, making diversification a key priority for the Sonoma-Mendocino CEDS.

# Survey: How do the following economic factors compare to five years ago?

County	Worse	Same	Better
S	15%	25%	60%
M	18%	44%	38%
S	15%	25%	60%
M	27%	38%	35%
S	15%	32%	54%
M	23%	48%	29%
S	10%	21%	69%
M	37%	35%	29%

Mendocino County

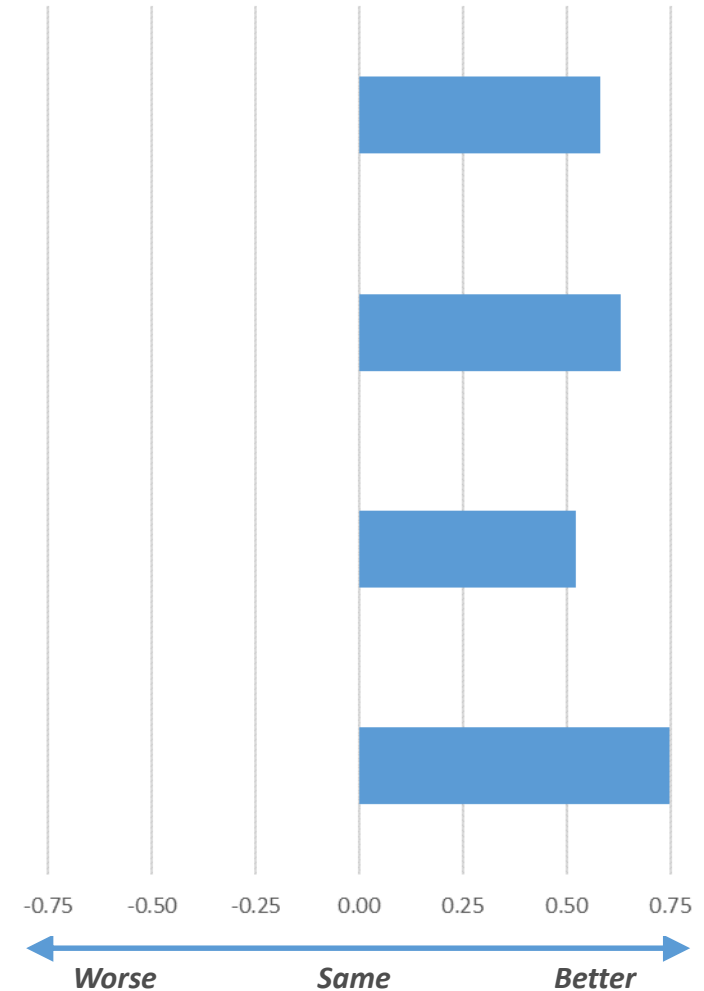
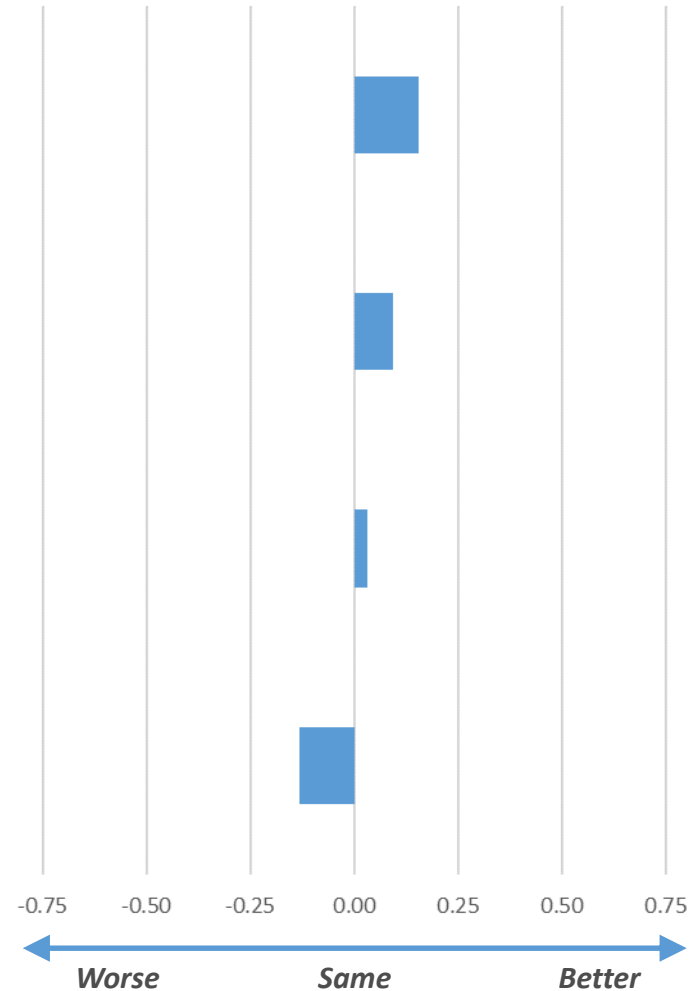
Sonoma County

My employer's economic circumstances

My household's economic circumstances

My business' economic circumstances

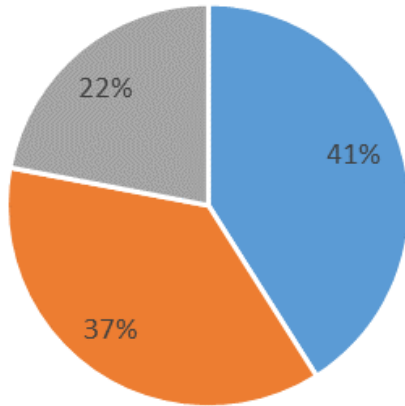
My county's economic circumstances



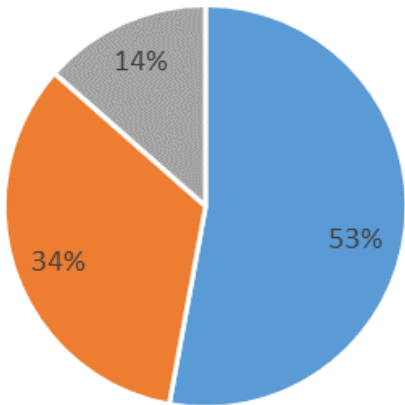


# Survey: Five years from now, do you believe your economy will decline, stay the same, or improve?

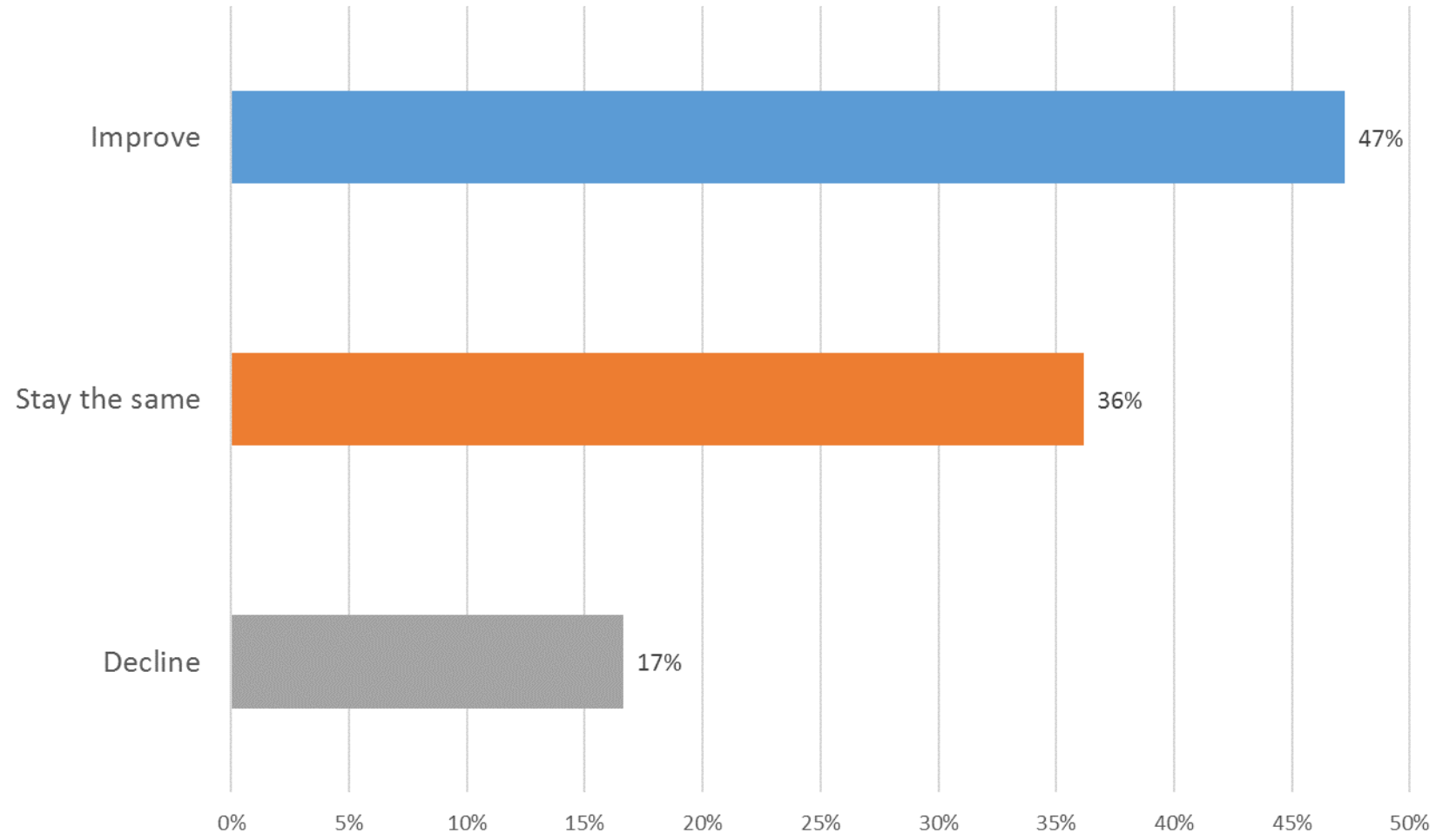
Mendocino County



Sonoma County



Sonoma-Mendocino State of the Economy





# Economic Diversification (Resilience)

**Traded clusters represent 4,000 establishments, 60,000 jobs, and approximately \$8 billion of GDP in the Sonoma-Mendocino economy.**

Clusters are geographic concentrations of related firms and supporting institutions operating in common markets and sharing specialized input and infrastructure needs. Notable examples are energy in Houston, finance in New York, tech in Silicon Valley, and aerospace in Seattle. *Traded* clusters are groups of industries engaged primarily in exporting goods and services to other regions or internationally. Economic developers typically focus on the traded economy (sometimes referred to as a region’s economic *base*) because exporting industries attract “new” money to a region from outside its borders, resulting in a net increase of income in a region. This new money can then be circulated locally through spending at local firms, donated to local non-profits, etc. Further, wages paid to workers in traded industries are higher, on average, than wages in local serving industries.

Critically for Sonoma-Mendocino, traded clusters also provide a framework for thinking about how the region can diversify. Rows in bold in the tables

Traded Clusters in Sonoma-Mendocino with at least \$100 Million in GDP

	GDP (Value-Added) 2013	Establishments 2015	Employment 2015	Strong Sonoma	Strong Mendocino
<b>Food/Wine Processing &amp; Manufacturing</b>	<b>\$1,558,718,731</b>	<b>429</b>	<b>9,906</b>	<b>x</b>	<b>x</b>
Distribution & Electronic Commerce	\$1,171,978,128	652	7,731		
Info Tech & Analytical Instruments	\$594,287,551	68	2,603	x	
Financial Services	\$585,182,399	316	2,037		
Medical Devices	\$471,600,979	20	1,484	x	
<b>Hospitality and Tourism</b>	<b>\$420,790,294</b>	<b>400</b>	<b>6,896</b>	<b>x</b>	<b>x</b>
Marketing, Design, and Publishing	\$299,168,486	199	2,234	x	
<b>Agricultural Inputs and Services</b>	<b>\$133,374,933</b>	<b>130</b>	<b>2,599</b>	<b>x</b>	<b>x</b>
<b>Performing Arts</b>	<b>\$120,333,500</b>	<b>71</b>	<b>1,435</b>	<b>x</b>	<b>x</b>

on this page and the next indicate clusters that have a strong\* presence in both counties and could provide opportunities for collaboration on diversification strategies. While many of the bolded clusters are traditional strengths (e.g., wine, tourism), and therefore not necessarily appropriate targets for diversification, further research as part of CEDS implementation could reveal industry opportunities relevant to both

counties, such as Specialty Foods (\$87 million industry) and Dairy Products (\$56 million).

CEDS implementation should include a strategy focused on exploring these clusters relevant to both counties that could bolster resilience and achieve greater industry diversification.

Cluster descriptions can be found on Harvard’s [Cluster Mapping Project](#) website.



*Cannabis*

Mendocino is one of three counties (Humboldt, Trinity) in the Emerald Triangle, reportedly one of the largest cannabis-producing regions in the country. Nearly every interviewee, and many of the workshop participants, offered thoughts on potential impacts of legal cannabis, and resulting opportunities for the two counties to collaborate on a regional strategy for vertical integration and cluster development. Very little hard data exists on the industry in its current state; therefore, it is difficult to know if or how legal cannabis will contribute to economic diversification. Several options are discussed in the strategy section of this document for CEDS implementation.

*Green Economy*

Sonoma-Mendocino’s green economy is another opportunity for diversifying the region’s industry base in a way that is consistent with community values of sustainability and preservation.

There is no consensus on a precise way to define the green economy, but one of the most frequently cited sources is the 2011 [Green Goods and Services](#) (GGS) survey, conducted by the Bureau of Labor Statistics.

# Economic Diversification (Resilience)

Traded Clusters in Sonoma-Mendocino with \$25 Million – \$99 Million in GDP

	GDP (Value-Added) 2013	Establish 2015	Jobs 2015	Strong Sonoma	Strong Mendocino
Wood Products	\$78,246,541	48	1,135		x
Aerospace Vehicles and Defense	\$67,379,217	5	120		
Printing Services	\$53,052,775	55	516		
Forestry	\$47,967,390	59	576		x
Plastics	\$47,809,723	17	392		x
Furniture	\$41,260,889	51	587	x	
Fishing and Fishing Products	\$39,508,867	28	317		x
Vulcanized and Fired Materials	\$37,966,474	14	370	x	
Recreational and Small Electric Goods	\$33,192,044	27	290	x	
<b>Environmental Services</b>	<b>\$32,633,285</b>	<b>10</b>	<b>356</b>	<b>x</b>	<b>x</b>

Traded Clusters in Sonoma-Mendocino with up to \$25 Million in GDP

	GDP (Value-Added) 2013	Establish 2015	Jobs 2015	Strong Sonoma	Strong Mendocino
Lighting and Electrical Equipment	\$22,382,904	10	150		
Downstream Chemical Products	\$20,921,938	10	83	x	
Music and Sound Recording	\$13,351,348	2	31	x	
Jewelry and Precious Metals	\$5,929,850	4	57	x	
Leather and Related Products	\$4,620,686	6	69	x	



# Economic Diversification (Resilience)

The green economy in Sonoma-Mendocino includes a total of 400 business establishments, 5,000 jobs, and \$450 million in GDP.

BLS defined green jobs in the GGS survey as “jobs in businesses that produce goods and provide services that benefit the environment or conserve natural resources” and identified green activity in sampled companies according to five categories: (1) energy from renewable sources; (2) energy efficiency; (3) pollution reduction and removal, greenhouse gas reduction, and recycling and reuse; (4) natural resources conservation; and (5) environmental compliance, education and training, and public awareness.

Using the GGS definition, Sonoma-Mendocino’s green economy is made up of 428 establishments, 5,076 jobs, and \$455 million in GDP. Leading green industries in Sonoma-Mendocino ranked by number of jobs and value-added contribution to GDP include:

- Forestry, logging, and wood product manufacturing
- Agriculture and support activities for crop production
- Environmental remediation, waste treatment, and disposal
- Residential construction and finishing/specialty contractors
- Navigation, measuring instruments manufacturing

Sonoma County has a [center to advance climate protection](#) as part of its commitment to reducing climate change and advancing new, green solutions to regional challenges, among other assets that can be leveraged for improving diversification and resilience.



**Population and labor force growth in Mendocino County is stagnating, which may limit the region’s future economic development opportunities.**

There is no “ideal state” for population growth in Sonoma-Mendocino or anywhere else. Generally, economic development and labor market analysts tend to focus on change in the primary working age population (25-64) and look for replacement-level growth, at minimum. In other words, a rate at which population is growing fast enough to replace retirees and others exiting the labor force. The US rate is typically used as a benchmark, meaning growth in the local population should keep pace with US growth as a sign of a healthy economy.

As a share of total number of residents, the 25-64 age cohort in Sonoma-Mendocino is comparable to the US population as a whole, approximately 55%. The 25-64 growth rate is much slower in Sonoma-Mendocino compared to the US, but in line with the region’s slower overall population growth.

However, the two counties are headed in opposite directions. After historically slow population growth

Growth Rate by Decade of Primary Working Age (25-64) Population

	1970s	1980s	1990s	2000s
Sonoma-Mendocino	61%	37%	19%	6%
Sonoma County	66%	40%	21%	6%
Mendocino County	40%	24%	10%	5%
US	19%	19%	16%	11%

Estimated Average Annual Growth in Primary Working Age (25-64) Population, 2010-2014

	2010	2014	AVG ANN CHANGE	AVG ANN GROWTH
Mendocino County	47,821	47,880	15	0.03%
Sonoma County	264,392	272,916	2,131	0.81%
Sonoma-Mendocino	312,213	320,795	2,145	0.69%

in the 2000s, Sonoma County’s growth rate since 2010 has trended back toward the US average. Mendocino County, by contrast, is stagnating, and could even show a net loss in residents when the US Census Bureau

releases the 2015 population estimates for counties. Further, Labor force participation in Mendocino has plateaued to a level not seen since the 1990s, while Sonoma is back to a pre-recession participate rate.

Lagging population growth is a recent feature of Sonoma-Mendocino, in demographic terms. As recently as the 1990s, Sonoma was growing at a faster rate than the US. Population growth in Mendocino started tapering off earlier, but as recently as the 1980s was double the national rate. A confluence of factors – tighter land use controls, higher housing costs, a slightly older age distribution – produced slower growth in the 2000s. Mendocino’s population increased by only 2% during the entire decade. Sonoma’s growth rate was one-third of the 1990s rate.

While many people work before age 25 as well as after 64, analysts tend to focus on the 25-64 cohort to minimize the effect of students and potential retirees when assessing workforce availability. As of 2010, Sonoma-Mendocino’s combined primary working age population was 311,827 people, or 55% of the total population, slightly higher than the US at 53%. The primary working age population makes up roughly the same share of total population in Sonoma and Mendocino, and there was not much difference

in county growth rates in that age cohort during the 2000s. However, slower growth rates during 2000-2010 were likely noticed more in Sonoma, given the steep decline from the 1990s: the 25-64 cohort grew by 21% in the 1990s, compared to only 6% in the 2000s. That rapid deceleration likely reshaped perceptions of labor availability in Sonoma for many existing local employers.

Population growth in Sonoma may be trending upward slightly, which is a positive sign in terms of labor availability. Sonoma’s population grew by 3% during 2010-2014, roughly keeping pace with the US growth rate. Mendocino County, by contrast, appears to be continuing on its long-run, downward trajectory. In fact, the number of residents in Mendocino in 2014 was virtually unchanged from 2010. That divergence is also evident in the labor force. Total regional labor force grew rapidly during the recovery, 3.2% in 2010-2014 compared to 1.3% for the US—but, again, Sonoma (4.0%) and Mendocino (-1.0%) were headed in opposite directions.

Growth management is an important priority in Sonoma-Mendocino, and, accordingly, stagnant population growth, may not be well understood or appreciated as a threat that should inform an economic development strategy.

But a healthy, resilient economy, where most income is earned through work rather than rent, investment, and government transfer payments, requires at least a replacement level of population growth in the primary working age cohort to provide a stable labor pool for employers. If the recession taught any lessons, surely among the most important in Sonoma-Mendocino is what can happen in a community as a result of too much dependence on industries fueled by consumer discretionary spending and the wealth effect of appreciating land and home values. Sustainable growth is a result of a diverse economic base that provides sufficient living wage employment to residents. Targeting growth in the 25-64 cohort is a human capital strategy that should be considered as a key element of CEDS implementation.

## Educational attainment, a traditional strength for Sonoma-Mendocino, now trails US rates.

Human capital is the fuel for innovation-based economic development. Companies are only as successful as the talent they can recruit to help innovate and grow. But not all residents of the region are adequately prepared with the right types of education and training necessary to compete for jobs in the innovation economy.

Most living wage jobs in Sonoma-Mendocino, or anywhere else in the US, require some type of postsecondary education, varying from short-term certificates to PhDs. Postsecondary education is especially critical in high-cost areas like Sonoma-Mendocino, where the probability of maintaining a standard of living is greatly reduced with only a high school diploma, or less.

Human capital, in the form of completion rates of postsecondary education, in Sonoma-Mendocino is lagging. In 2000, 38% of the 25-64 cohort had at least an associate's degree, compared to 34% for the US. By 2014, that advantage was gone: the US had reached 40%; Sonoma-Mendocino, 39%.

Measuring the Skills Gap in Sonoma-Mendocino: A Comparison of Population Age 25-64 with Associate's Degree or Higher to Projected Job Openings Requiring Associate's Degree or Higher

	Average Annual Change in Associate's Degree+ Population, Age 25-64	Expected Number of Annual Job Openings for Associate's Degree+ Workers
Mendocino	35	191
Sonoma	834	1,744

Further, there is disparity in postsecondary completion rates between the two counties. Sonoma-Mendocino, as a whole, looks much like the US: 39.4% of the 25-64 cohort has at least an associate's degree, 39.6% for the US. In Sonoma, 41% of the 25-64 cohort has at least an associate's degree, compared to only 29% in Mendocino, where no gain is evident in the data since 2000. Similarly, Sonoma's rate has improved by only two percentage points, 39% in 2000 to 41% in 2014, whereas the US rate has increased by six points, 34% to 40%.

Completion rates for four-year degrees and up show a similar pattern. In Mendocino, 20% of

the 25-64 cohort had a bachelor's or higher in 2014, unchanged from 2000. In Sonoma, 32% of the 25-64 cohort had a bachelor's or higher, up from 30% in 2000, but increasing at a rate that was only about one-half the US rate.

Boosting postsecondary completion rates will be critical if Sonoma-Mendocino hopes to fill job openings with existing residents. Nearly 2,000 job openings requiring an associate's or higher will need to be filled per year in 2015-2025. If the 25-64 cohort with an associate's or higher grows at the same pace it did in 2000-2014, only 43% of those 2,000 job openings could be filled with existing population.

Research from the [Kauffman Foundation](#), a leading national think tank on entrepreneurship, indicates that new or young firm density, typically defined as firms younger than five years relative to a region's population size, is an important indicator of startup ecosystem development and a region's capacity for high-growth entrepreneurship.

Data for Santa Rosa MSA\* suggests that Sonoma-Mendocino is a fertile environment for entrepreneurship. There are 5.1 new/young firms per 1,000 population in Santa Rosa MSA, a density score on par with leading centers of innovation and entrepreneurship, such as Raleigh-Durham, and well above the US rate (4.5). Further, employment at new/young firms accounts for approximately 10% of total employment in the region, also comparable to Raleigh-Durham, and about one percentage point higher than the US.

The region's entrepreneurial economy, combined with assets already in place for market research (e.g., EDB, SSU), access to capital (e.g., EDFC, West Company), and development of the entrepreneurial ecosystem (e.g., SOMO Village), suggest that entrepreneurship can be leveraged as a core strategy in the CEDS to promote economic diversification.

There are approximately 2,500 firms less than five years old in the Santa Rosa MSA, employing more than 15,000 workers.

“A diversity of small business types fanned out across multiple economic clusters provides us with a more resilient base to withstand downward market dynamics and exploit the upward swings. The handfuls of clusters for which we already excel represent the building blocks to start a culture of encouragement and support for entrepreneurs starting smaller businesses. All along the supply chains are ample opportunities for smaller businesses to take root. To succeed, we need to drive the development of more clusters. The number of businesses and their diversity strengthen the root system by injecting competition and growing competencies of the workforce. The latter makes a significant difference in our future development opportunities. It's easier to grow with an ample population of trained workers. Core business establishments, or resident business with less than 100 employees serving the local market, represent 66% of all jobs. We have to keep the pipeline full by ensuring the capability of starting new business at a steady pace.”

*Local Entrepreneur*

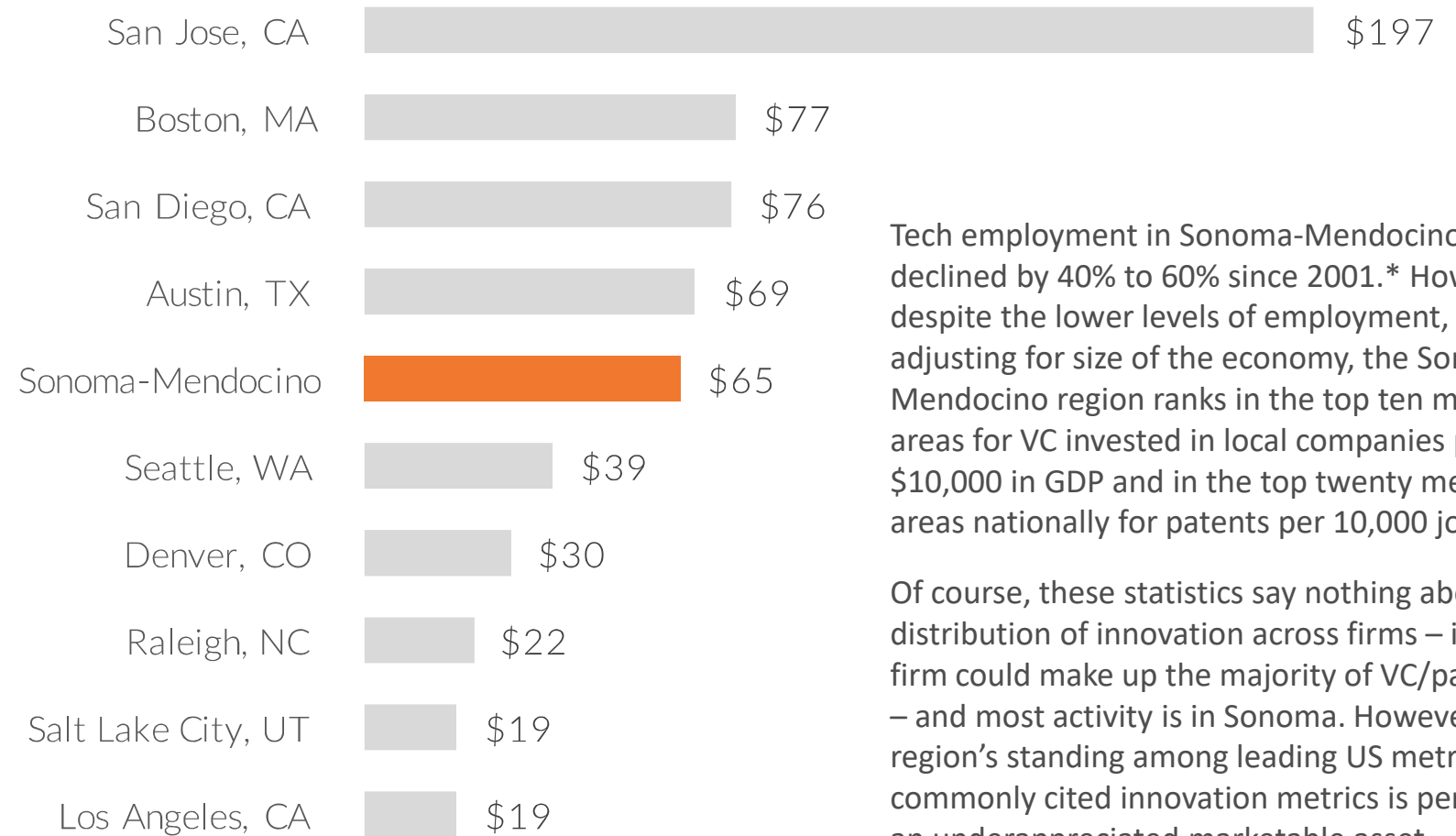


**Sonoma-Mendocino is a center of regional innovation, ranking competitively on a per capita basis with some of the most notable innovation hubs nationally.**

Innovation capacity is the foundation of the knowledge economy. For sole proprietors, small businesses, and global companies alike, innovation fuels business formation and expansion, productivity, exports, and wealth creation. Sonoma-Mendocino is not a low-cost environment and therefore “low-road” strategies for economic development will not work. Companies, and the region as a whole, must innovate to compete.

There is no perfect measure of innovation. Researchers typically use venture capital (VC) or patents as proxies, or signals, for innovation. VC usually finds growth-stage companies inventing new products and services and competing successfully.

Average Annual Venture Capital Investment Per \$10,000 in GDP, 2005-2012



Tech employment in Sonoma-Mendocino has declined by 40% to 60% since 2001.\* However, despite the lower levels of employment, when adjusting for size of the economy, the Sonoma-Mendocino region ranks in the top ten metro areas for VC invested in local companies per \$10,000 in GDP and in the top twenty metro areas nationally for patents per 10,000 jobs.

Of course, these statistics say nothing about the distribution of innovation across firms – i.e. one firm could make up the majority of VC/patents – and most activity is in Sonoma. However, the region’s standing among leading US metros on commonly cited innovation metrics is perhaps an underappreciated marketable asset.

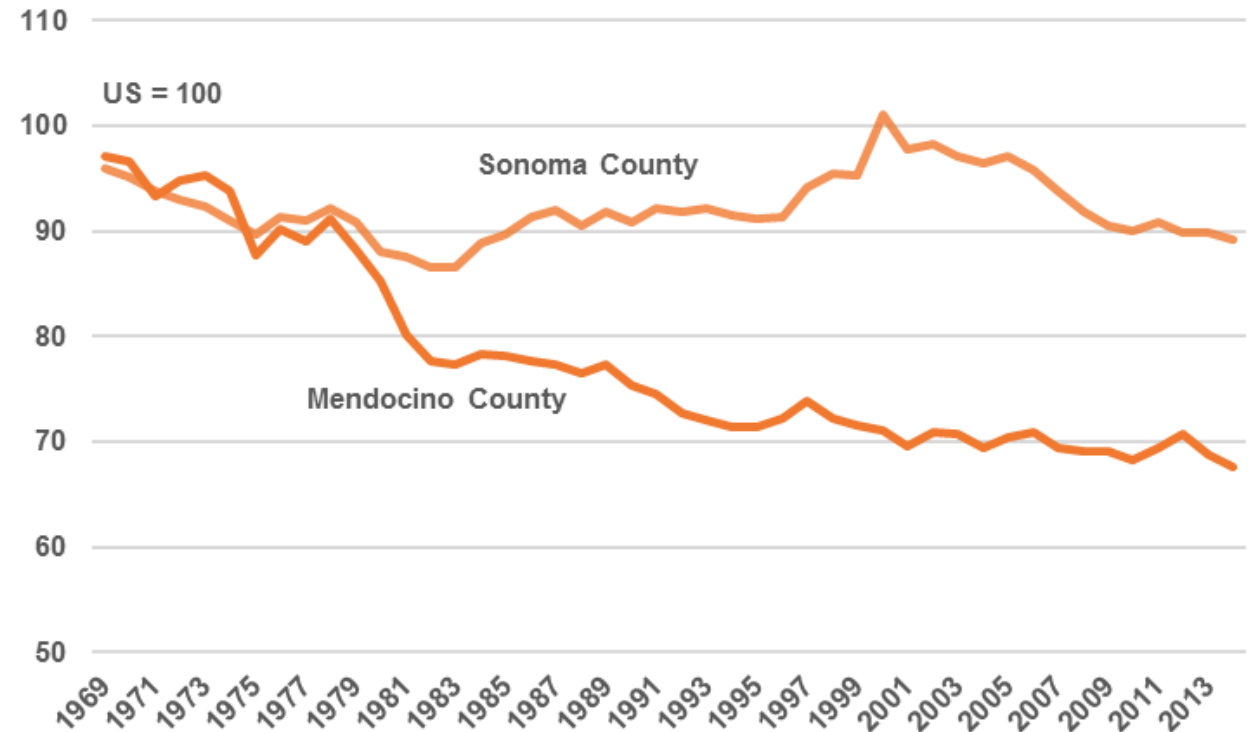
## Average earnings are falling relative to the US.

Average earnings relative to the US have been on a downward trajectory since the early 1980s in Mendocino and the early 2000s in Sonoma. Wage stagnation, of course, is not unique to Sonoma-Mendocino; many US regions are struggling with it. But wage stagnation is of particular concern in Sonoma-Mendocino given the high and rising cost of housing.

Wage stagnation is exacerbating the affordability challenge in the region. Average earnings per job\* in Sonoma County were \$50,796 in 2014, 89% of the US average. Average earnings in Sonoma relative to the US peaked in 2000 (101%) before the dot-com recession, and have grown by only 14% in real terms since 1969. Average earnings per job in Mendocino County were \$38,503 in 2014, 68% of the US average, and 17% lower than inflation-adjusted average earnings in 1969.

Sonoma-Mendocino fares better when looking at household income, but not enough to make up for dramatically higher housing costs. Median household income in the region as a whole was \$59,992 in 2014, 12% higher than the US median. Meanwhile, the median value of owner-occupied housing in Sonoma-Mendocino was more than twice as high as the US median in 2014, and median rents were 35% higher.

Average Earnings Per Job in Sonoma-Mendocino Relative to US Average (100)



More recent data available from privately run services, such as Zillow, suggest that owner-occupied housing values in Sonoma may now be as much as three times higher than US values, and rents may be twice as high. Housing costs in Mendocino are more moderate, but still well above US values.

**Housing affordability is a challenge for most lower-middle income workers, but the rising cost of living is disproportionately impacting minority residents of Sonoma-Mendocino.**

The goals of economic development should be wealth creation and rising living standards for *all* residents, but a significant share of people in Sonoma-Mendocino are not prepared to fully participate in the regional economy.

Economic and workforce development can no longer exist in silos. Inclusive participation in an innovation-based regional economy is possible only through human capital development that positions people of all backgrounds to compete effectively for opportunities. Disparity in higher education attainment and skills development leads to economic segregation in regions with higher housing costs, as well-educated, higher-income residents are able to afford high-quality housing in proximity to employment centers and lower-income residents with no postsecondary education are displaced to lower opportunity areas with lower housing costs.

Housing Affordability for Workers Age 25+ by Educational Attainment and Race/Ethnicity

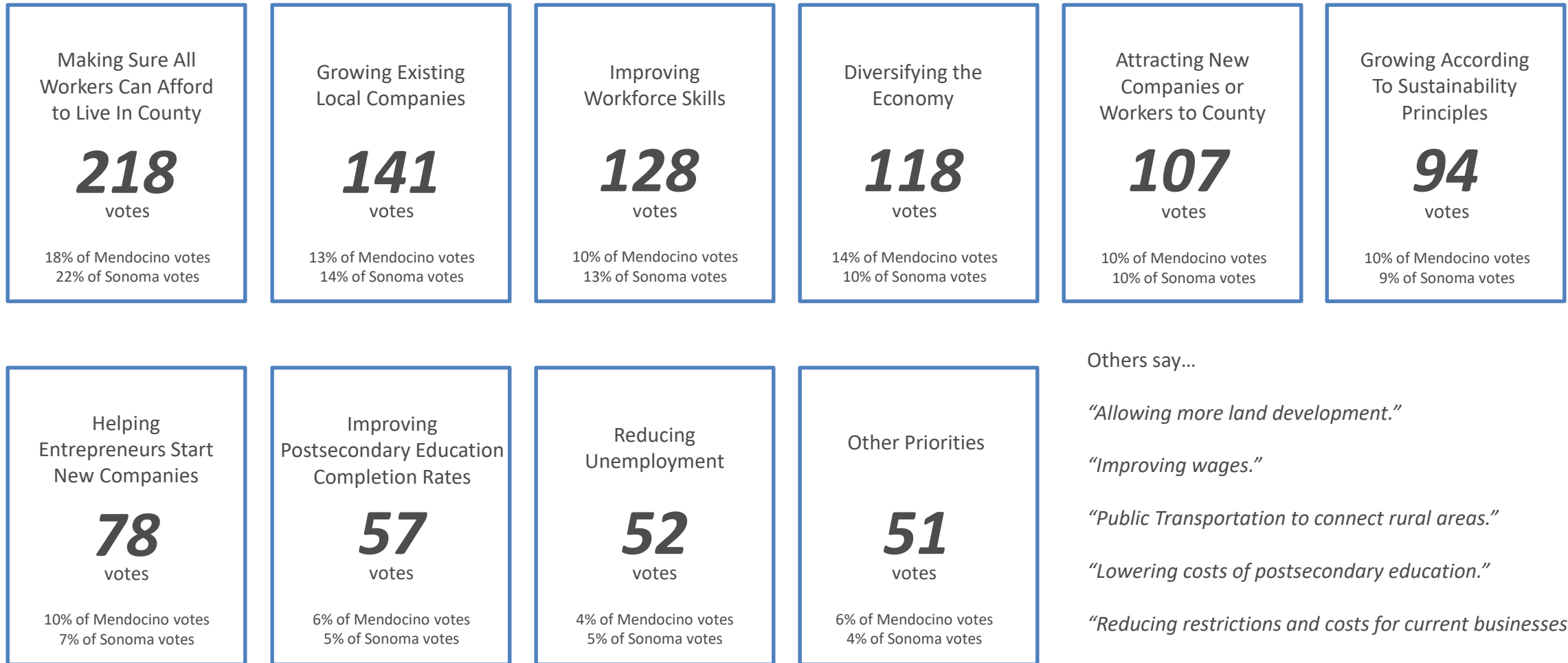
	SONOMA COUNTY		MENDOCINO COUNTY	
	AVERAGE EARNINGS	MAXIMUM AFFORDABLE HOUSING COST (MONTH)	AVERAGE EARNINGS	MAXIMUM AFFORDABLE HOUSING COST (MONTH)
Bachelor's Degree+	\$74,964	\$1,874	\$50,376	\$1,259
Some College/Associate's	\$50,928	\$1,273	\$37,764	\$944
High School Diploma	\$42,636	\$1,066	\$33,780	\$845
No High School Diploma	\$35,244	\$881	\$28,308	\$708
Asian	\$56,364	\$1,409	\$40,512	\$1,013
White	\$50,532	\$1,263	\$35,892	\$897
Native Hawaiian/Pacific Islander	\$39,156	\$979	\$30,948	\$774
Black	\$37,188	\$930	\$28,764	\$719
American Indian/Alaska Native	\$36,336	\$908	\$29,376	\$734
Hispanic/Latino	\$36,024	\$901	\$28,464	\$712

Median rent list price (2BR, May 2016) - \$2,000 per month in Sonoma County (Mendocino County N/A)

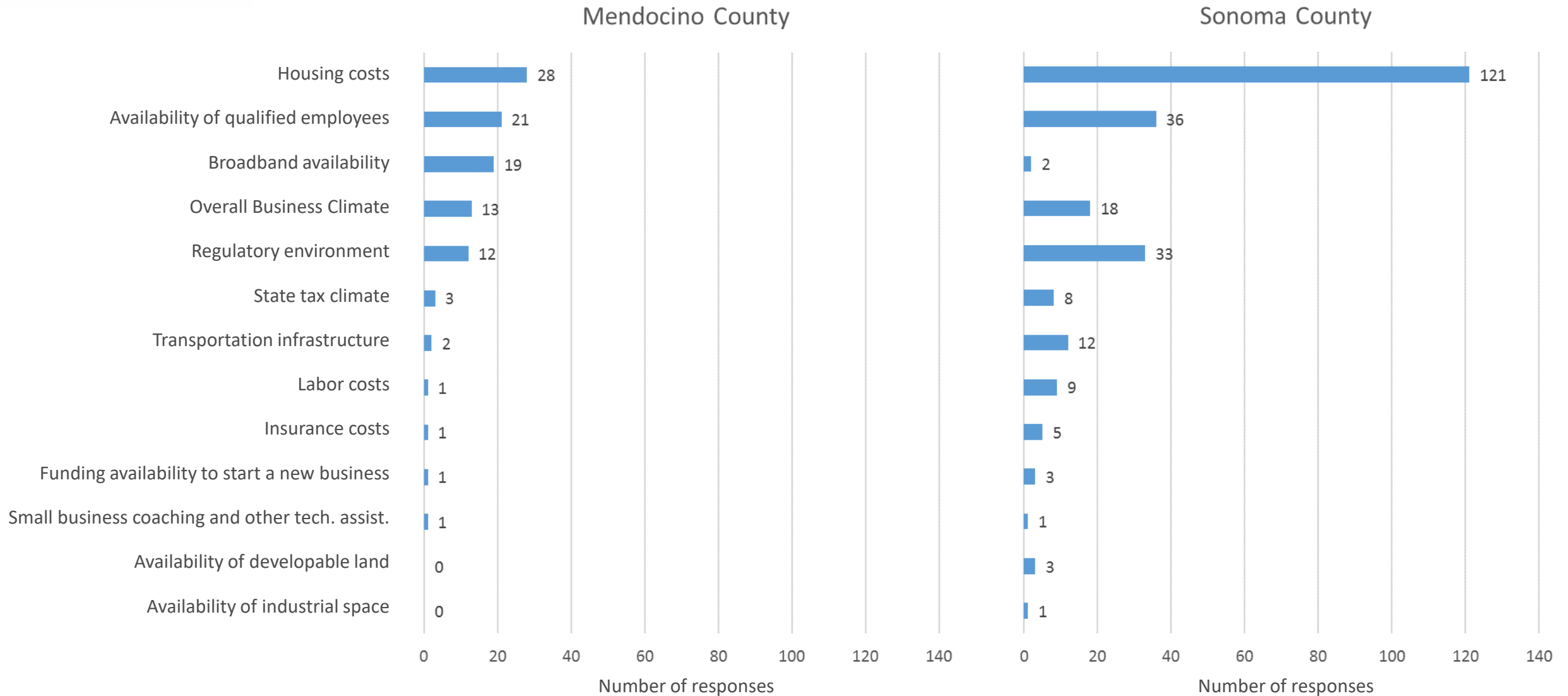
Using the standard affordability definition of spending no more than 30% of income on housing, list prices on 2BR rentals in Sonoma County have increased to the point where only workers with a bachelor's or advanced degree earn enough, on average, to afford housing that could reasonably accommodate a family.

Of the priorities selected by survey respondents, "making sure all workers can afford to live in the county" was the top priority by a wide margin, especially in Sonoma County.

# Survey: Which of the following do you view as the top three economic priorities for your county?



# Survey: What is your top concern about the future competitiveness of your county's economy?

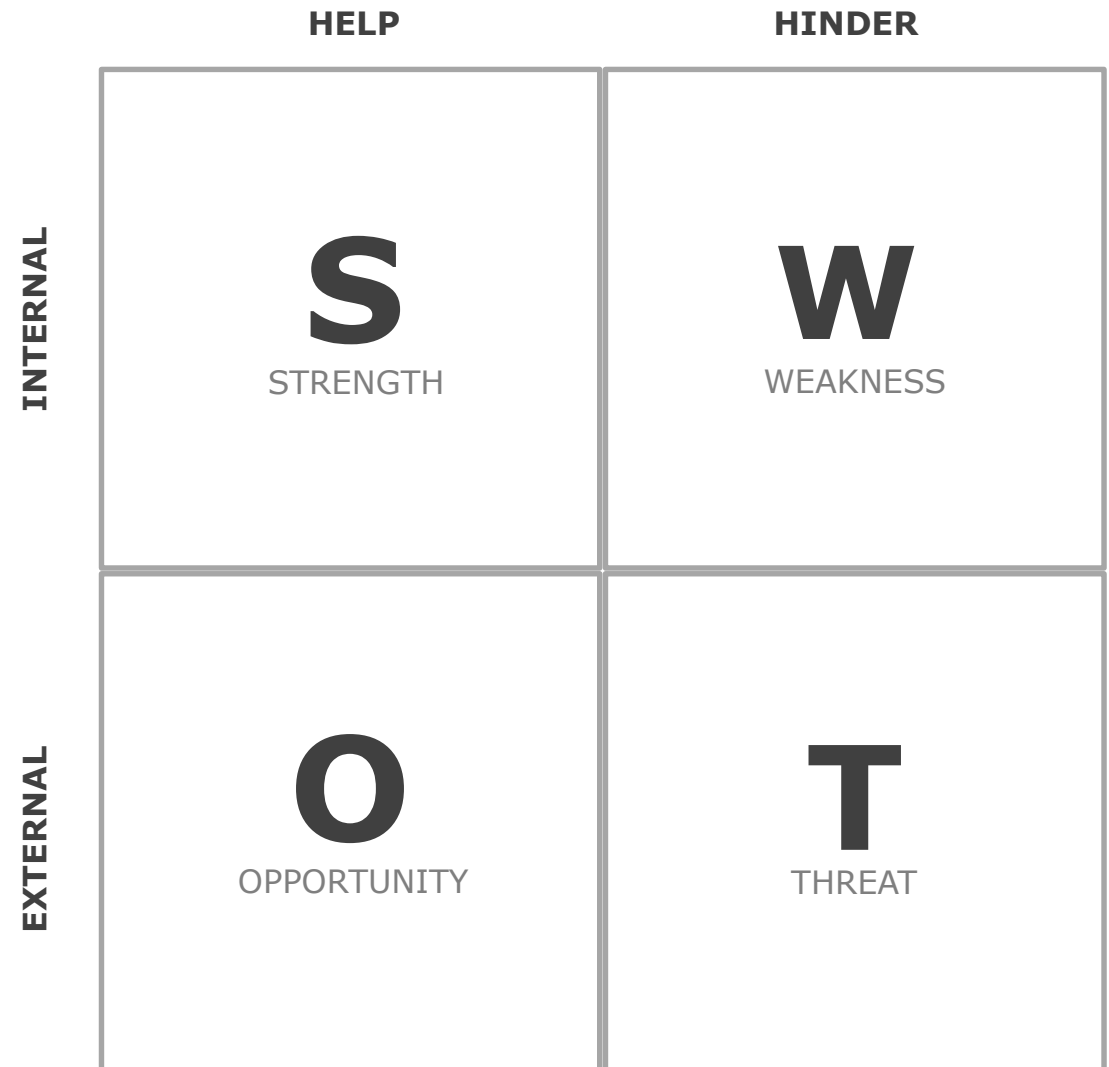


The Sonoma-Mendocino EDD convened public workshops in May 2016 to engage stakeholders in a strengths, weaknesses, opportunities, and threats (SWOT) analysis, an EDA CEDS requirement. Approximately 80 people attended the workshops and provided input. In addition to the workshops, public input was collected through the CEDS survey and 30 interviews with public and private sector leaders in the region.

This section summarizes themes that emerged throughout the public participation process, which were used to shape the goals, strategies, and initiatives included in the CEDS.

### Strengths

- Scenic, natural beauty, good climate.
- Strategic location to San Francisco and Bay Area – can leverage agglomeration effects and economic opportunities but at much slower pace that appeals to young, active workforce.
- Desirable quality of life, particularly in contrast to San Francisco and the rest of the higher-cost Bay Area.
- Rich stock of non-profits.
- Availability of quality instruction at community colleges.
- Hospitality and tourism: wine, coast, parks, recreation.
- Tech manufacturing and support programs (Maker Movement).





## Strengths (cont'd)

- Natural resources.
- Demand for healthy lifestyle related businesses.
- Market information provided by Sonoma County EDB.
- Attractive destination for retirees.
- Sonoma Clean Power, Sonoma Mountain Village, and generally strong recognition and commitment to sustainability.
- Ukiah-based Family Medicine Residency Program, UC Davis sponsor.
- Gaming industry attracting money from outside the region.
- At least eight certified B Corporations.\*

## Weaknesses

- Culture that is resistant to change (e.g., attitudes toward housing density even when recognizing affordability challenge).
- Lack of affordable housing and other cost of living drivers like child care, health care, and reliance on car ownership for commuting.
- Insufficient workforce availability to meet industry needs.
- Inadequate broadband availability, especially in rural areas.
- Not aggressive enough in marketing the region and telling its economic development story; lack of awareness among tech entrepreneurs and investors in Bay Area and nationally.

- Highway infrastructure; insufficient long-term planning.
- Underdeveloped entrepreneurial ecosystem (North Bay Angels is an exception; strong for low level of density in regional activity).
- Lack of peer group interaction for professionals in their 30s.
- Schools performing below national averages.
- Insufficient large, institutional donor support for the arts.
- Insufficient career and technical education (CTE) available in K-12.
- Inadequate awareness of existing programs.
- Lack of industry diversity.
- Homelessness.
- Low wages relative to cost of living.
- Aging population and professional class.
- Shallow labor market – recruits balk when they consider what they will do if the first job does not work out.
- Difficult permitting and approvals – “When push comes to shove, we’re not making it easy for businesses to start, expand, or move in.”
- Sacrifices required for high-growth entrepreneurship are not well understood by community or aspiring entrepreneurs. Most new businesses are lifestyle in nature.

\* <http://clearbluecommercial.com/tag/b-corporation/>



## Opportunities

- Cannabis related tourism – appellation contrôlée style branding and management to appeal to discerning, higher-end market.
- Transit oriented development and other “reimagining” of downtowns spurred by operation of SMART train.
- Community colleges located in both counties for coordination and co-management of postsecondary education and training aligned to the hiring needs of industry.
- Specialized cannabis training program modeled after Wine Business Institute at Sonoma State University.
- Revenue sharing agreements between local governments.
- Scaling successful career and technical education (CTE) programs at [CTE Foundation](#), county offices of education, and community colleges, as well as initiatives like Builders Exchange’s [CHOICES](#) program.
- Recreation and tourism impacts of complete bicycle and pedestrian trail in SMART right-of-way.
- Accessory dwelling units (“granny” or “alley” flats) could increase housing supply and density without high-rise development, which encounters opposition in many communities.
- Underdeveloped retail in Mendocino (Costco has been planning to locate a store but has faced legal challenges).
- Public art, creative place-making.

- Recruiting professional services firms priced out of San Francisco.

## Threats

- Job displacement resulting from automation of low-wage, low-skill jobs that are prevalent in the region.
- Legalization resulting in outside corporations (high volume) taking over the cannabis industry from small, family-owned enterprises.
- Migration of cannabis producers to lower-cost locations, such as the Central Valley, after legalization.
- Water availability: unknown impact of legal cannabis on demand and ongoing demands from external sources.
- State wage regulation (e.g., overshooting on minimum wage increase).
- Impact of global warming on agriculture.
- High and rising student debt will reduce likelihood of postsecondary education or training; exacerbates housing affordability challenge.
- California Coastal Commission’s restrictions on land use limit the development potential in coastal communities.
- Onerous regulations stifling commercial fishing.
- Absentee landlords are not maintaining buildings in some central business districts, keeping vacancy rates unnecessarily high.
- Impact of rising costs and other economic pressures on small hospitals with emergency rooms, especially in non-urbanized areas of region.



## Economic Diversification (Resilience)

### Goals:

- Expand the non-tourism/real estate share of regional GDP to bolster Sonoma-Mendocino's resilience to economic downturns.
- Grow the region's green economy – renewable energy, clean tech, and related enterprises – to become a national leader in sustainability.

### Strategies:

- Develop the non-wine portion of Food Processing and Manufacturing to leverage the region's strengths in organic foods and related natural products that support healthy living.
- Market the region as a lower-cost alternative to Bay Area companies that fill gaps in traded cluster value chains.
- Create a blueprint for the cannabis cluster that leverages the unique strengths of each county, and mitigates negative effects, in the event of statewide legalization.
- Support ongoing business retention and expansion programs to retain existing businesses and jobs and encouraging sustainable business growth and job creation.
- Support business diversity by working with the minority business community and other underserved markets to provide a tool box of resources to start, grow, and expand their businesses.

- Support the ongoing development of regional transportation infrastructure projects like the Sonoma County Airport, Sonoma-Marín Area Rapid Transit (SMART), and the Interstate Hwy 101 expansion project.
- Support key economic clusters by providing research and targeted industry assistance to grow and expand the jobs base for those industries.

## Human Capital

### Goals:

- Exceed the US rate of population growth in the primary working age cohort (25-64) to achieve healthy and sustainable expansion of the Sonoma-Mendocino labor force.
- Raise the postsecondary completion rate for the 25-64 age cohort until Sonoma-Mendocino again exceeds the US rate.
- Close the postsecondary completion gap between Sonoma County and Mendocino County in the age 25-64 cohort.

### Strategies:

- Support employer-driven, agency-inclusive workforce development strategies focused on the current and future needs of area employers.

## Human Capital (cont'd)

- Continue support for Career Technical Education programs and scale successful models to reach more students in both counties, while at the same time increasing graduation rates.
- Offer work-readiness programs like [WorkKeys](#) region-wide to address shortages in soft skills and related preparation for successful careers.
- Prioritize STEAM education, grow the [maker movement](#), and increase the number of [maker certified](#) educators.
- Implement a [certified career coach program](#) to help students and their families make informed choices about career pathways.
- Evaluate the necessity and feasibility of a [Kalamazoo Promise](#)-like program to expand access to local community colleges to augment tuition assistance available through [BOG Fee Waivers](#).
- Explore the feasibility of piloting a [two-generation program](#) applying best practices from the *Ascend* program at the Aspen Institute.
- Develop arts education interventions for students in underserved and underachieving neighborhoods, following on research that significant arts exposure leads to increased GPA's, High School and College graduation rates.

## Innovation and Entrepreneurship

### Goals:

- Continue to exceed the US average on the Kauffman Foundation's core measures of entrepreneurial activity.

### Strategies:

- Launch an Innovation Fund modeled after the [CreateHere](#) program in Chattanooga to seed entrepreneurial ventures in public, private, arts, and civic sectors of the regional economy.
- Implement an import substitution strategy that links purchasers and suppliers in-region to prevent money from "leaking" outside.
- Expand capacity of "buy local" and local investment programs.
- Promote entrepreneurship development by assisting startups with navigating the regulatory and permit process, offering small business assistance workshops, and market intelligence to provide a toolbox of resources to give our businesses that competitive edge.
- Develop expanded access to capital resources to support local entrepreneurs with the funding needed to purchase equipment, inventory and personnel to launch and grow new business ventures.
- Explore the feasibility of developing a creative incubator to expand creative business and the creative economy employee base.

## Inclusive Economic Development

### Goals:

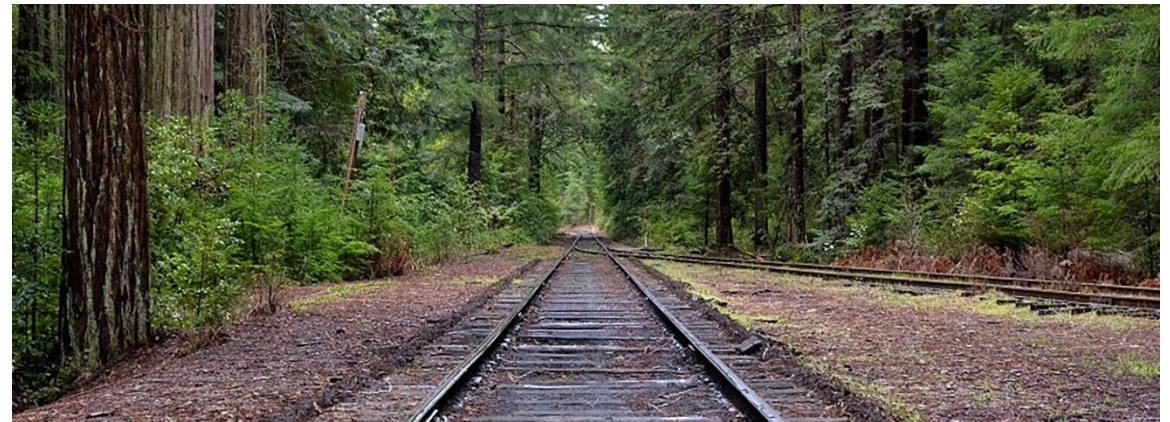
- Reduce the number of economically distressed communities in the region, as defined by EDA investment eligibility criteria.
- Close the gaps in earnings by race/ethnicity to ensure that all workers can compete for living wage jobs that make housing affordable.
- Achieve parity with US average earnings.

### Strategies:

- Develop partnerships with local educational institutions, cities, trade groups, small business development centers, SCORE, Chambers of Commerce, and minority serving organizations that encourage and support economic inclusion through coordinated job training, skills certification, and business development efforts.
- Increase access to broadband in underserved and economically distressed areas of the region.
- Build direct and deliberate bridges between women and minority owned businesses and purchasing needs of anchor institutions and larger employers.
- Develop a zoning and parcel map on the Sonoma-Mendocino CEDS

[interactive map](#) to identify and create awareness of where housing needs are greatest and where new units can be built.

- Evaluate and benchmark utility hookup fees and related development costs to ensure they are not a barrier to increasing housing supply.
- Increase awareness and utilization of customized training and on-the-job training available through workforce investment boards.
- Develop a Creative Apprenticeship Program with key local businesses, maker spaces, and SRJC/SSU targeting young high school and/or college graduates, with a particular focus on at-risk minority communities.



[Redwoods Railroad](#)

The Sonoma-Mendocino Economic Development District published a [Call for Projects](#) on August 15, 2016, to identify existing or planned initiatives that could be incorporated into the action plan for this CEDS. Thirty-three projects were submitted from public and private sector stakeholders from around the Sonoma-Mendocino region—a testament to the high level of interest and engagement in the CEDS process. These projects will provide a starting point for a work plan if the Sonoma-Mendocino EDD’s request for designation and funding (expected 2017) is approved by EDA. Further, inclusion in the CEDS indicates that these priority projects conform to the CEDS goals and strategies and thus would be expected to help the region achieve the goals of the CEDS upon successful implementation.

If awarded designation and funding by EDA, the Sonoma-Mendocino EDD expects to work with the organizations represented in this priority project list to further develop the proposals, identify and pursue funding sources, and provide other types of technical assistance as requested.

The Sonoma-Mendocino EDD Board of Directors would like to express its gratitude to all the organizations that submitted proposals and would like to encourage those not selected for inclusion in the CEDS to apply again if designation and funding are approved by EDA.

For more information about the role of the project list or action plan in a CEDS, please consult EDA’s [CEDS Content Guidelines](#).

- City of Fort Bragg – Mill Site Rezoning and Infrastructure Project
- Creative Sonoma – Roadside Culture Stands
- Kashia Band of Pomo Indians – Post-Secondary Education Scholarships
- Local Works – Regional Distribution System
- MidPen Housing – Roseland Village Neighborhood Center
- North Bay Makers – 180 Studios
- North Bay-North Coast Broadband Consortium – Deploy Fiber-Based Middle-Mile Broadband Infrastructure: Santa Rosa to Laytonville
- North Bay-North Coast Broadband Consortium – Deploy Fiber-Based Middle-Mile Broadband Infrastructure: Route 20-Fort Bragg to Willits
- North Coast Opportunities, Inc. – Community Kitchens Project
- Noyo Center for Marine Science – Building an Educational Pipeline for Green Jobs and Place-Based Research
- Noyo Harbor District – Noyo Harbor Sustainability Plan
- Redwood Community Services, Inc. – Arbor Youth Resource Center Youth Education and Employment Center
- SoCo Nexus – SoCo Nexus Accelerator
- Sustainable North Bay – Heirloom Skills Incubator
- West Company – Rural Entrepreneur-in-Residence Program

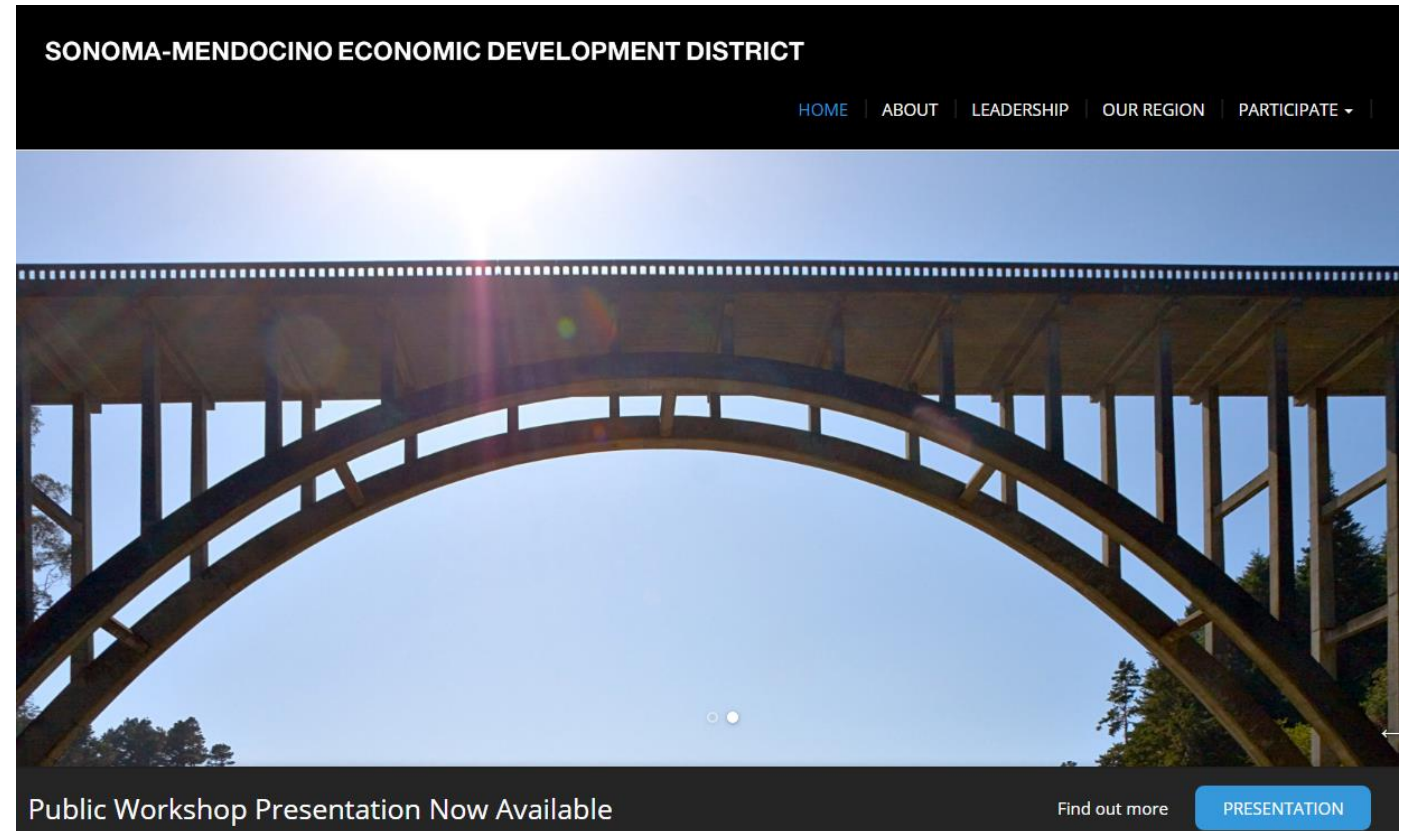
As with most CEDS projects across the country, public input was collected through a community survey, available on the Sonoma-Mendocino CEDS website in English and Spanish from March 23 to April 25, 2016. The survey received 353 responses, 251 from Sonoma and 102 from Mendocino.

The survey was advertised through a variety of channels, including county websites, press releases, local radio and print publications, and social media. In addition, the survey was distributed via email by local chambers of commerce, non-profit associations, and various other organizations representing diverse stakeholders in the counties.

In addition to the survey, 55 organizations, listed on p. 36, were invited to participate in phone interviews to provide input on strengths, weaknesses, opportunities, and threats facing Sonoma-Mendocino.

Finally, approximately 80 people participated in two public workshops held in Santa Rosa and Ukiah.

Public outreach was intended to be as inclusive as possible in soliciting participation, given the limited resources available.



## Interviewees (Invited)

Anderson Trucking/Logging  
Arts Council of Mendocino County  
Baechtel Creek Inn  
Bear Republic Brewing Company  
Century 21  
City of Fort Bragg  
City of Petaluma  
City of Point Arena  
City of Santa Rosa  
City of Ukiah  
City of Willits  
Creative Sonoma  
Employers Council  
Endologix, Inc.  
Factory Pipe  
Federated Indians of Graton Rancheria  
Howard Hospital  
IBEW Local 51  
Kaiser Permanente  
Keegan and Coppin  
La Luz Center

La Tortilla Factory  
Little River Inn  
MAC Thin Films  
Mendocino Coast Chamber  
Mendocino College  
Mendocino County Farm Bureau  
Mendocino County Office of Education  
Mendocino Winegrowers Alliance  
Napa-Sonoma Small Business Development Center  
Navarro Vineyards & Winery  
North Coast Builders Exchange  
Oliver's Market  
Perry, Johnson, Anderson, Miller & Moskowitz  
The Press Democrat  
Redwood Credit Union  
Redwood Forest Foundation, Inc.  
Santa Rosa Chamber of Commerce  
Santa Rosa Junior College  
Sonic  
Sonoma Clean Power  
Sonoma County Farm Bureau

Sonoma County Hispanic Chamber of Commerce  
Sonoma County Office of Education  
Sonoma County Winegrowers  
Sonoma State University  
St. Joseph's Health Care  
Starks Restaurants  
Town of Windsor  
Traditional Medicinals  
Ukiah Valley Chamber of Commerce  
Ukiah Valley Medical Center  
Vintners Inn/John Ash  
West Company  
Working Solutions

## CEDS Survey Results

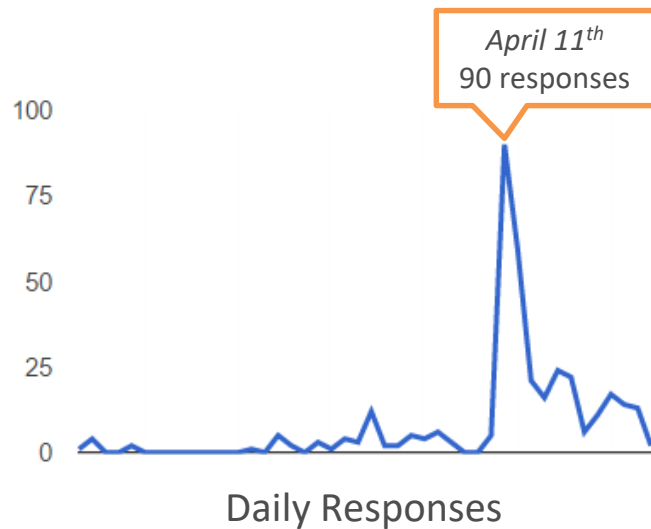
# Which county do you live in?

## Respondents

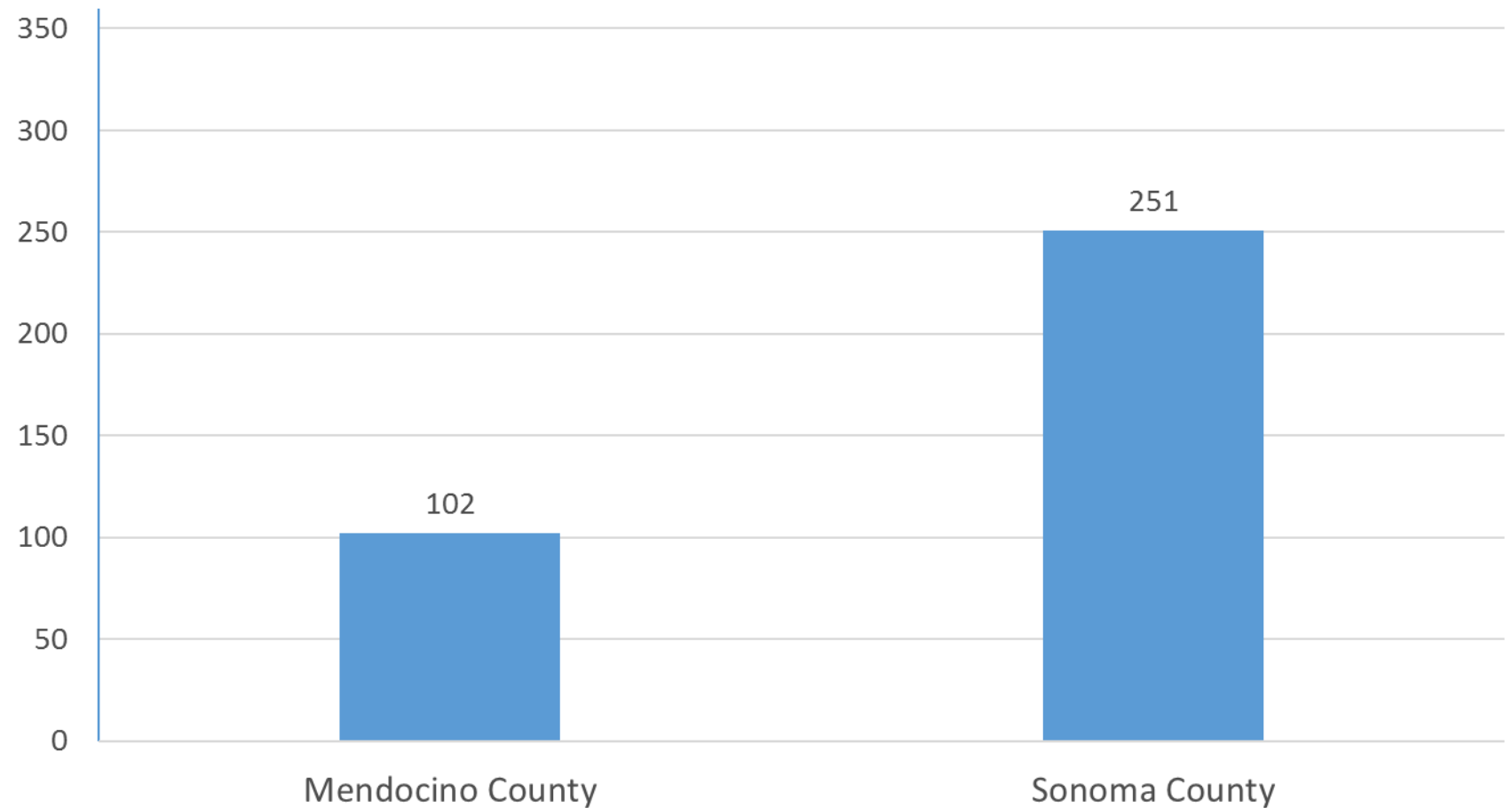
Sonoma	71%
Mendocino	29%

251 - .05% of Sonoma total pop

102 - .12% of Mendocino total pop



## Survey Respondents' County of Residence





# How many years have you lived in your county?

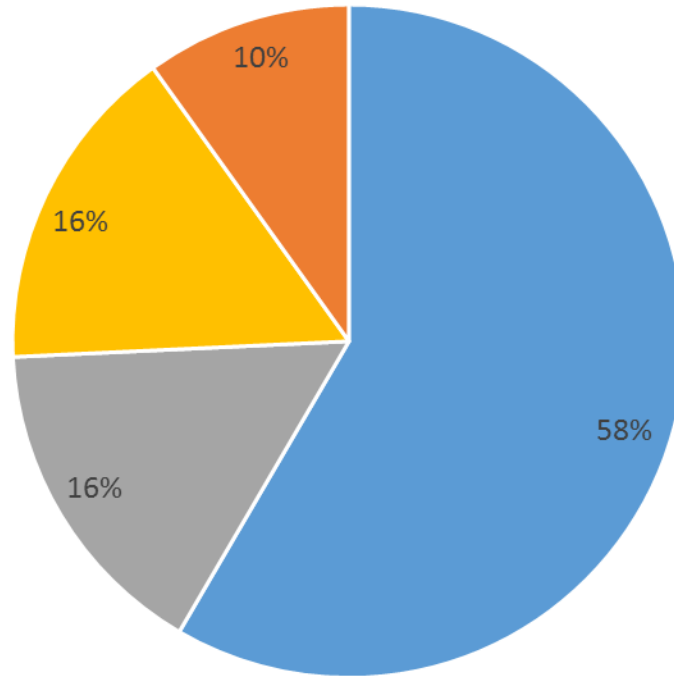
## Years Lived in Mendocino

More than 15 years	59
11-15 years	10
5-10 years	16
Less than 5 years	16

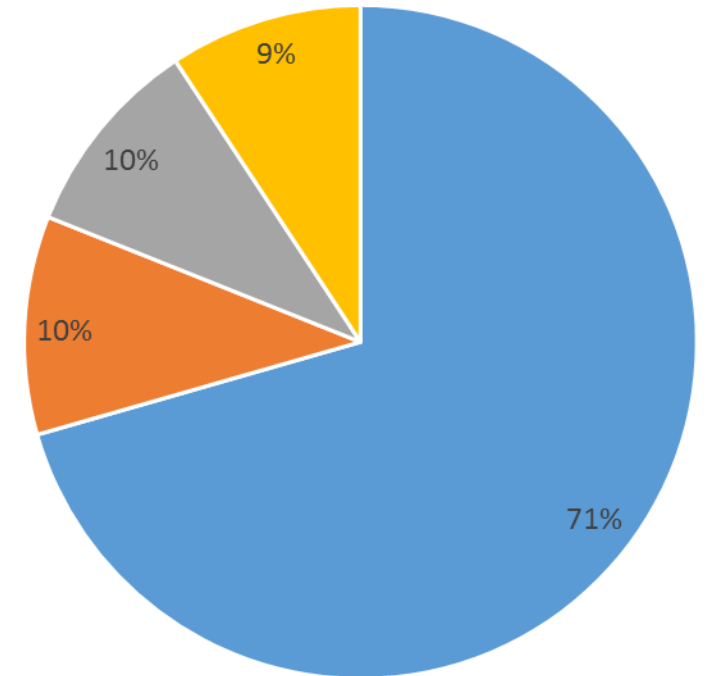
## Years Lived in Sonoma

More than 15 years	175
11-15 years	26
5-10 years	24
Less than 5 years	23

Mendocino County



Sonoma County





# What is your age?

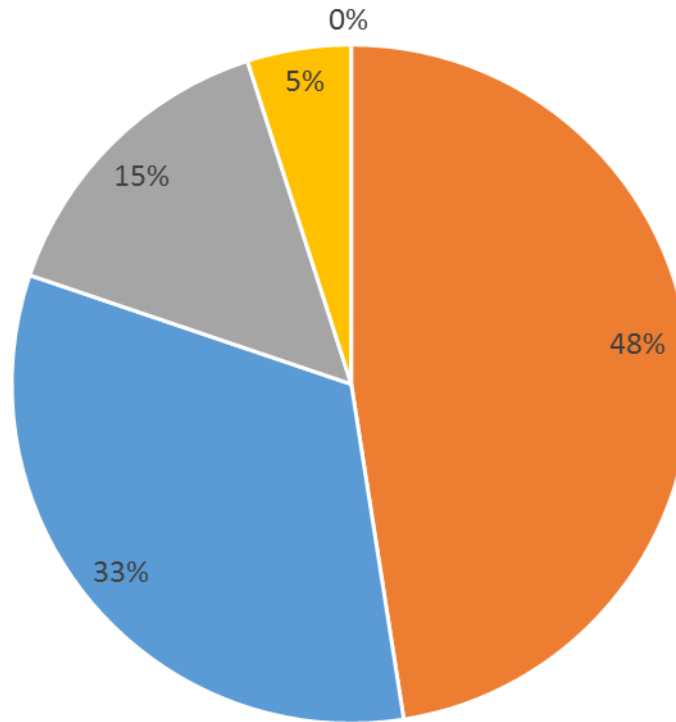
## Mendocino

18-24	0
25-34	5
35-44	15
45-64	48
65 and older	33
I choose not to answer	1

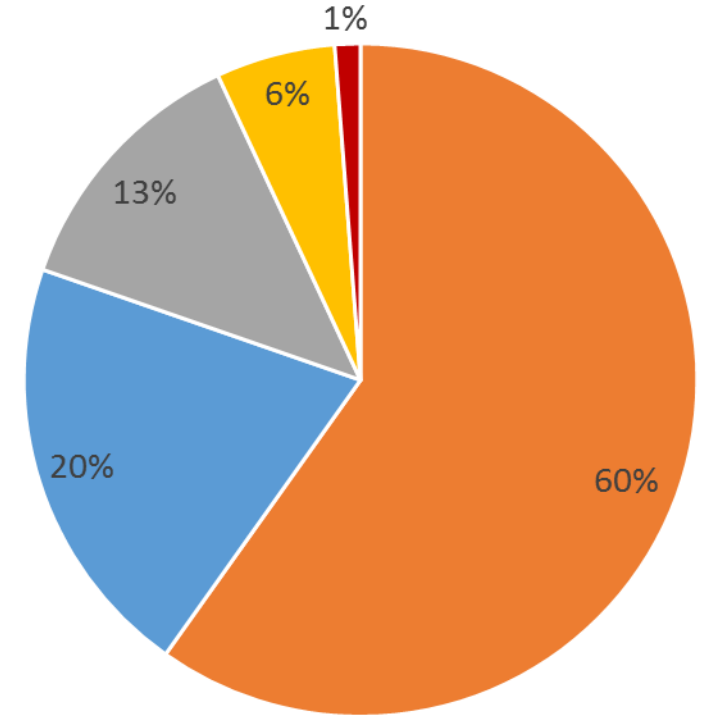
## Sonoma

18-24	3
25-34	14
35-44	31
45-64	146
65 and older	50
I choose not to answer	7

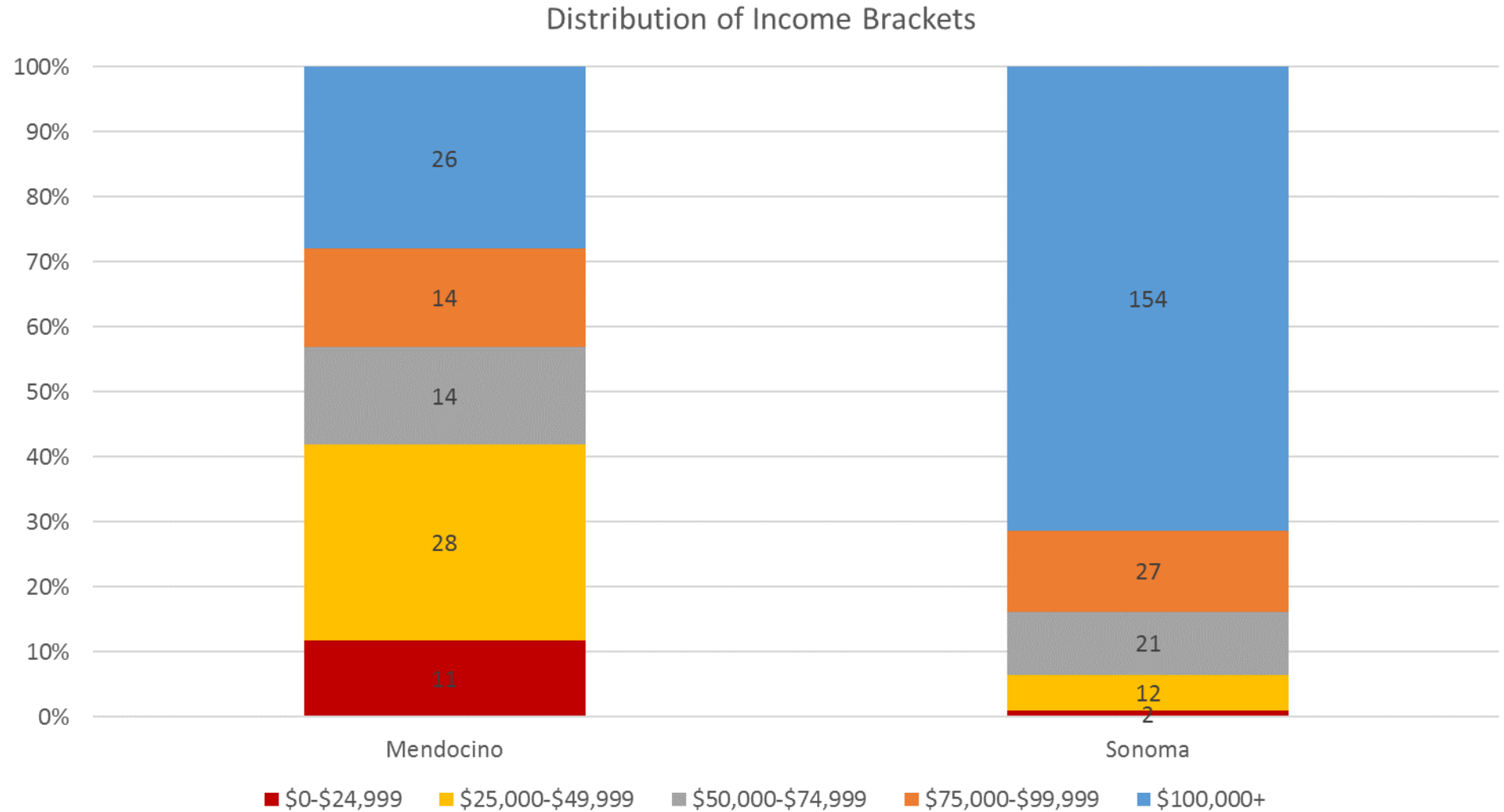
Mendocino County



Sonoma County



# What is your annual household income?



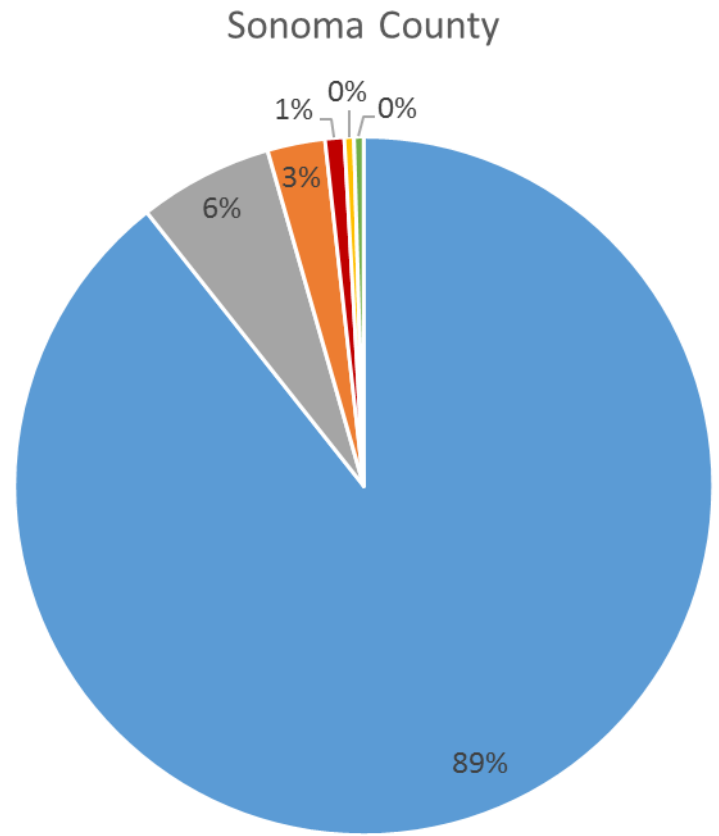
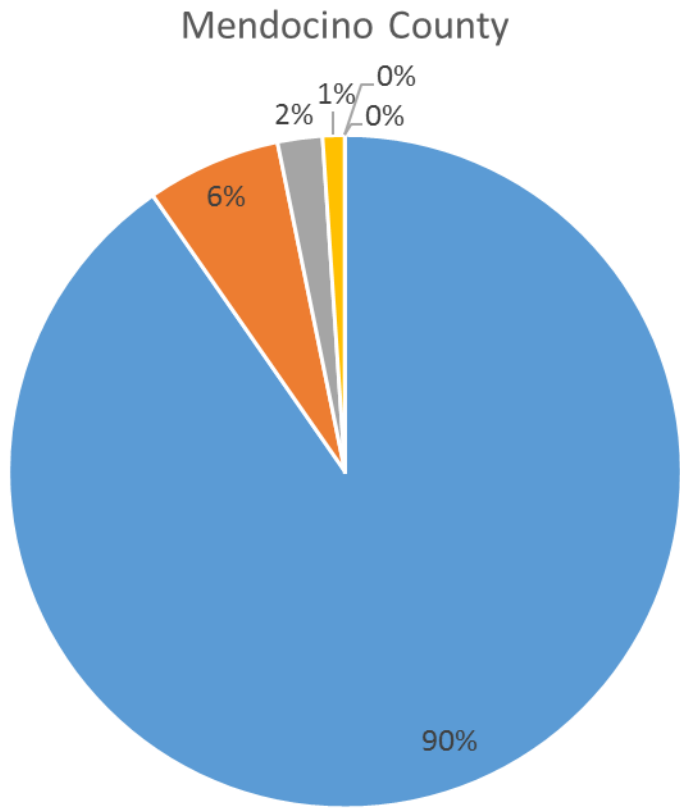
# What is your race/ethnicity?

**Mendocino**

White	84
Mixed race/Heritage	6
Hispanic/Latino	2
Black or African-American	1
Asian	0
Native Hawaiian or Other Pacific Islander	0

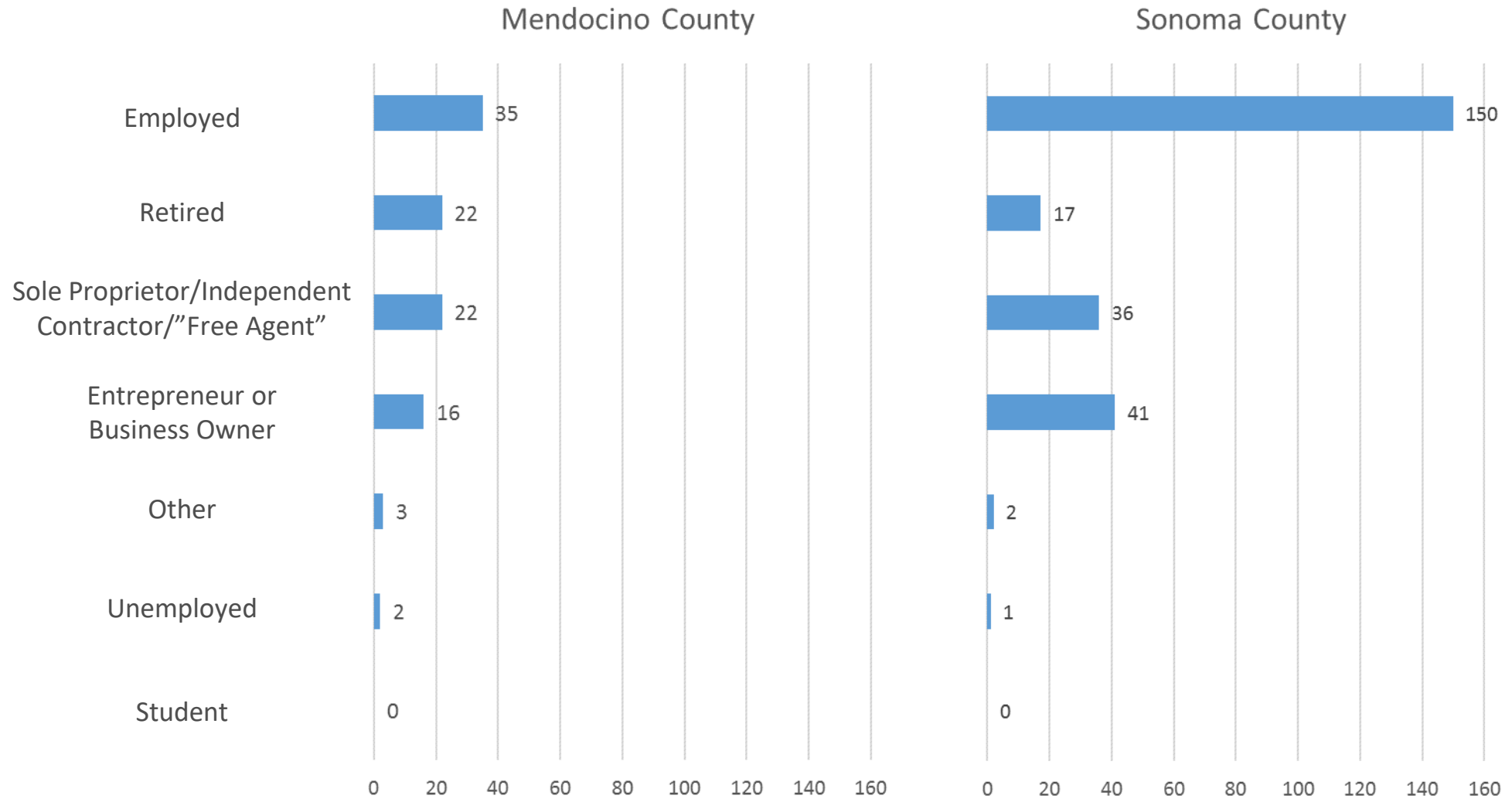
**Sonoma**

White	201
Mixed race/Heritage	6
Hispanic/Latino	14
Black or African-American	1
Asian	2
Native Hawaiian or Other Pacific Islander	1

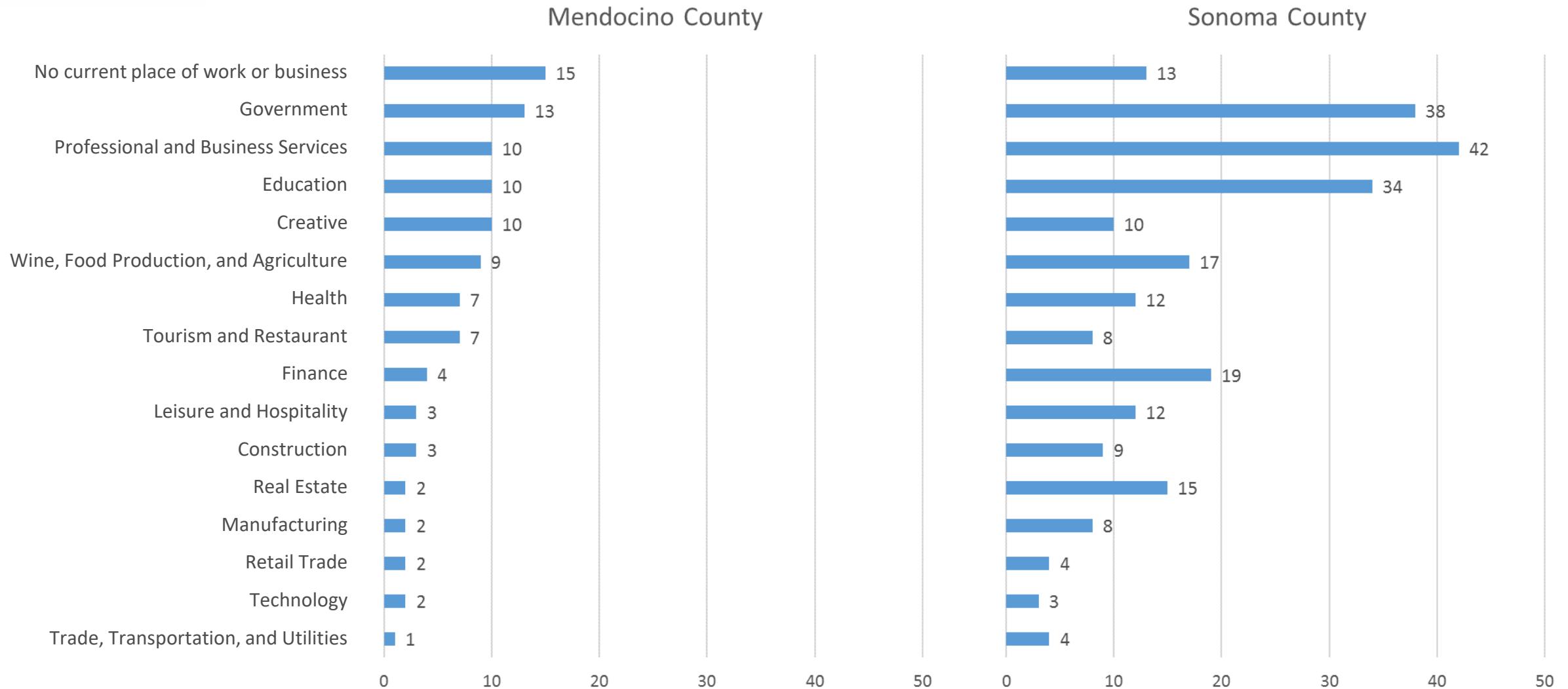


# How would you describe your employment status?

Status	M	S
Employed	35%	61%
Retired	22%	7%
Sole Proprietor/ Independent Contractor/ "Free Agent"	22%	15%
Entrepreneur or Business Owner	16%	17%
Other	3%	1%
Unemployed	2%	0%
Student	0%	0%



# Which industry categories best describes the main focus of your place of work or business?

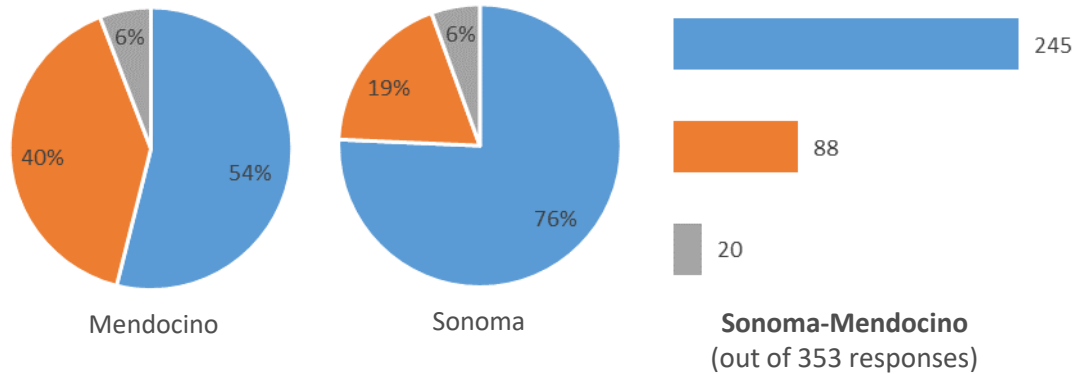


# How would you complete the following statements?

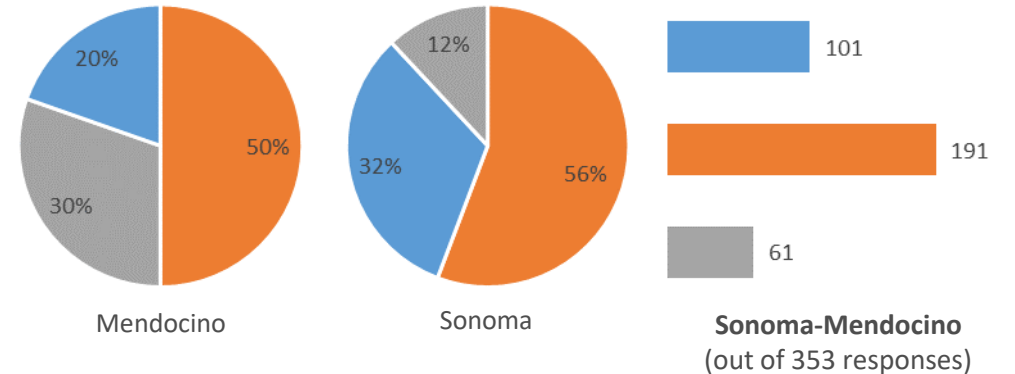
*"I am..."*



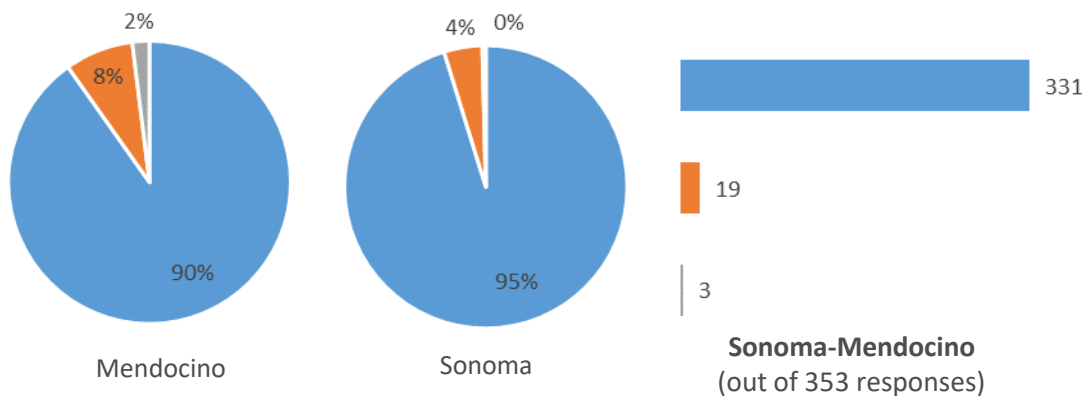
... to recommend my county as a place to **live**?"



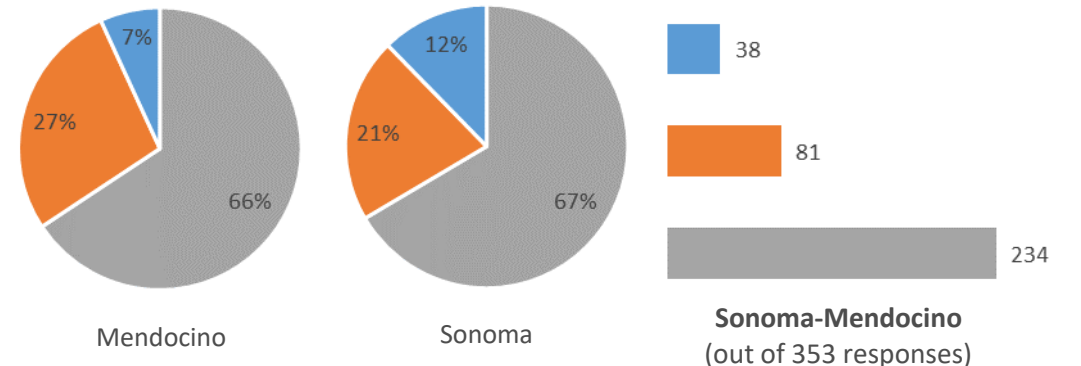
... to recommend my county as a place to start a **business**?"



... to recommend my county as a place to **visit**?"



... to consider **relocating** to a county other than Mendocino or Sonoma?"



# To what extent do you agree or disagree with these statements about your county's economy?

County	Disagree	Neutral	Agree
S	0%	0%	99%
M	2%	6%	92%
S	8%	23%	68%
M	26%	26%	48%
S	13%	27%	61%
M	35%	35%	31%
S	6%	19%	75%
M	39%	33%	27%
S	19%	28%	53%
M	43%	29%	27%
S	13%	34%	53%
M	51%	37%	12%
S	40%	22%	39%
M	55%	28%	17%
S	43%	22%	35%
M	66%	16%	18%
S	55%	25%	20%
M	67%	22%	11%
S	33%	35%	32%
M	75%	20%	6%

"The region attracts visitors/is seen as a visitor destination."

"Entrepreneurs can succeed."

"I can advance in my chosen career."

"Businesses are growing."

"Education and job training is available to residents who want or need it."

"Education and job training quality is high."

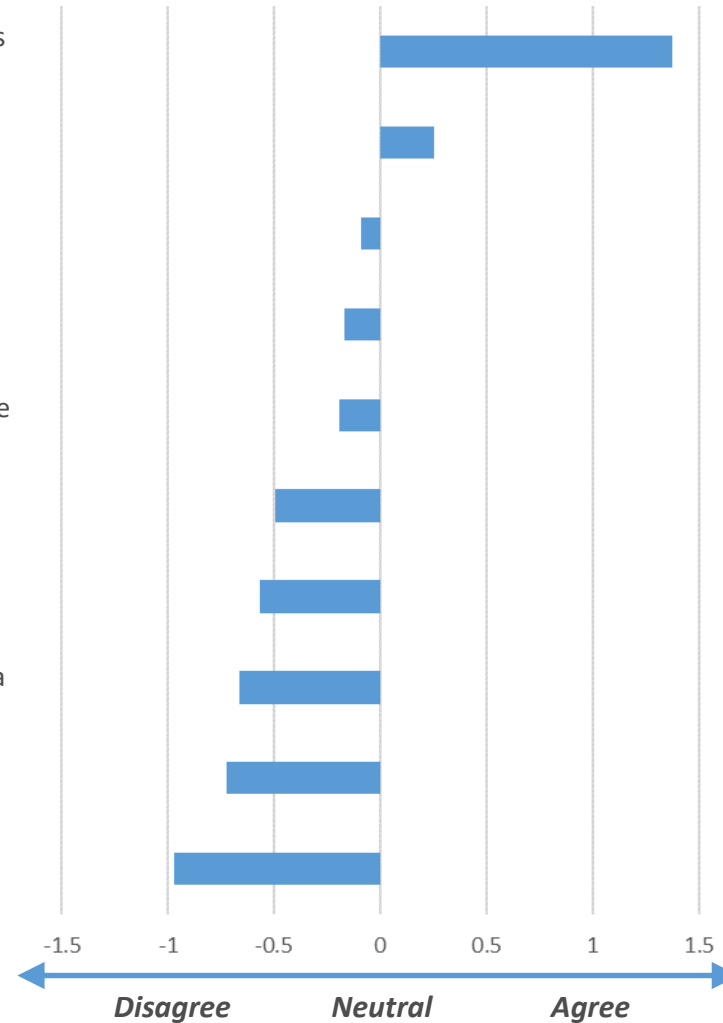
"Wages and salaries make it possible to maintain my standard of living."

"Everybody who wants a job can get a job."

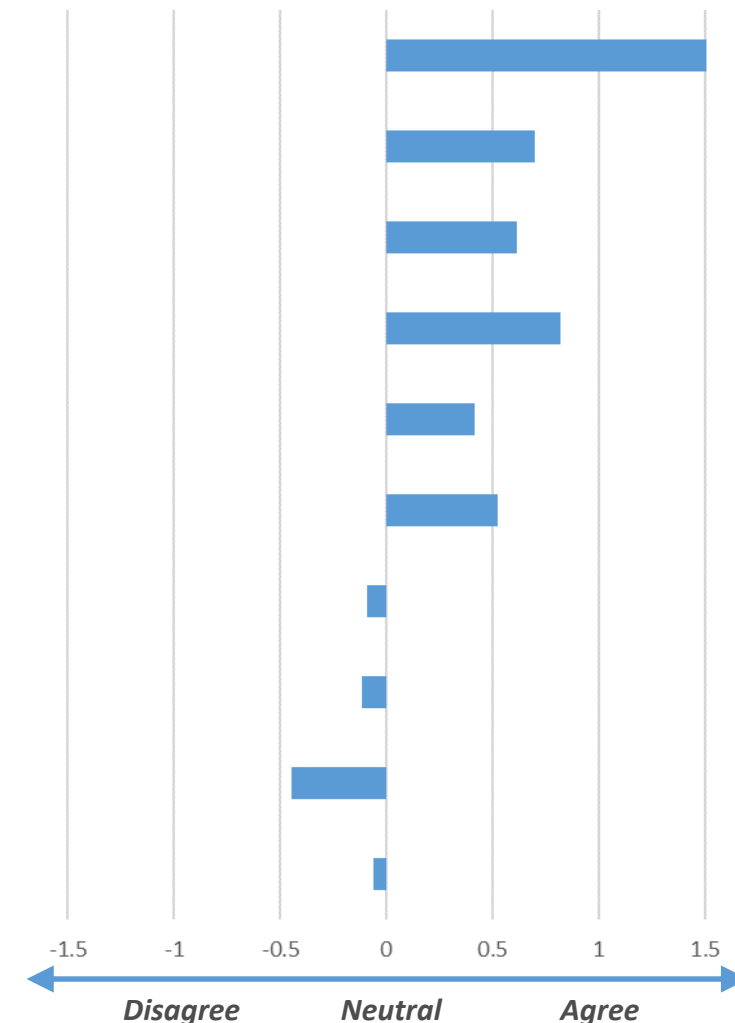
"All residents have equal access to economic opportunity."

"The region attracts businesses/is seen as a business destination."

Mendocino County



Sonoma County

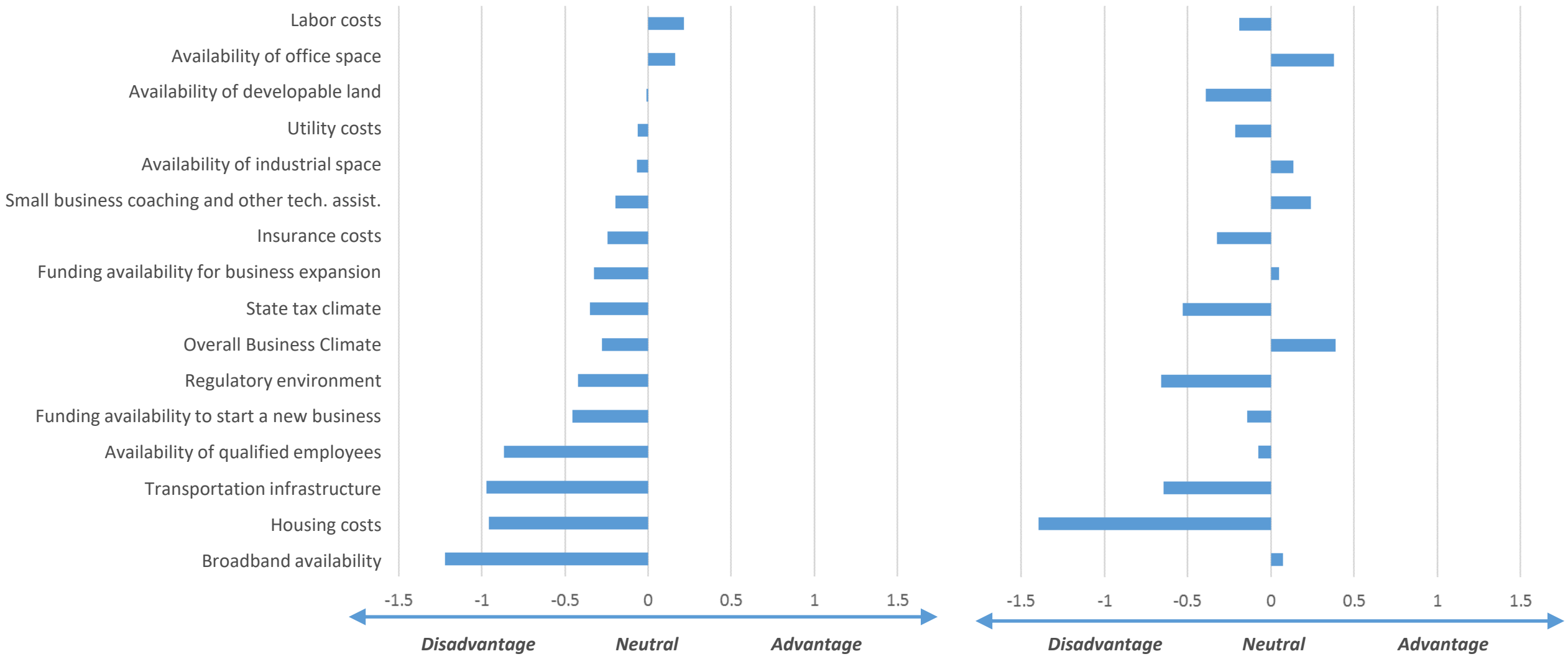




# When it comes to your county's business climate, how would you rate the following?

Mendocino County

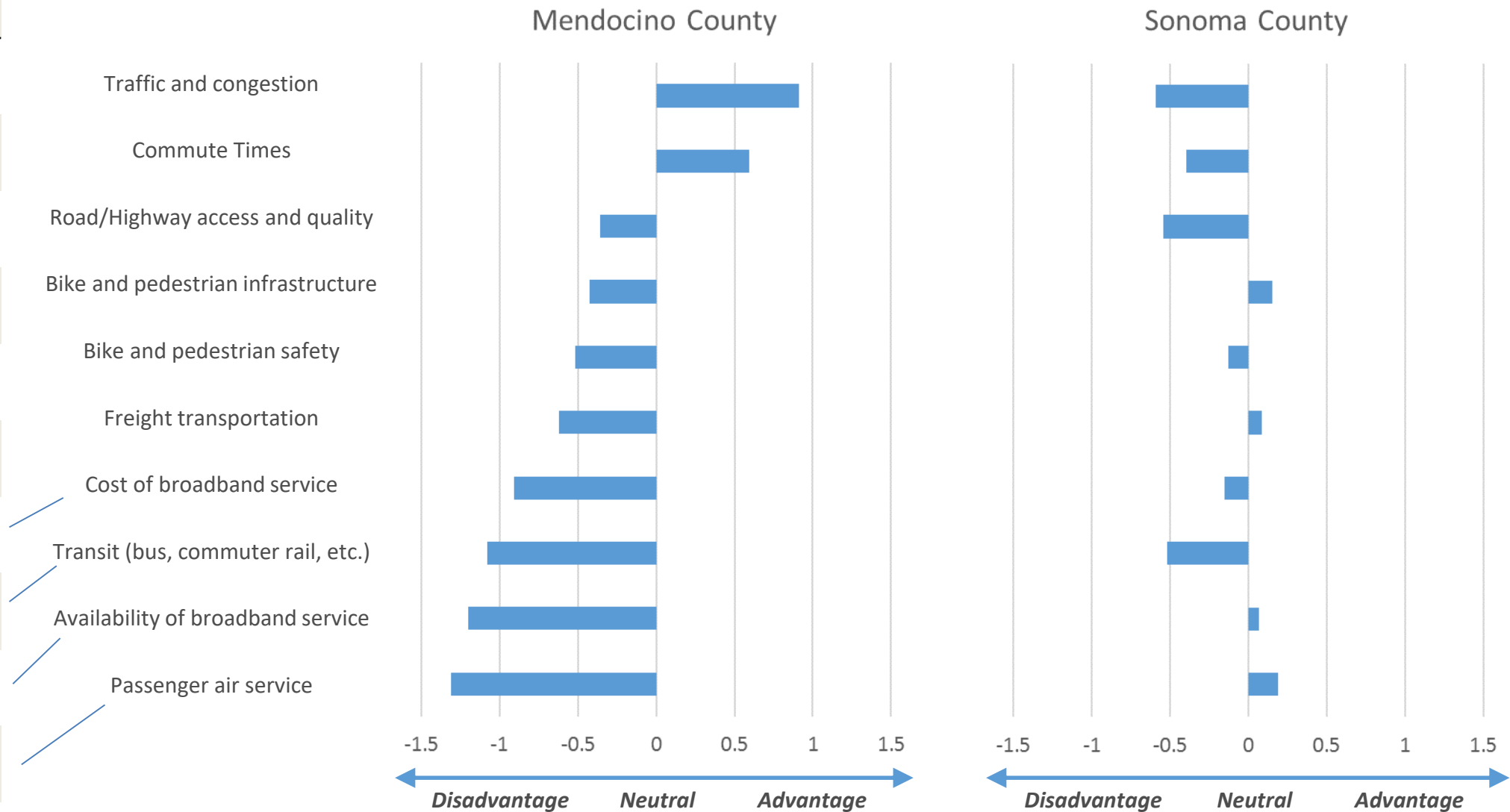
Sonoma County



Source: Sonoma-Mendocino CEDS Survey (Q7). March 23 – April 25, 2016. Percentages may not sum to 100 due to rounding. N = 353.

# When it comes to infrastructure availability and quality, how would you rate the following?

County	Disadv.	Neutral	Adv.
S	58%	31%	11%
M	8%	21%	71%
S	50%	30%	20%
M	15%	26%	59%
S	57%	26%	16%
M	48%	31%	21%
S	25%	33%	41%
M	49%	33%	19%
S	35%	38%	27%
M	52%	30%	18%
S	16%	59%	25%
M	52%	45%	3%
S	28%	53%	19%
M	68%	29%	3%
S	54%	31%	15%
M	85%	14%	1%
S	23%	45%	32%
M	76%	23%	1%
S	30%	24%	46%
M	83%	15%	2%



# Please rate the following aspects of your community's quality of life. (Mendocino)

Mendocino County's overall quality of life "grade":

**B**

	Grade
Arts and cultural facilities and programs	B
Commute times and transportation options	B -
Diversity and Inclusiveness	B -
Entertainment, nightlife, and dining	C+
Environment and sustainability programs	B
Family and child-friendly options	B -
Human and social services affordability and availability	C+

	Grade
Outdoor recreation and public parks	A-
Philanthropic and community development activity	B
Retail and shopping destinations	C
Sense of personal and property safety	B
Sense of community, connectedness, and civic participation	B+
Housing Affordability	C-

# Please rate the following aspects of your community's quality of life. (Sonoma)

Sonoma County's overall quality of life "grade":

**B+**

	Grade
Arts and cultural facilities and programs	A-
Commute times and transportation options	C+
Diversity and Inclusiveness	C+
Entertainment, nightlife, and dining	B
Environment and sustainability programs	B+
Family and child-friendly options	B
Human and social services affordability and availability	B -

	Grade
Outdoor recreation and public parks	A
Philanthropic and community development activity	B+
Retail and shopping destinations	B
Sense of personal and property safety	B+
Sense of community, connectedness, and civic participation	B+
Housing Affordability	D+

# Please rate the following statements on your county's diversity and openness.

County	Disagree	Neutral	Agree
S	12%	19%	69%
M	14%	25%	61%
S	14%	27%	59%
M	14%	36%	50%
S	10%	31%	59%
M	17%	33%	50%
S	19%	31%	50%
M	23%	28%	50%
S	29%	31%	41%
M	33%	29%	37%

"My county is a welcoming, tolerant, and attractive place for people of diverse backgrounds."

"Opportunities, communities, and networks in my county are accessible and open to a diverse range of people."

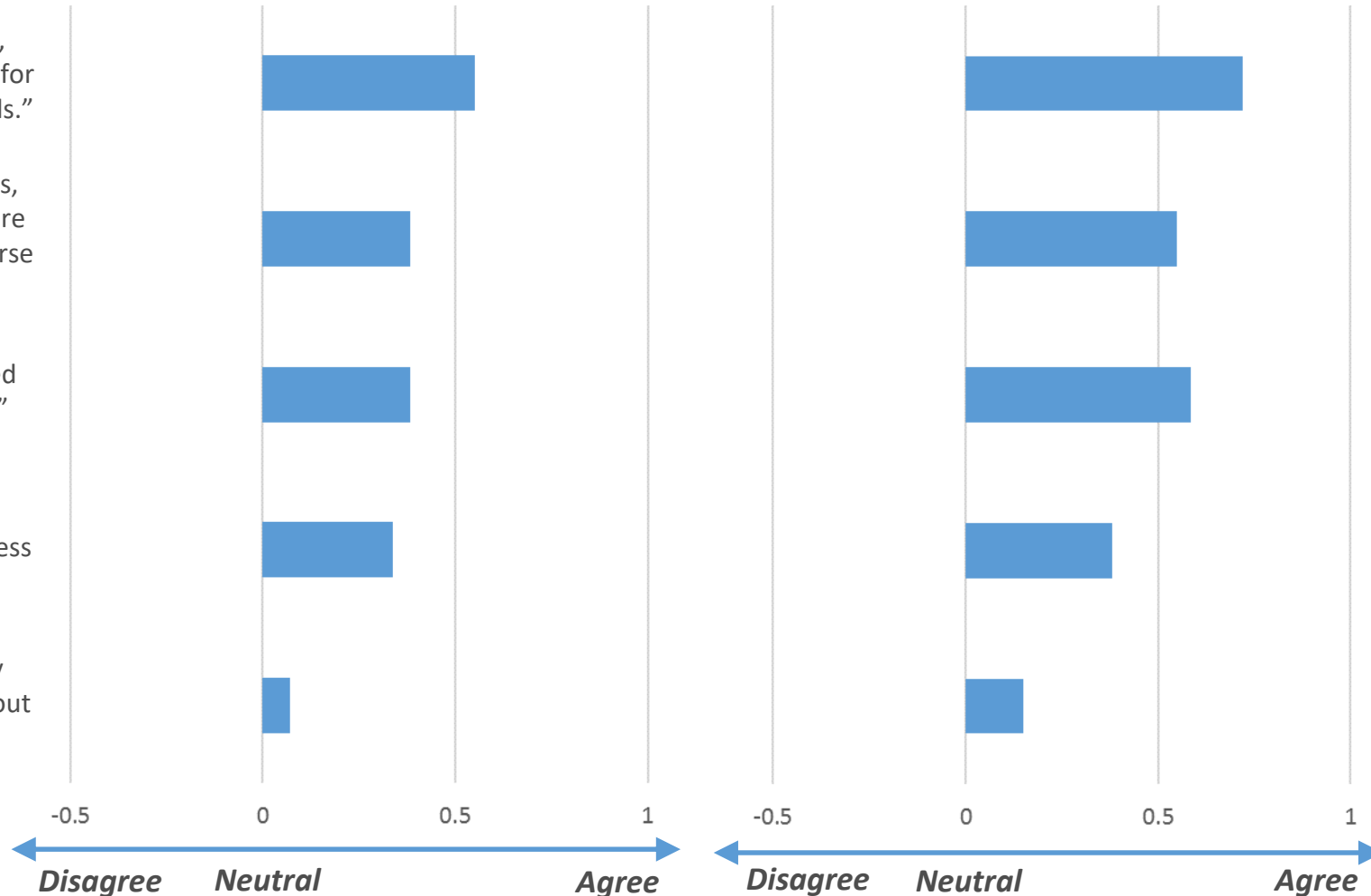
"Minority and women owned businesses can thrive here."

"New residents can easily integrate into civic and business circles here."

"People of all ages are fully included in conversations about the future direction of my county."

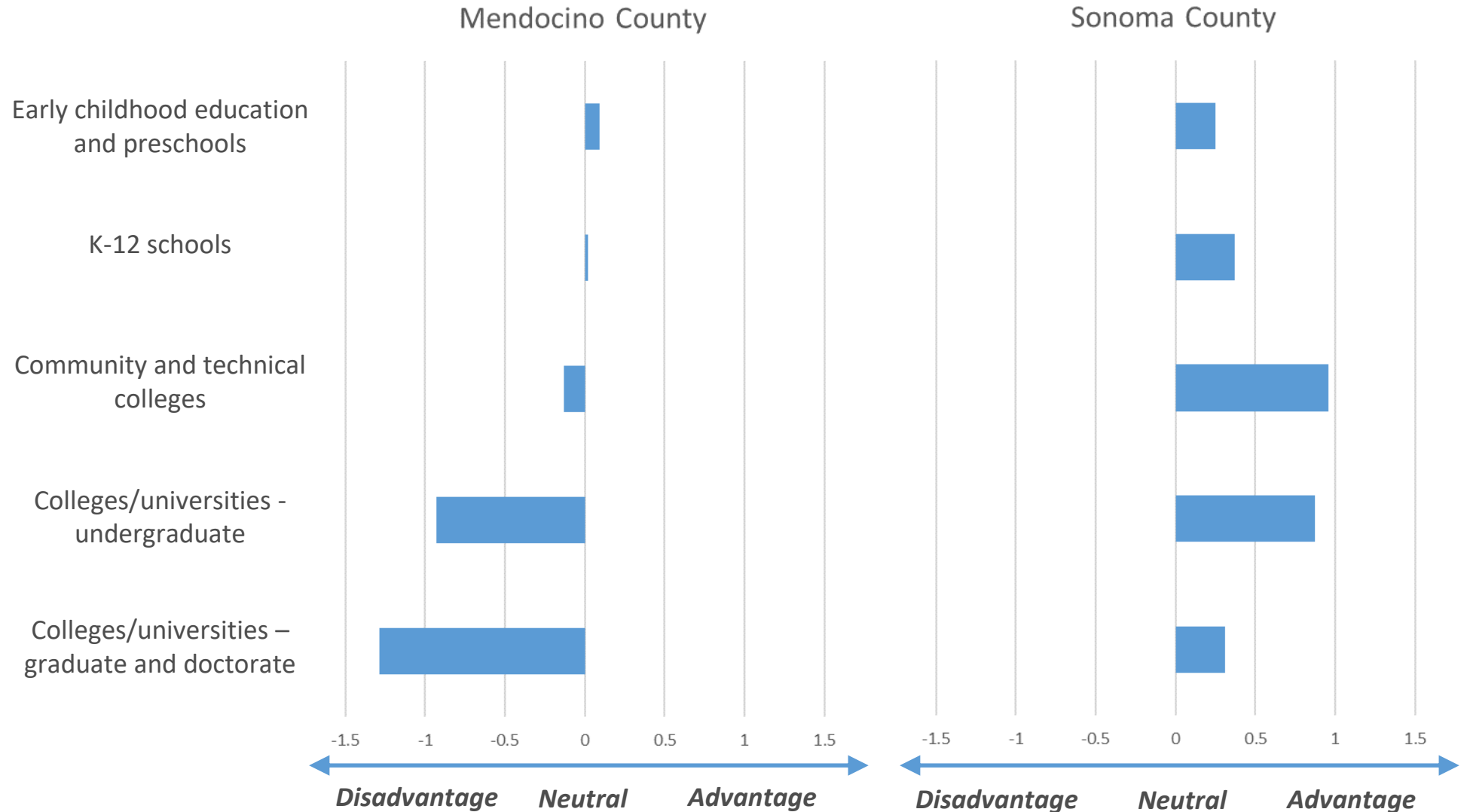
Mendocino County

Sonoma County



# When it comes to education in your county, how would you rate the following?

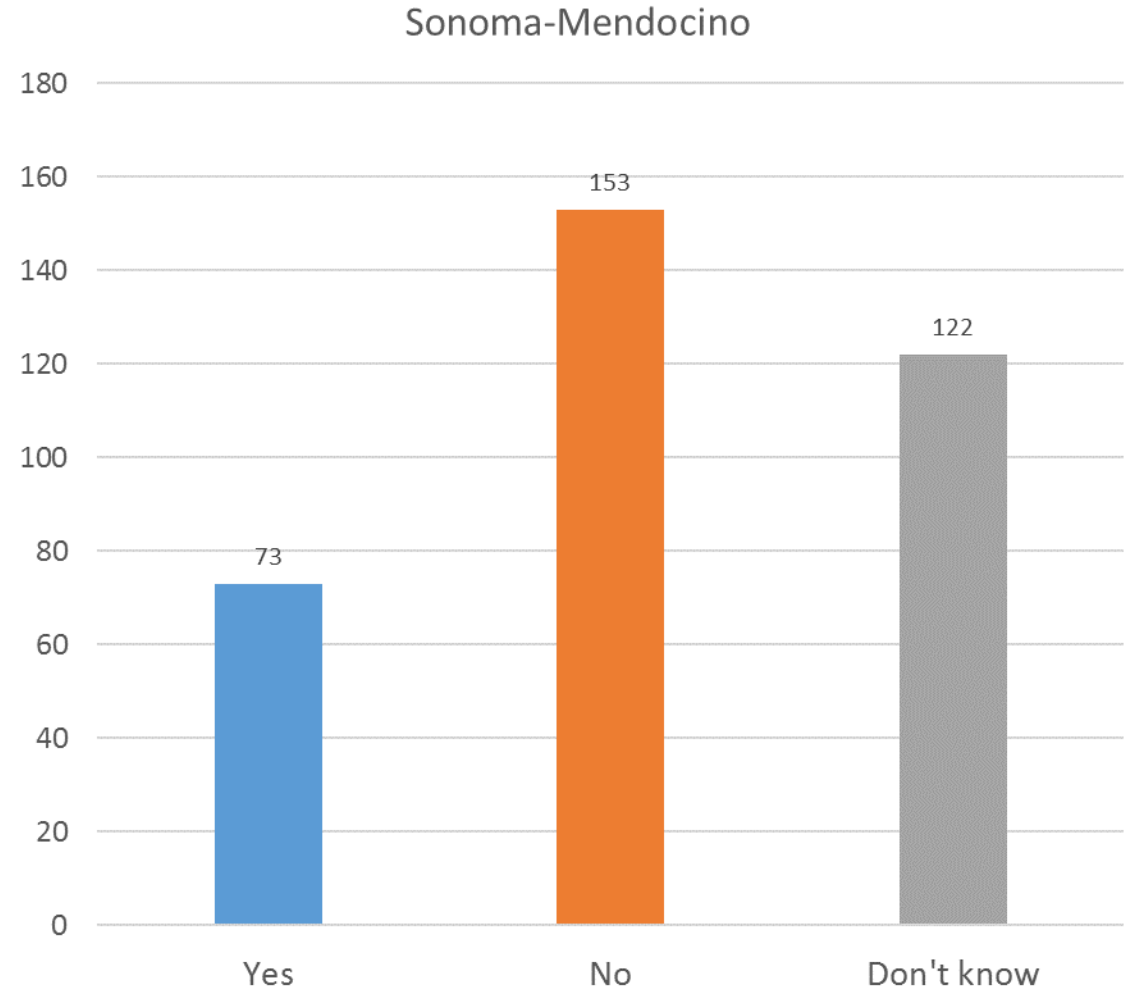
County	Disadv.	Neutral	Adv.
S	17%	44%	39%
M	17%	53%	30%
S	17%	36%	47%
M	20%	57%	23%
S	11%	16%	73%
M	38%	29%	34%
S	6%	20%	75%
M	70%	22%	8%
S	23%	29%	48%
M	84%	14%	2%



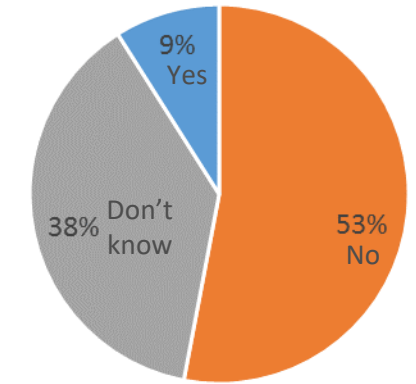
# Are students graduating from schools adequately prepared to enter the workforce?

Responses (out of 348)

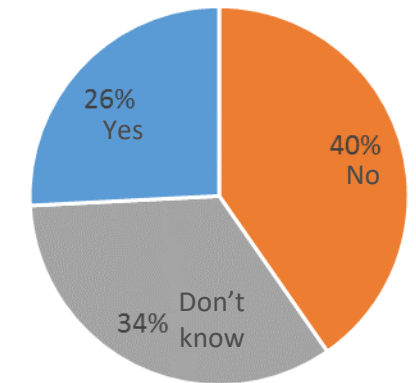
Yes	21%
No	44%
Don't Know	35%



Mendocino County



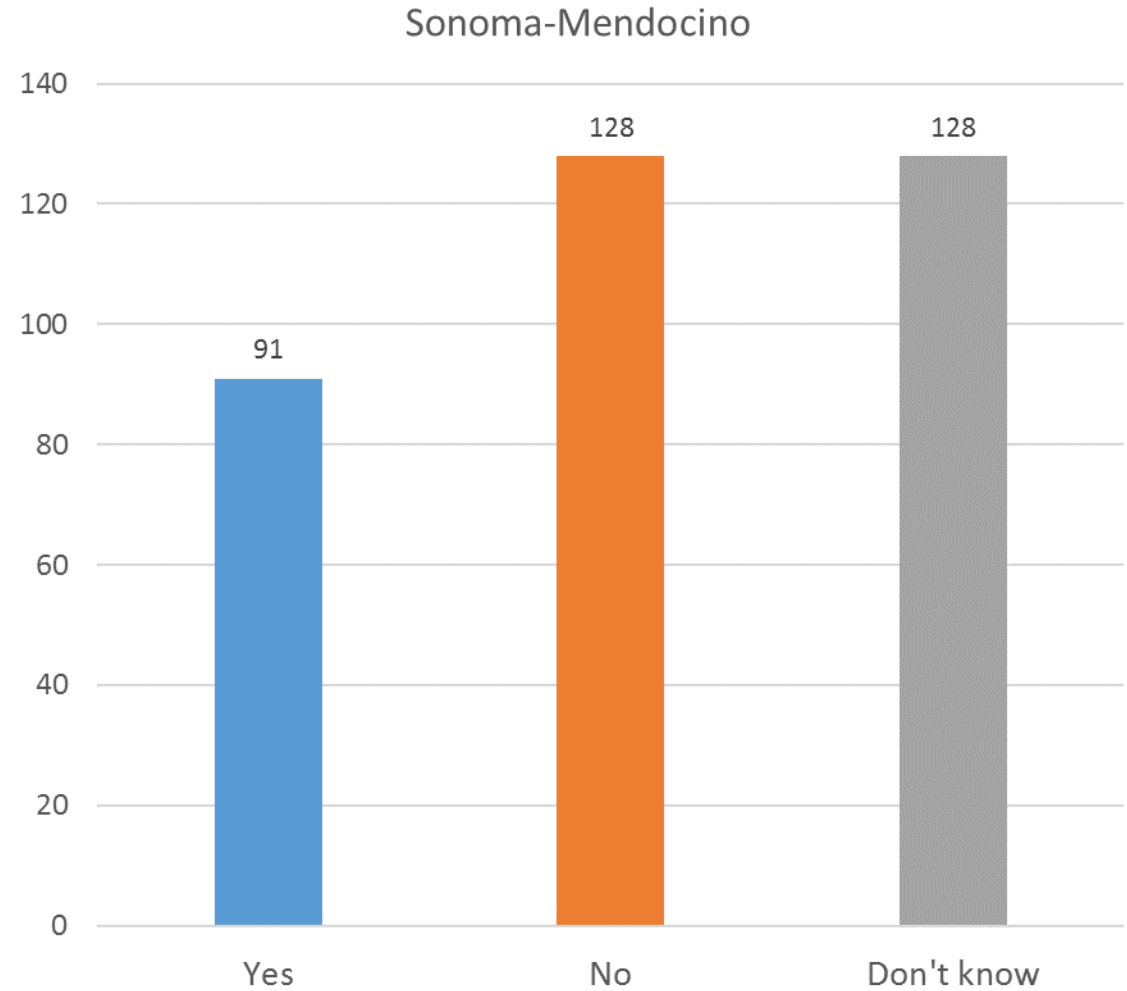
Sonoma County



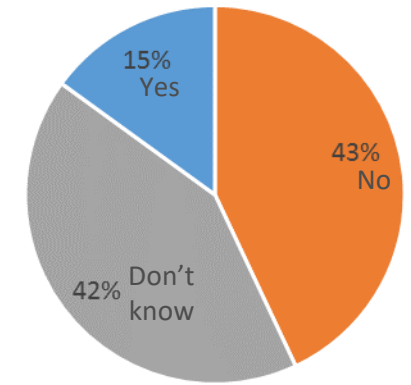
# Is career and technical education a priority for school districts in your county?

## Responses (out of 347)

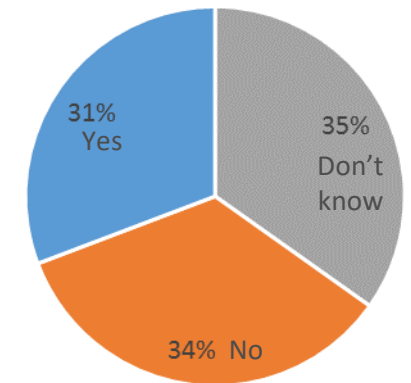
Yes	26%
No	37%
Don't Know	37%



## Mendocino County

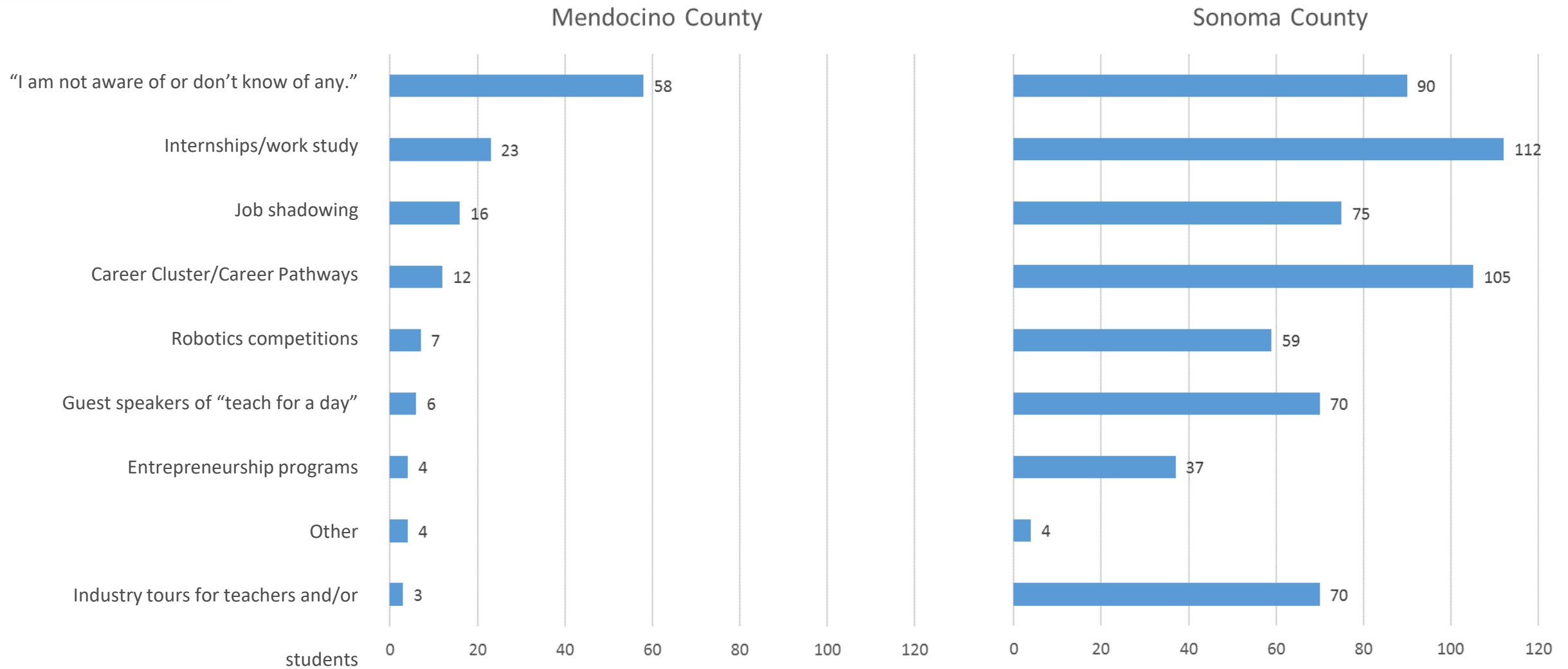


## Sonoma County





# What types of career and technical education (CTE) programs are available at schools?



# How do the following economic factors compare to five years ago?

County	Worse	Same	Better
S	15%	25%	60%
M	18%	44%	38%
S	15%	25%	60%
M	27%	38%	35%
S	15%	32%	54%
M	23%	48%	29%
S	10%	21%	69%
M	37%	35%	29%

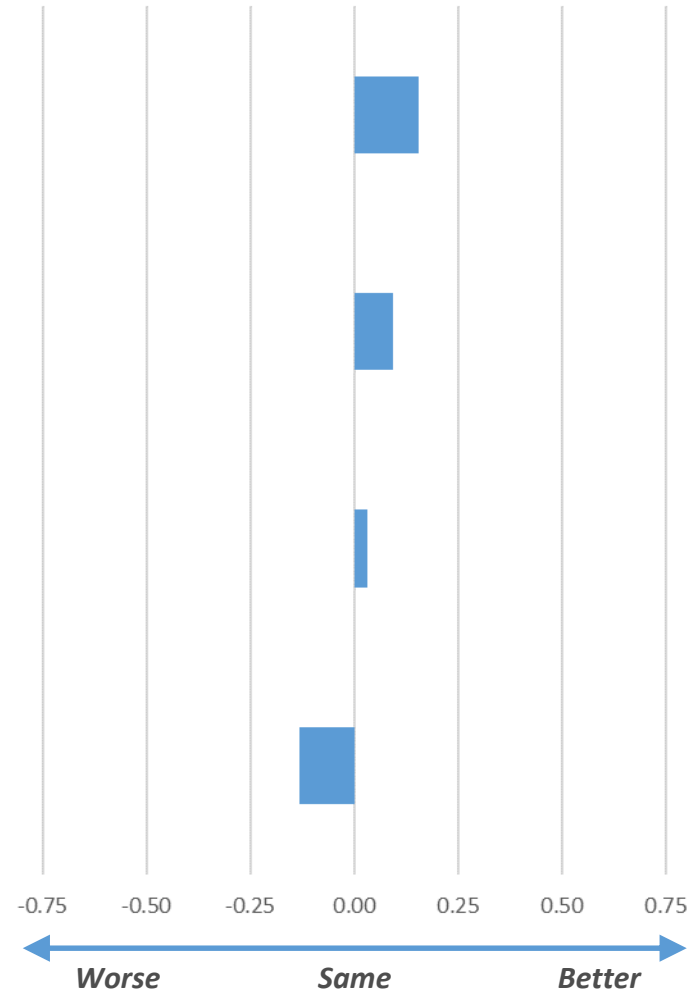
My employer's economic circumstances

My household's economic circumstances

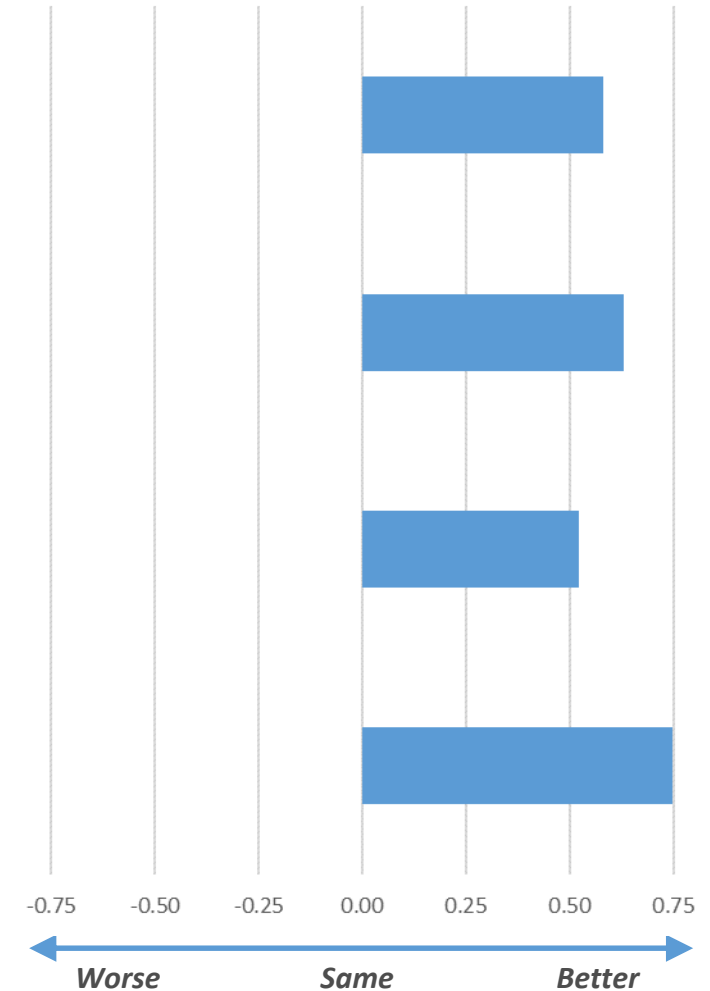
My business' economic circumstances

My county's economic circumstances

Mendocino County

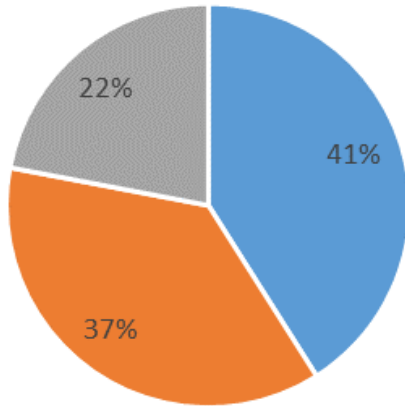


Sonoma County

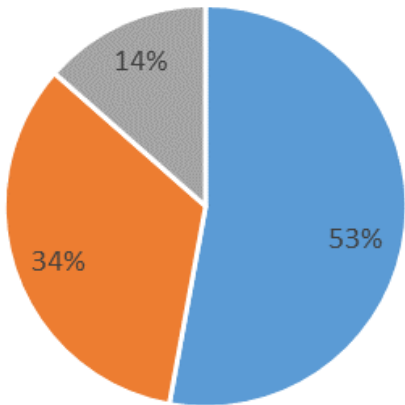


# Five years from now, do you believe your economy will decline, stay the same, or improve?

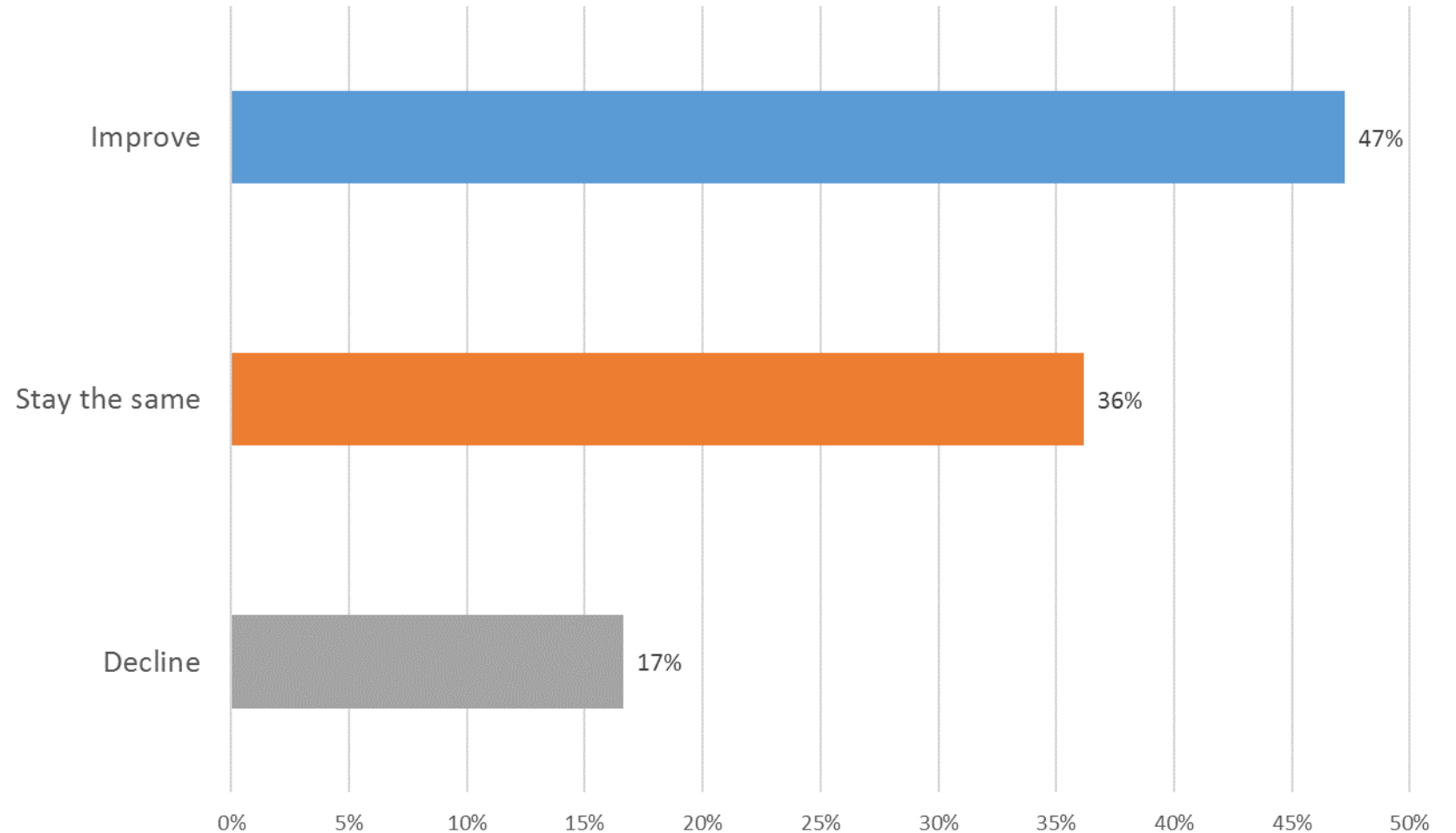
Mendocino County



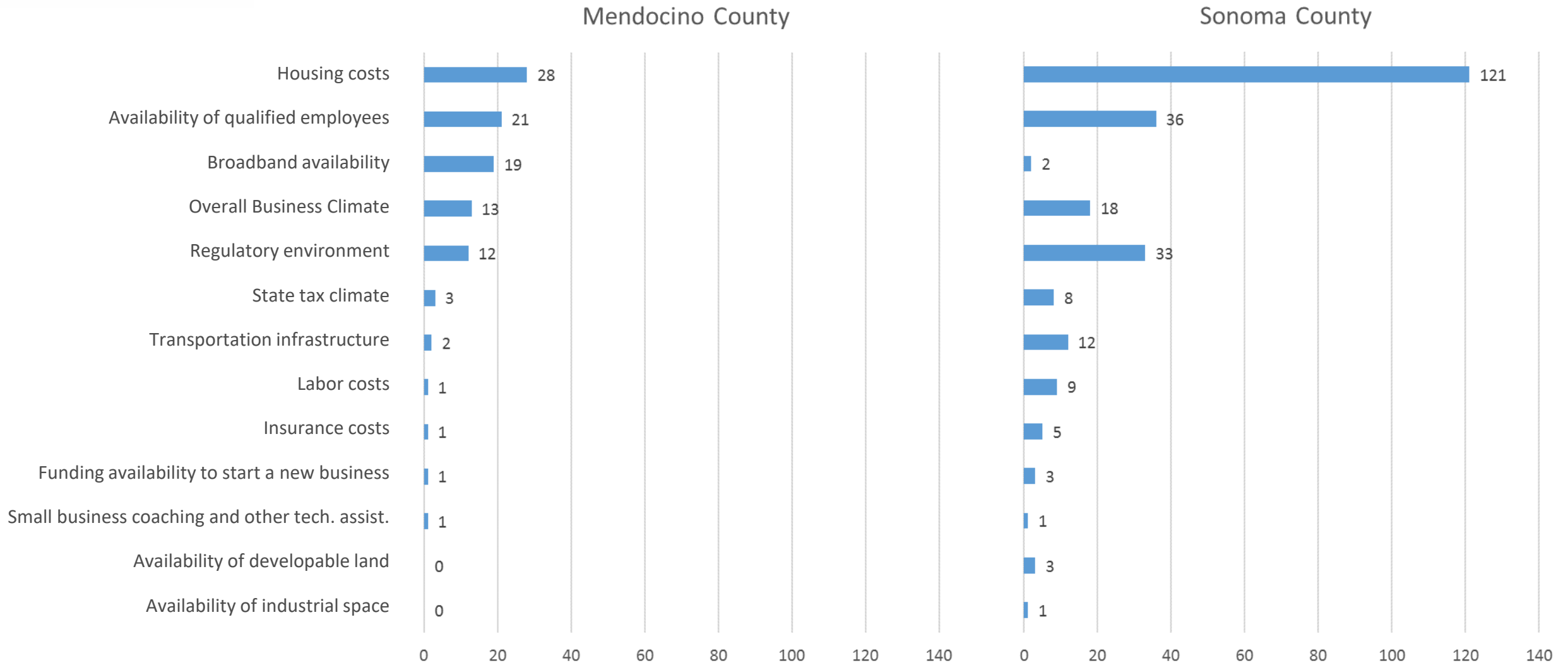
Sonoma County



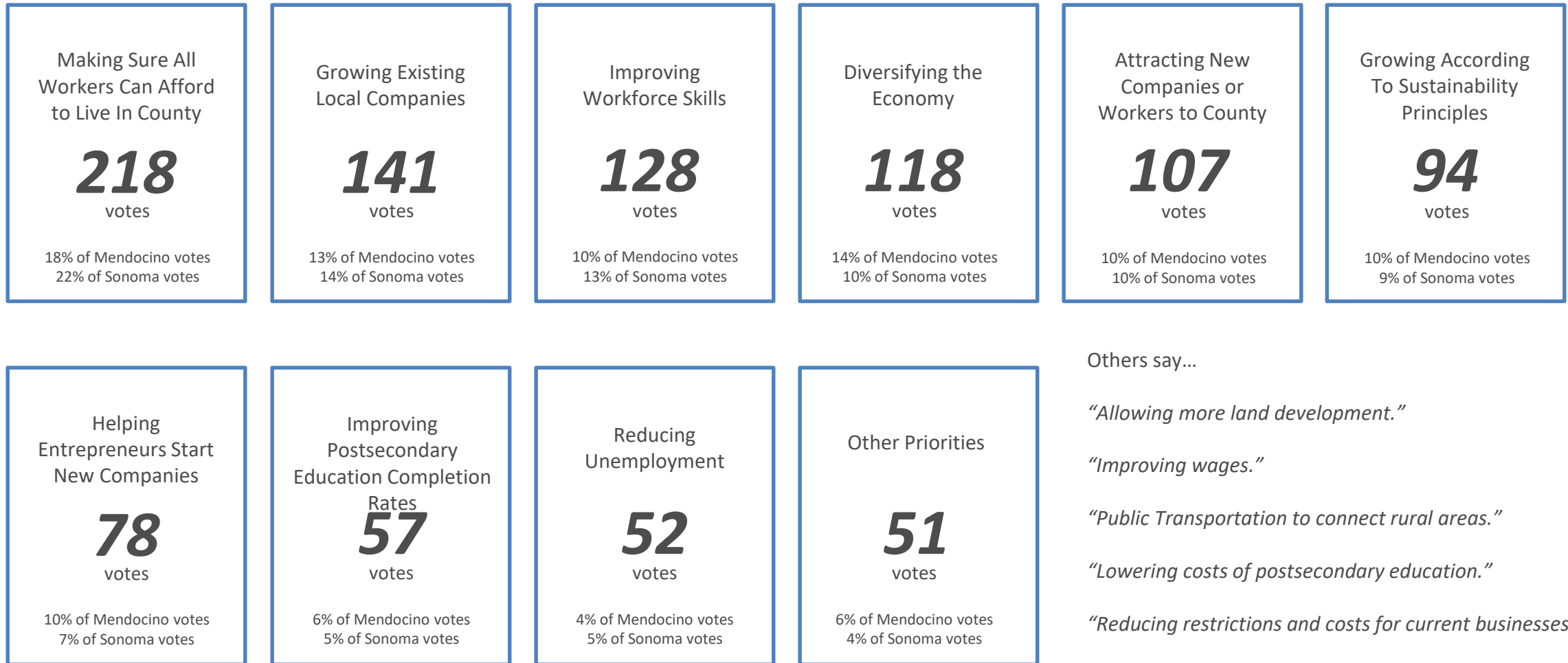
Sonoma-Mendocino State of the Economy



# What is your top concern about the future competitiveness of your county's economy?



# Which of the following do you view as the top three economic priorities for your county?





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