



# ***City of Arcata***



# **Economic Development Strategic Plan 2010 - 2014**

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# **CITY OF ARCATA**

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# City of Arcata

## 2009 Economic Development Strategic Plan Update

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# Executive Summary

## Introduction

The 2010 – 2014 Economic Development Strategic Plan (EDSP) analyzes the City’s built, financial, civic, and natural resources for economic development purposes and develops strategies to capitalize on economic development opportunities. Strategies are based on socioeconomic and industry trends, stakeholder input, and current development trends within the City of Arcata. The EDSP captures the considerable economic development efforts in the City and consolidates this information into a single growth and development promoting document.

This plan acknowledges current partnerships and suggests potential partnerships for development projects, contains strategies and implementation measures that are most relevant within a five year planning period and suggests ways to generate revenue through supporting existing businesses and encouraging new business. The guiding principles and goals, objectives, and implementation measures within this document focus on City-owned lands and are not designed to regulate private economic activities or initiatives.

The EDSP implements economic development goals of the City of Arcata’s General Plan: 2020. The General Plan requires that the City maintain an “economic strategies plan” by preparing an “economic strategy report” to serve as a guide for City actions pertaining to economic improvement (Implementation Measure LU-3). The EDSP was prepared under the direction of the Community Development Department and the Economic Development Committee and builds upon the City’s previous economic report, *Economic Strategies Report for Arcata (1997)*, and award-winning *Arcata Economic Development Strategic Plan (2004)*. The EDSP has the following six chapters:

- Economic Development Profile;
- Economic Development Assets;
- Targeted Industry Assessment;
- Targeted Area Assessment;
- Economic Development Strategies and Implementation Measures; and
- Budget Plan

## Profile

**Demographics.** The City of Arcata’s population, currently 17,558, grew an average of 0.67 percent per year between 2000 and 2008. Future growth of Arcata’s population is currently projected to be less than one-half percent a year (0.39%) from 2010 until 2020, continuing the slow growth trend since 1980. Humboldt State University (HSU) plans to increase enrollment from about 8,000 in 2009 to 12,000 by 2040, a growth rate of over 1.3 percent per year for the next 31 years, which is faster than the city’s growth rate. Non-family households accounted for just over 60 percent of all households in 2008, while average household size decreased by roughly three percent from 2000. The number of married couples with children under 18 increased by 13.6 percent, from 728 households in 2000 to 827 in 2008. Residents between the ages of 15 and 24 make up 25.1 percent of the population of Arcata. By 2020 it is projected that

Arcata's age distribution will have somewhat of a bimodal distribution, with large numbers of college-age and retirement-age residents, and relatively fewer families with children. Median family income in Arcata is about 93 percent of Humboldt County median family income, and only 63 percent of California median family income. When the effects from student populations are removed, the percentage of Arcata families in lower income categories is still higher than that of Humboldt County, and substantially higher than for California.

**Living and Housing Wages.** The total estimated (minimal) monthly cost of living in Arcata for a family of three with no car, would be \$2,074.66. One wage earner working full-time for 160 hours per month implies a living wage of \$12.97 per hour. If this same family owned a car, the total estimated monthly cost of living would be \$2,360.82 in which the living wage would be \$14.76 per hour. Arcata's housing wage falls between that of Humboldt County and California. Arcata's housing wage for a family of three, based on the living wage above, would earn enough for a one-bedroom housing unit (\$12.47 per hour) but not a two-bedroom unit (\$18.81 per hour).

**Housing.** Nearly two-thirds of all households in Arcata are renter-occupied, largely due to the student population but also due to the higher poverty rates among families and high housing costs. In contrast, less than half of households in Humboldt County and in California are renter-occupied. The Humboldt Association of Realtors (HAR) estimates housing affordability in Arcata at approximately 13 percent (HAR, 2008).

**Employment.** Humboldt State University is the largest employer in the City, followed by Mad River Community Hospital. Approximately 68 percent of all businesses in the City employ between one and four people. Arcata has 74 percent of all niche manufacturing jobs in the County. The total number of jobs in management and innovation services industry increased by 47 percent from 2003 to 2007. Employment in the specialty agriculture, food, and beverage industry also experienced strong growth, expanding by 29 percent.

**Tax Revenues.** The largest increases in general fund tax revenues between FY 2000/01 and FY 2006/07 were from transient occupancy tax (TOT) and property tax. During this period, TOT revenues grew by 51 percent and property tax revenues grew by 36 percent. Although sales tax revenues account for the largest percent of general fund tax revenue (43 percent), revenues from this tax are expected to increase negligibly. Of the City's 15 neighborhoods, Downtown and Valley West are consistently responsible for the greatest share of sales tax revenues. Between 2004 and 2008, the business groups that generated the most sales tax revenues for the City were business and industry, fuel and service stations, and restaurants and hotels.

## **Targeted Industry Assessment**

Two approaches were used to identify the City's target industries resulting in a list of occupations that met certain desirability criteria and identifying Targets of Opportunity. Synthesizing the two methods resulted in identifying Arcata's target industries:

- Diversified Health Care;
- Specialty Agriculture, Food, Beverages;
- Management and Innovation Services;
- Niche Manufacturing

These viable targeted industries for economic development are:

- Linked to occupations meeting minimum compensation, size and education standards;
- Derived from the Targets of Opportunity report, analyzing industry sectors based on desirability criteria broadly consistent with Arcata's economic development goals;
- Based on location quotient analysis; Arcata has a competitive advantage in all four of these targeted industries;
- Linked to HSU, a major potential source of entrepreneurs and spinoff businesses in the management and innovation services sector.

**Diversified Health Care.** In light of both existing healthcare services clustered at Mad River Community Hospital, and development opportunities surrounding the hospital, economic development strategies should include measures designed to capitalize on hospital synergies.

*Recommendations:* Senior residential care, child care, outpatient care, holistic and non-traditional medicine, and preventative care.

**Specialty Agriculture, Food, and Beverage.** Arcata is strategically positioned within this sector. Arcata hosts many specialty agriculture producers including Sun Valley Floral, a major floraculture producer, and Cypress Grove Chevre, an internationally-known artisan cheese producer. Arcatans are interested in organic and specialty products with a local connection, such as food and snacks; beers, wines, and juices; and specialty sauces, cheeses, and desserts. Demand for organic and local foods continues to grow faster than conventional food products.

*Recommendations:* Provide space for growing and start-up firms in this industry, (i.e. Foodworks and potential condominium-style business development in Aldergrove), organic farming support and warehousing opportunities

**Management and Innovation Services.** Many HSU students either hope to stay or try to return to this area, providing both business startups and staffing for businesses. HSU faculty expertise serves as a key economic development asset in this sector. Experienced professionals move to this area for quality of life purposes. Arcata attracts and retains people with a strong commitment to renewable energy and energy efficiency, and to environmental and natural resource sustainability. Arcata has many creative and technically competent people with skills in the areas of graphic arts, media, Internet design, and computer services.

*Recommendations:* Provide start-up space for new businesses, permit streamlining, networking services, coordinate job fairs, partner with HSU and Economic Fuel to support entrepreneurs.

**Niche Manufacturing.** Arcata has strong representation in this sector as the City includes redwood lumber manufacturing (with potential for 3<sup>rd</sup> party certified sustainable lumber manufacturing); furniture and musical instrument manufacturing; art and artisan goods such as art glass, ceramic products and jewelry; and outdoor-related products and clothing.

*Recommendations:* Provide space and land for growing and/or new manufacturing businesses, support to the wood products industry, and eco-industrial planning to maximize the use of waste.

## Targeted Area Assessment

The City of Arcata is characterized by fifteen distinct neighborhoods (see Figure 4.1). Within these neighborhoods, there are five targeted areas that have significant potential for economic development. These following five areas were chosen based on their potential to draw new businesses and grow and expand existing ones and does not preclude other areas and/or neighborhoods (e.g. K Street and Downtown) from future economic development.

**Giuntoli Lane and Valley West.** Valley West is the primary northern gateway into Arcata, and represents the first potential contact with Arcata for visitors traveling southbound on U.S. Highway 101 or westbound on State Highway 299. Most of the City's transient occupancy tax (TOT) revenues are generated from this area, as the majority of Arcata hotels/motels are located along Valley West Boulevard. The City would benefit from growing, supporting and/or attracting businesses that cater to tourism and capitalize on the Mad River recreation access.

**Humboldt State University / Northtown / D Street.** This area contains significant economic features including the Arcata Heights/Northtown commercial district, HSU campus and associated neighborhoods, and the D Street Community Center and surrounding parcels. The D Street Community Center parcels are City-owned lands with significant redevelopment potential. Its location, adjacent to HSU and Northtown, creates opportunities for leasable office space for management and innovation services firms (business incubator), an extension of the North Coast Small Business Development Center (Lead Center), or ecological lodging. A formal relationship between the City and HSU will foster increased communication and execution of economic development strategies. Since the majority of the buildings in the Northtown G Street area are single story, there is potential for vertical infill to include a vibrant mix of residential, office, and retail. There is potential for revitalization and redesign of the Northtown retail and commercial corridor.

**West End Road/ Aldergrove Industrial Park.** The City's most northeasterly EDSP target area contains longtime City-owned parcels (e.g. Aldergrove Industrial Park and Foodworks Culinary Center) along with the recently acquired Britt Lumber log deck parcels (Happy Valley). The purchase creates an opportunity for an eco-industrial park and may benefit manufacturers in the West End Road area. The Schatz Energy Research Center at HSU could prove a valuable resource in researching the feasibility of this type of project.

This area is predominantly composed of niche manufacturers and a few other industrial firms. The City-owned Foodworks building is also located in this target area. Foodworks is in transition and the City will be considering restructuring and expanding the facility in 2010. Foodworks, and its expansion, represents a significant opportunity for the specialty food, beverage, and agriculture industry. In an effort to promote development of this target industry, the City is also interested in developing at least one of the vacant parcels in the Park as a condominium-style business development. The Alder Grove Industrial Park, Foodworks and Happy Valley site, which are identified as Economic Development Assets in Chapter 2, are incorporated in this Target Area.

**Samoa Boulevard Revitalization Area.** The southernmost target area in the City, located south of the Downtown Central Business District serves as a primary southern gateway for visitors. This area is composed of a mix of industry types and underutilized parcels, including the City-owned Little Lake industrial site, McColl's Dairy on South G Street, and the Slack/Winzler property north of Samoa Boulevard.

The most predominant industries identified for this area are niche manufacturing; specialty agriculture, food, and beverage; and management and innovation service industry. Specifically, management and innovation services industry would be attracted to this area if the Little Lake site developed into a business park or eco-industrial park. This area would likely attract research and development businesses that value the natural setting and proximity to the downtown area.

The City is preparing to issue a request for proposals (RFP) for a Samoa Boulevard Revitalization Plan, a plan that addresses job creation, elimination of vacant and blighted sites, corridor improvements that involve changing the current land use of the Samoa Boulevard frontage parcels from Industrial General (I-G) to Commercial General (C-G). The Little Lakes Industries and Samoa Blvd. sites, which are identified as Economic Development Assets in Chapter 2, are incorporated in this Target Area.

**Mad River Community Hospital /United Indian Health Services.** This area lies south of the Valley West Redevelopment Area in the southwestern section of the Valley West neighborhood. It contains two of the most economically significant diversified healthcare organizations within City limits- United Indian Health Services (UIHS) and Mad River Community Hospital (MRCH) - creating 'health care campus' development opportunities. Development in this area would benefit from the proximity to health service centers; for example, a temporary living/lodging center adjacent to MRCH could allow recovering patients a transitional/out-patient facility. Other developments may include employee housing, senior care facilities, offices for physical therapy, and corporate wellness/preventative care facilities.

Preliminary site plans for this area have recently been submitted to the City Planning Department, and include designated open space areas (roughly 10 acres), two medium density residential areas for employees and/or patients, and a trail system that connects the MRCH and UIHS facilities. A new Open Door Clinic is proposed for the area.

## **Five-Year Economic Development Goals**

The primary EDSP goals are:

- Creation of new jobs;
- Retaining existing jobs and strengthening of existing businesses;
- Assuring new economic activity will have a good community or cultural "fit";
- Increasing disposable income for households and individuals;
- Diversifying Arcata's economy;
- Improving City government fiscal stability;
- Maintaining and enhancing the Downtown Arcata/Plaza area as the community focal point;
- Maintaining and enhancing neighborhood commercial and business centers;
- Creating community qualities and image attractive to businesses as well as to residents and visitors;
- Increasing the amount of housing and encouraging mixed-use developments (such as retail, service, and professional businesses); and
- A local economy characterized by resilience, creativity, innovativeness and initiative.

The complete list of EDSP goals are found in Chapter 1 and supported by a set of strategies and implementation measures found in Chapter 5.

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# Chapter 1

## Baseline Economic Development Profile

### Introduction

The City of Arcata's General Plan: 2020, which was approved in October of 2000, is the guiding document for all Arcata land use decisions, including policies and actions relating to economic development. The General Plan: 2020 requires that the City maintain an "economic strategies plan" by preparing an "economic strategy report" to serve as a guide for City actions pertaining to economic improvement (Implementation Measure LU-3). The report is to be updated every five years. This plan update builds upon the Community Vision Statement of the General Plan: 2020, but is not intended to be a formal element of the General Plan.

The City's first economic report, *Economic Strategies Report for Arcata*, was prepared in 1997 by the City of Arcata Economic Development Committee. A plan update, called the *Arcata Economic Development Strategic Plan* (Plan) was prepared in 2004 at the direction of the City's redevelopment agency, which in Arcata is called the Community Development Agency. The agency is charged with eliminating blight within the City Redevelopment Area, which includes most of the city. The agency is a separate legal entity governed by the City Council and operated by City staff. This document, the Arcata Economic Development Strategic Plan 2010 - 2014 (EDSP), builds on both of those documents.

The guiding principles and goals, objectives, and implementation measures contained within this document are not designed to regulate private economic activities or initiatives. Their purpose is solely to provide a basis for certain City actions, such as decisions on contracting with businesses or non-profit organizations, and responding to requests for financial or other forms of assistance. Assistance can come from:

- City of Arcata's Community Development Agency (i.e., redevelopment agency);
- Grant and/or loan applications from: the City of Arcata; State and Federal agencies (such as the Federal Economic Development Administration); the State Department of Housing and Community Development; and the State Commerce and Economic Development Program;
- Public capital investments in infrastructure (e.g. streets, sidewalks, wastewater collection and treatment facilities, parks);
- Acquisition or disposition of public real property;
- Future revisions of ordinances (e.g. Zoning Ordinance and Housing Element updates) so that they do not create unreasonable barriers to economic development.

# Planning Context

The EDSP contains recommendations for citywide economic development strategies that can be implemented in coordination with the *Prosperity! The North Coast Strategy*, and also in coordination with neighborhood specific strategies in collaboration with residents, property owners, businesses, Humboldt State University, and local service providers.

The Plan draws background information and policies from the following documents:

- General Plan: 2020, a plan that shapes the way that the City of Arcata will look, function, provide services, and manage resources for the next 20 years.
- Prosperity! The North Coast Strategy, an economic development strategy that supports business clusters as a means to enhance the region's economic competitive advantage.
- Arcata Economic Development Strategic Plan, 2004, the City's prior economic strategy report.

# Mission and Goals

To guide this Plan Update, the City has carried forward the vision statement and economic goal statements from the General Plan: 2020. In addition, this plan update builds upon the guiding principles and goals of the 2004 Economic Development Strategic Plan.

The following are the mission statement, guiding principles, and goals for the Plan.

## Mission

Our mission is to enhance and sustain quality of life, broadly defined to include both meaningful and well-paying work and business opportunities as well as the preservation and enhancement of the natural and community environment for present and future generations.

## Guiding Principles and Goals

- Creation of new jobs consistent with the mission statement.
- Retention of existing jobs and strengthening of existing businesses.
- Assure new economic activity will have a good community or cultural "fit"; assure that economic growth will be of a scale and type that can draw on existing human resources, and that is compatible with community character and environmental quality.
- Increased disposable income for households and individuals.
- Diversification of the Arcata economy.
- Improved fiscal stability for City government.

- A local economy characterized by resilience, creativity, innovativeness and initiative; an economy that promotes entrepreneurship and new business formation (i.e. "start up" businesses).
- Maintain and enhance the Downtown Arcata/Plaza area as the focal point for the community, and as a specialty retail and entertainment center.
- Maintain and enhance neighborhood commercial and business centers.
- Create community qualities and a community image that are attractive to businesses as well as to residents and visitors.
- Increase the amount of housing in the Commercial-Central Area and neighborhood commercial centers to encourage mixed-use developments (such as retail, service, and professional businesses) to locate and stay there.
- Promote commercial uses in the Westwood, Valley West, Sunny Brae, Bayside, and Greenview neighborhood centers to meet day-to-day retail and service needs of nearby residents.
- Concentrate industrial uses in existing employment centers and encourage in these areas labor-intensive and technology-driven industrial and business uses rather than resource intensive uses.
- Encourage infill development of vacant, brownfield, and underutilized land designated for development as a way of meeting housing and employment needs without major extensions of infrastructure and services.
- Promote mixed use by encouraging residential units on upper floors in commercial areas.

## Planning Process/Methodology

The City of Arcata Community Development Agency served as the lead city agency for the development of the Plan Update. The City selected Planwest Partners to assist in the preparation of the EDSP. The Arcata Economic Development Committee (EDC) also provided input into the planning process.

The consultant team gathered data from a wide variety of sources in order to identify economic and demographic trends that may affect the Plan, economic development resources and assets available to local businesses and the City, and other background information. This section describes the steps taken to gather background information and the methodology used in its analysis.

The critical steps in developing the Plan included the following:

- **Identification of Baseline Conditions.** Baseline economic and demographic data was gathered and studied to better understand the local economy, as well as the interrelationships between the local, regional, and national economy. Baseline conditions also establish a

benchmark from which to measure the effectiveness of programs and strategies that derive from the EDSP.

Baseline condition information gathered for the Plan Update include:

- Demographic information;
  - Commercial and industrial land use;
  - Taxes and other business related City revenue;
  - Economic development assets; and
  - Economic development resources.
- **Identification of Arcata Neighborhoods.** An important element of the planning process was identifying neighborhoods that make up the City of Arcata. Neighborhood boundaries were defined using Figure I-b from the Arcata General Plan: 2020. Several neighborhoods were combined to reduce the total number of neighborhoods and simplify the land use analysis. Arcata is made up of 15 unique neighborhoods, each with their own identity and potential for economic development. (The 15 neighborhoods can be seen in Chapter 4, Figure 4.1).
  - **Identification of Arcata Target Industries.** Two approaches were used to identify the City's target industries. One method involved analyzing occupational data and projections, and applying the Oklahoma State University (OSU) method. This resulted in a list of occupations that met certain desirability criteria as outlined in the OSU document. The other method involved updating data from the Targets of Opportunity, the region's guiding economic development document. This analysis involved updating data (through 2007) on industries or "targets" identified by that document. The synthesis of the two methods resulted in the identification of Arcata's target industries.
  - **Identification of Arcata Target Areas.** The City of Arcata is characterized by fifteen distinct neighborhoods (see Figure 4.1). Within these neighborhoods, there are five targeted areas that have significant potential for economic development. For purposes of the EDSP, these areas were chosen based on their potential to draw new businesses and grow and expand existing ones. The selection of these areas does not preclude other areas and/or neighborhoods (e.g. K Street and Downtown) from future economic development. This chapter matches the target industries from the previous chapter with viable geographic (target) areas of the City.
  - **Review of strategies used by other communities.** Information on economic development programs used by other similar communities was gathered to identify the range of economic development strategy and program alternatives available to Arcata.
  - **Collaboration with City Staff.** Community Development Department/Community Development Agency staff provided significant input regarding background data and strategy directions, as well as established the initial priorities for the EDSP implementation measures.

- **Evaluation of the prior strategies.** The 2004 Economic Development Strategic Plan was reviewed in order to provide direction regarding the development of new strategies.
- **Development of Arcata economic development strategies.** All of the preceding steps culminated in the development of an integrated economic development strategy for Arcata, comprised of specific strategies. Each strategy was developed to address specific issues that affect Arcata economic development and contains implementation measures intended to carry out the strategy.

## Baseline Economic Data

The population characteristics of Arcata are an important element of the city's demographic make-up and its changing profile. Population trends, considered with land use, business make-up, and other data, point towards specific economic development strategies. For example, in Arcata, the presence of a large population of highly educated young people predicts a need for certain business sectors, such as entertainment. Likewise, an aging population in the future might call for infusion of services in the medical sector. This section provides an overview of general socioeconomic data only. Supplementary information to this chapter can be found in Appendix A.

*Source of Information:* In developing this baseline profile and Arcata's economic development strategies for the future, several data sources were used. The tables in this section reflect 2000 U.S. Census and California Department of Finance data, as well as data from other sources. The next decennial census, the 2010 Census, will be in print in 2011; therefore the 2000 Census is the most current reliable data available. Consequently, some data were not updated (e.g. Appendix Table A.11), as it is most reliably found in Census documents. It is advised that the City update census data in this document as necessary. In addition, the *City of Arcata General Plan Update 2020* and the *City of Arcata Housing Element 2009* were reviewed for the greater variety of data that they contain that is specific to Arcata. Key tables from these documents were added, and others were only referenced in the appropriate place in this section. Those seeking additional data on Arcata population and other trends are referred to these documents for further information.

*Definitions:* The U.S. Census defines a *household* as “all the persons who occupy a housing unit. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements.”

The U.S. Census defines a *family* as “consist[ing] of a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. All persons in a household who are related to the householder are regarded as members of his or her family. A household can contain only one family for census tabulations.

Not all households contain families since a household may comprise a group of unrelated persons or one person living alone.”

The U.S. Census defines a *married-couple family* as a “family in which the householder and his or her spouse are enumerated as members of the same family.” Other family consists of two classes: Male householder, no wife present is a “family with a male householder and no spouse of the householder present”, and a female householder, no husband present is a “family with a female householder and no spouse of the householder present. A spouse is a person married to and living with a householder. This includes persons in formal marriages, as well as persons in common-law marriages.”

## Population

Population growth between 2000 and 2008 averaged 0.67 percent per year. This shows continuation of slowing population growth since 1980. Between 1990 and 2000 population growth in Arcata was slightly less than one percent per year (0.95 percent), a growth rate that ranged approximately midway between that of Humboldt County and the State of California. This was slower than the rate of growth between 1980 and 1990, which was about 2.1 percent per year.

Although there is no readily available data for Humboldt County and the State, data provided by the Arcata Community Development Department shows that both non-family and family households have increased by roughly eight percent from 2000 to 2008. However, the average household size has slightly decreased. Between 1990 and 2000, the number of family households decreased by nearly 2.7 percent. In contrast, the number of family households increased by 1.86 percent in Humboldt County, and by nearly 11 percent for the State of California.

Future growth of Arcata’s population is currently projected to be less than one-half percent a year (0.39%) from 2010 until 2020, continuing the slow growth trend. As shown in Table 1.1 below, growth appears to be slightly slower than the projections in Arcata’s *General Plan: 2020*, which indicates an anticipated “modest growth rate, up to a population of around 20,000” by 2020. In practical terms, there will be an additional 1,878 people added to Arcata’s population between 2000 and 2020.

The *Humboldt County General Plan Update 2025* anticipates a slightly faster (0.63 percent) annual population growth rate for Arcata between 2000 and 2025, which is just slightly faster than Humboldt County as a whole. It is important to note that these projections are based largely on historical trends; growth is hard to predict more than several years out, and migration patterns could change for a variety of economic, demographic, or social reasons.

**Table1.1:** Population Estimates and Projections

	<b>1990</b>	<b>2000</b>	<b>2005</b>	<b>2008</b>	<b>2010</b>	<b>2020</b>
Arcata	15,197	16,651	17,271	17,558	17,828	18,529
Humboldt County	119,118	124,200	126,518	132,821	134,785	142,167
State of California	29,830,000	34,480,000	37,480,000	38,050,000	39,140,000	44,140,000

\*Source: Census 1990 and 2000, California State Department of Finance (Table P1 and E4 for Humboldt County and California; Table E4 for Arcata), and 2008 Claritas.

A majority of the population in Arcata live in non-family households, which can be attributed to the effect of Humboldt State University (HSU) students. Over 60 percent of Arcata households in 2000 were non-family households, a dramatic increase of 33.2 percent from 1990. The comparable figure for Humboldt County is 40.2 percent, and 31.1 percent for California. In Arcata, non-family households accounted for just over 60 percent of all households again in 2008, while average household size decreased by roughly three percent. It is notable that in 2000 only 19.7 percent of all households in Arcata had children under 18 living in them (comparable figures are 31.4 percent for Humboldt County and 39.7 percent for California). For Arcata, households with children under 18 increased to 21.4 percent of all households. In Arcata, the number of married couples with own children under 18 increased by 13.6 percent, from 728 households in 2000 to 827 in 2008.

Additional detailed data on the size, composition and other characteristics of households is available in the City of Arcata Housing Element, 2009.

## Age Distribution

Arcata's age distribution reflects that it is primarily a "college town." The percentage of Arcatans who are between the ages of 18 and 24 is approximately three times as large as for the State of California, and should continue to make up an even more disproportionately large share of the city, since Humboldt State University has announced that it plans to increase enrollment from about 8,000 in 2009 to 12,000 by 2040, a growth rate of over 1.3 percent per year for the next 31 years, which is faster than the city's growth rate.

Householder age data largely confirms the age distribution data showing that Arcata has a large population of young people. Those between the ages of 15 and 24 make up 25.1 percent of the population of Arcata, compared to only 8.7 percent in Humboldt County and 4.7 percent in California. Considered with Table A.3 showing the relative lack of family households, it appears that much of the household population between 15 and 24 are the college students between ages 18 and 24.

While the data indicate that the population is younger, it is also experiencing aging, consistent with national trends. In 1990, there were 2.4 times as many youths as elderly persons in Humboldt County, decreasing to 2.2 in 2000 and projected to drop to 1.2 in 2025. According to the *Humboldt County General Plan 2025 Update*, "while the birthrate continues to fall, [State]

Department of Finance projections point toward a rapidly aging population in Humboldt County. Humboldt County's median age is projected to rise from 36 to 41 over the next 25 years, while California's median age is expected to remain stable."

Department of Finance projections for Arcata for 2005 to 2020 forecast that seniors over age 65 will grow from a population of 1,494 to 1,543, an increase of 6.6 percent over 15 years, or 0.44 percent per year, about the same as the overall Arcata growth rate. We conclude that while Arcata's population is likely to age (older median age) and continue the trend of fewer families, the disproportionate growth in seniors over age 65 that is projected for the county applies largely to areas outside of Arcata.

Given the aging of the population and the projected increases in the student population, by 2020 we anticipate Arcata's age distribution will have somewhat of a bimodal distribution, with large numbers of college-age and retirement-age residents, and relatively fewer families with children. The population could be subject to change, however. For example, Arcata could become a more attractive community for seniors. Arcata's value as a natural resource hub could be more highly valued as other locales continue to lose these resources to sprawl, and consequently more people may move here to capture the quality of life. Unaffordable housing prices in other areas could lead to an influx of residents. The City could also annex new areas, increasing the population, although not altering its composition greatly.

## Income and Poverty

In 2000, a far higher percentage (36.74) of Arcata residents reported income below \$15,000 than for Humboldt County. By 2008, this number decreased by 19.7 percent. However, the presence of thousands of HSU students distorts the household income distribution data for Arcata, since there are likely to be many low-wage and part-time employees among these students.

**Table 1.2: Arcata Household Income Distribution, 2008**

Income Range	2008		Change*	Percent Change*
	Number	Percent		
Less than \$15,000	2,240	29.5%	-341	-13.2%
\$15,000 - \$24,999	1,357	17.9%	231	20.5%
\$25,000 - \$34,999	754	9.9%	-143	-15.9%
\$35,000 - \$49,000	1,074	14.1%	240	28.8%
\$50,000 - \$74,999	942	12.4%	222	30.8%
\$75,000 - \$99,999	463	6.1%	-66	-12.5%
\$100,000 and above	772	10.1%	435	129.1%
<b>Total</b>	<b>7,602</b>	<b>100%</b>	<b>N/A</b>	<b>N/A</b>
<b>Median Income</b>	\$27,709		\$5,394	24.2%
<b>Humboldt County Median Income</b>	\$40,529		\$9,303	29.8%

\*Source: 2008 Claritas

**Table 1.3:** Household Income Distribution, 2000

Income Range	Arcata Number	Arcata Percent	Humboldt County	California
Less than \$15,000	2,581	36.74%	23.65%	14.04%
\$15,000 - \$24,999	1,126	16.03%	17.18%	11.45%
\$25,000 - \$34,999	897	12.77%	14.25%	11.42%
\$35,000 - \$49,000	834	11.87%	16.42%	15.17%
\$50,000 - \$74,999	720	10.25%	15.88%	19.14%
\$75,000 - \$99,999	529	7.53%	6.80%	11.52%
\$100,000 and above	337	4.80%	5.82%	17.26%
<b>Total</b>	<b>7,024</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Median Income</b>		<b>\$22,315.00</b>	<b>\$31,226.00</b>	<b>\$47,493.00</b>

\*Source: Census 2000

Between 2000 and 2008, there was an addition of 231 households to the income category that earn over \$15,000 and less than \$25,000. During this time, there was a reduction of 341 households from the income category that earns less than \$15,000. The largest increase in household income distribution was in the \$100,000 and above bracket, which grew by 435 households.

The evaluation of family household income distribution must consider the distorting effect of the HSU student population, as most students presumably live in non-family households. However, even with the effect of students reduced, the percentage of Arcata families in the lower income categories is still slightly higher than that of Humboldt County, and substantially higher than for California. Median family income in Arcata is about 93 percent of Humboldt County median family income, and only 63 percent of California median family income.

**Table 1.4:** Family Income Distribution, 2000

Income Range	Arcata Number	Arcata Percent	Humboldt County	California
Less than \$10,000	248	8.81%	7.80%	5.72%
\$10,000 - \$14,999	246	8.74%	7.17%	4.58%
\$15,000 - \$24,999	421	14.95%	14.37%	10.45%
\$25,000 - \$34,999	421	14.95%	14.15%	10.94%
\$35,000 - \$49,000	430	15.29%	19.69%	15.13%
\$50,000 - \$74,999	474	16.84%	20.81%	20.23%
\$75,000 - \$99,999	355	12.62%	8.58%	12.96%
\$100,000 and above	220	7.80%	7.43%	20.00%
<b>Total</b>	<b>2,815</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>Median Income</b>		<b>\$36,716</b>	<b>\$39,370</b>	<b>\$53,025</b>

\*Source: Census 2000

The *City of Arcata Housing Element, 2009* presents additional detailed data on income by occupation, household and other data. Even with increases in personal income, Arcata continues to have a high poverty rate, as shown in Table 1.14 below. In 2000, a higher percentage (14.3%) of Arcata families were in poverty, compared to the county (12.9%), and both City and County poverty rates were higher than the statewide rate (10.6%).

Consistent with nationwide trends, the poverty rate for families without an adult male present is particularly acute. Approximately 60 percent of Arcata and Humboldt County families with a single female parent and children under age five fall below the poverty level, according to the 2000 census figures. While this high poverty rate has been consistent between 1990 and 2000 in Humboldt County, it increased sharply in Arcata since 1990.

The Federally established poverty threshold is widely recognized as inadequate to reflect real cost of living needs. Therefore more people and families may be financially struggling than is reflected by these data. On the other hand, it may be entirely acceptable for students who are sharing housing to have an annual wage that is in fact “poverty level.”

## Cost of Living

Since income is really only relevant according to one's expenses, the cost of living of a community should be considered in tandem with earnings of the population and wages paid by the predominant industries. The lower the wages, the less families can afford comparatively high costs for food, clothing, housing, transportation, and other costs. A large discrepancy between income and cost of living may mean that creation of higher wage jobs and affordable housing are desirable goals.

## Living Wage

A living wage is defined as how much a person would need to be paid in order to cover the cost of living for him/herself and their dependents. Unlike federal minimum wage standards and poverty thresholds, a living wage can be based on the local cost of living. There is no formally recognized way of calculating a living wage, however, and a single living wage rate cannot address the cost of living for families of different sizes, needs, and numbers of wage-earners. Nevertheless a number of cities around the U.S. have implemented living wage standards.

As an illustrative example, using generally accepted methodology, we can derive the following living costs based on a single wage earner in a family of 3 (note that the average family size in Arcata in 2003 was 2.81):

1. Housing: according to a market survey conducted for the City of Arcata Housing Element, 2009 a two-bedroom apartment rents at a median monthly rate of \$900 and a two-bedroom house for \$1,225. For this scenario, we will use the midpoint between these two, or \$1062.50.

2. Food: The USDA's Food Plan <<http://www.usda.gov/cnpp/FoodPlans/Updates/foodaug03.pdf>> for October 2008 was used for the scenario of a low-cost food plan for a three-person household that

includes a male and a female age 20-50 and a child age 6-8. Based on this scenario the monthly food cost is \$591.

3. Transportation: According the 1990 Census data reported in the *General Plan: 2020*, the most common mode of transportation to work among Arcata residents is driving alone to work (66%), followed by walking (12%). Many low-income people cannot afford a car, and car ownership is not always the norm. On the other hand, much of the most affordable housing is at a distance from the city center, perhaps necessitating a car. Moreover, we speculate that many families with a young child might feel the need for a car. For this scenario, we will figure the living wage with and without a car. For the latter, we assume that a person would spend \$40 per month in transit fares. For car ownership, we assume the costs of owning, maintaining, and insuring a vehicle at the Bureau of Labor Statistics average of 16 percent of monthly income.

4. Healthcare: For the purposes of this scenario we will assume that all members of the family are either covered by Medi-Cal, Healthy Families insurance, or avail themselves of the services of a community clinic. However, these have share of cost for all but the lowest incomes. Most full-time employed people do not qualify, and would pay a sliding scale fee to a clinic. For this scenario, we will assume \$25 per month in medical and prescription costs.

5. Utilities – According to the U.S. Department of Housing and Urban Development Section 8 housing allowances for Humboldt County, an estimate of costs for electricity, gas, water, and sewer are \$85 per month. For renters, garbage is usually paid by landlords. We will estimate telephone costs at \$25 per month, for a total utilities estimate of \$110 per month.

6. Household, clothing and personal expenses: The Northwest Job Gap Study <<http://depts.washington.edu/npc/npcpdfs/TechNotes.pdf>> estimated that 16 percent of a household's income goes to this category.

7. Taxes: It is beyond the scope of this scenario to conduct a full tax analysis for this family. Based on a family of three and the projected living wage income level, it is unlikely that the family will face a significant federal or state income tax liability. Moreover, renter and/or child tax credits will be offset by sales tax costs. We will assume the family pays a combined Social Security tax and Medicare tax of 7.65 percent on gross income.

8. Savings: For this scenario we will ignore savings. Some living wage analyses assume a minimal level of savings to offset family emergencies.

Based on the data from 1-8 above, the total estimated (minimal) monthly cost of living for a family of three who do not own a car in Arcata would be \$2,074.66. Assuming one wage earner working full-time for 160 hours per month, this implies a living wage of \$12.97 per hour.

If this same family owned a car, the total estimated monthly cost of living would be \$2,360.82. In this scenario, assuming the same 160 hours of full-time work per month, the living wage would be \$14.76 per hour. For comparison, the U.S. Department of Health and Human Services (HHS) poverty guidelines <<http://aspe.hhs.gov/poverty/poverty.shtml>> for 2009 give a poverty income threshold for a family of 3 of \$1,526 per month, implying a \$9.54 per hour wage.

# Housing Affordability

An assessment of housing costs is a useful tool to indicate what kind of wages are needed by residents to be able to afford renting or owning a home in Arcata

There is an acute housing affordability gap in Arcata. Median family incomes in Arcata and Humboldt County are relatively low compared to California, which in turn means that north coast families have less housing "buying power" than for California as a whole. The United States Department of Housing and Urban Development (HUD) specifies that a household should pay no more than 30% of monthly income for housing; this is considered affordable housing cost.

**Table 1.5:** Housing Affordability, 2008 Household Income\*

	Estimated Annual Median Income (AMI) (HUD)			Maximum Affordable Monthly Housing Cost by Family AMI
	Annual	Monthly	30 Percent of AMI	
Arcata	\$27,709	\$2,309	\$8,313	\$693
Humboldt Co.	\$53,800	\$4,483	\$16,140	\$1,345
State of California	\$63,932	\$5,328	\$19,180	\$1,598

\* Source: Arcata Housing Element, 2009

For renters, who have a much lower median income, the maximum affordable housing cost is projected at \$653 per month, shown in Table 1.6 on the following page. While this may be feasible for two students, each of whom can occupy a bedroom, it is beyond the affordability of many renters.

**Table 1.6:** Housing Affordability, 2000 and 2008 Renter Households\*

	Renter Median Annual Income	Income Needed to Afford 2 BR FMR as Percent of Renter Median Income	Percent of Renters Unable to Afford 2 BR FMR	Monthly Rent Affordable at Renter Annual Income
<b>Arcata</b>				
2000	\$21,688	148%	N/A	\$542
2008	\$26,108	138%	N/A	\$653
<b>Humboldt County</b>				
2000	\$21,285	120%	58%	\$532
2008	\$26,794	125%	60%	\$670
<b>California</b>				
2000	\$36,895	119%	58%	\$922
2008	\$42,384	118%	57%	\$1,070

\* Source: National Low Income Housing Coalition. FMR refers to fair market rent and 2 BR refers to a two-bedroom apartment. Arcata data are estimates based on estimated annual median income from Census 2000 and decreased by a weighted average of Humboldt County and California growth rates.

As also reported in the *City of Arcata Housing Element 2009*, the median of \$26,108 is considered “low income” according to Department of Housing and Community Development income limits for 2008. The very low income upper limit of \$24,200 per year is needed to be able to afford rent of \$605 per month.

The housing wage is the hourly wage needed to afford rent and other expenses, based on a formula provided by the National Low Income Housing Coalition. This provides another level of detail beyond the monthly income needed, and enables comparison with median industry wages to predict what kind of jobs are desirable. Housing wage estimates are shown in Table 1.7 on the following page. Arcata's housing wage falls between that of Humboldt County and California. It is notable that Arcata's housing wage for the scenario of the two-parent one child family used in the example on living wage above *would earn* enough for one-bedroom but not a two-bedroom housing.

**Table 1.7: Housing Wage\***

	<b>Hourly Wage Needed to Afford (at 40 hours per week)</b>				
	<b>Zero Bedroom</b>	<b>One Bedroom FMR</b>	<b>Two Bedroom FMR</b>	<b>Three Bedroom FMR</b>	<b>Four Bedroom FMR</b>
Arcata, 2003	\$7.69	\$10.10	\$15.38	\$23.08	\$30.77
Arcata, 2008*	\$10.43	\$12.47	\$18.81	\$28.78	\$37.20
Humboldt Co., 2003	\$6.77	\$9.37	\$12.27	\$17.13	\$20.27
Humboldt Co., 2008	\$10.44	\$12.23	\$16.10	\$23.08	\$25.56
California, 2003	\$14.38	\$16.88	\$21.18	\$29.05	\$33.63
California, 2008	\$16.83	\$19.65	\$24.01	\$33.32	\$38.90

\* Source: National Low Income Housing Coalition. Note that Arcata data are based on estimated "fair market rent" from interviews with real estate professionals. 30% of income is considered affordable. Arcata, 2008 data adjusted by applying Humboldt County and California average growth rates to 2003 hourly wages

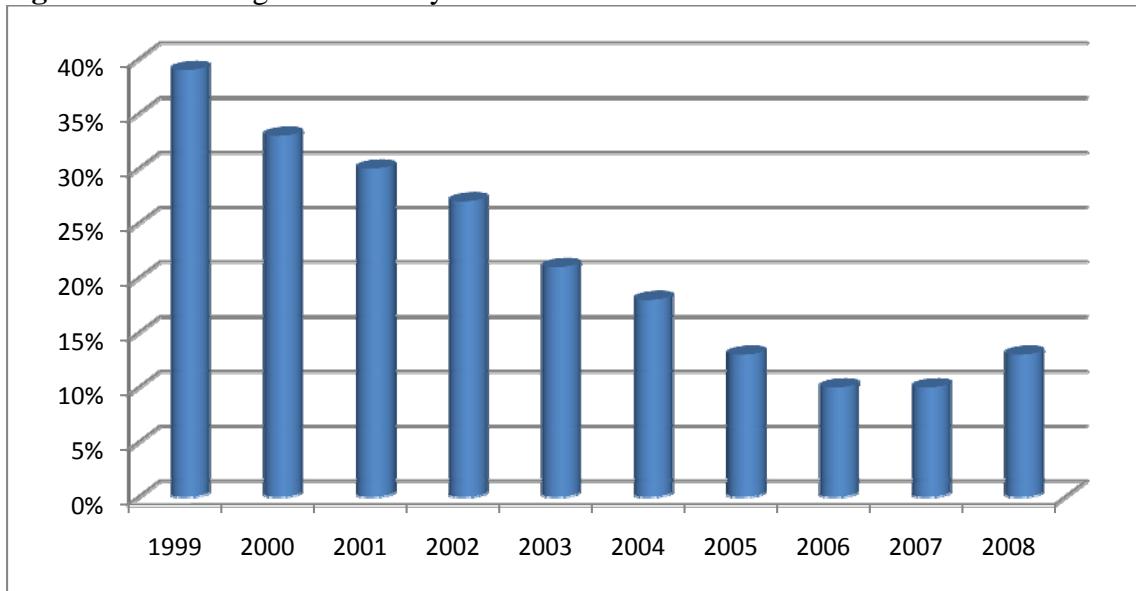
Housing affordability for renters is a significant issue. The data in Table A.12 show that nearly two-thirds of all households in Arcata are renter households, largely due to the student population but also likely due to the higher rate of poverty among families and the higher cost of home ownership in Arcata. In contrast, less than half of households in Humboldt County and in California are renter households.

For purchasers of homes, the median price has begun to drop in recent years, as shown in Figure 1.1 and Figure 1.2 on the following page. The housing affordability index is found by first deriving a standardized "qualifying income" required to purchase the median priced home (based on standard lending practices, prevailing interest rates, tax rates, and insurance rates), and then determining the percentage of households at or above this qualifying income. While housing affordability clearly deteriorated in both Arcata and Humboldt County between 1999 and 2005, the effect is more acute in Arcata. In 1999 approximately 40 percent of Arcata households could afford the median-priced home in Arcata. By mid-2003 roughly 20 percent of Arcata households could afford the median priced Arcata home, compared with 33 percent for the same year in the County.

Since the 2004 EDSP, the local housing market has suffered the effects of the collapse of the wider national housing market. Housing prices peaked in 2006, evidenced by the lowest point

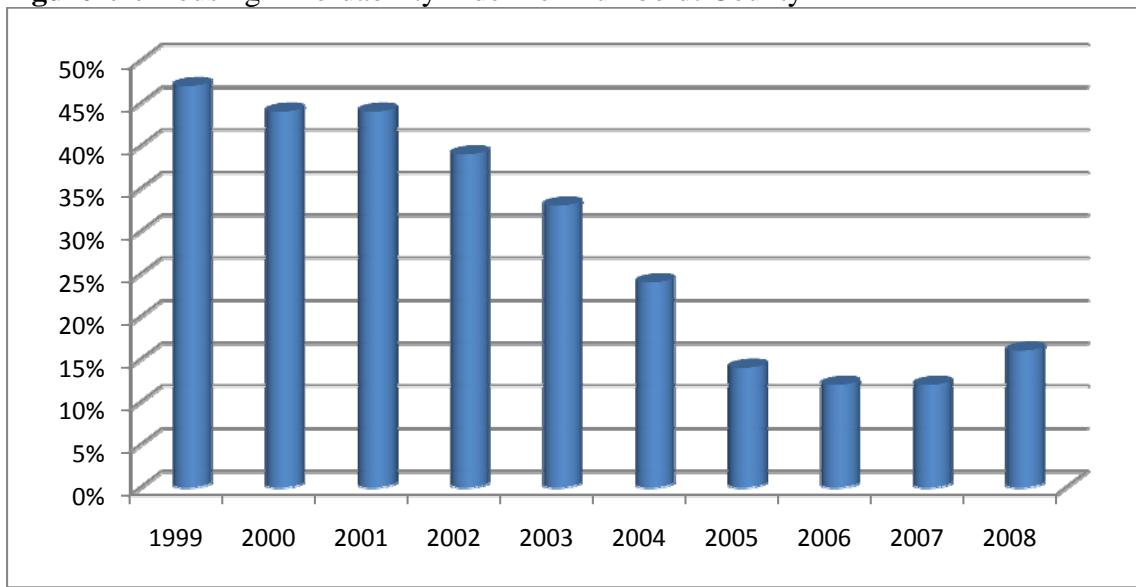
on the graph below. At this point, housing affordability was at its lowest. It seems that housing affordability stabilized sometime in 2007, as the housing market softened, signaled by declining home prices. Due to the current recession, household incomes have also started to drop. It appears that housing prices have declined more rapidly than household incomes, so affordability is stabilizing and beginning to improve slightly. In the charts below, the y-axis represents the percentage of Arcata residents who can afford a median priced home.

**Figure 1.1:** Housing Affordability Index for Arcata\*



\*Source: Humboldt Association of Realtors. 2009. (<http://harealtors.com/properties.php>)

**Figure 1.2:** Housing Affordability Index for Humboldt County\*



\*Source: Humboldt Association of Realtors. 2009. (<http://harealtors.com/properties.php>)

The figure above displays housing affordability for the County. It shows the same general downward trend through 2006, stabilizing in 2007, and rising affordability beginning in 2008. Compared to Arcata, there was a steeper drop in affordability between 2004-2005. This means that housing prices were increasing at a faster pace (without an equivalent percentage increase in wages) during this time period for the County.

## Employment

The table below lists the top twenty employers in the City. Seven of the top twenty are in the public sector, and account for a total of 1,642 jobs. The remaining thirteen employers are private employers and account for 2,128 jobs. Table 1.8 and Table 1.9 assess the employers by size (number of employees), and specific business type. This paints an overall picture of the business mix in Arcata, and points to sectors that may be over or under-represented.

**Table 1.8: Major Arcata Employers, 2009\***

Company Name	Neighborhood	Industry	Jobs
<i>Public Sector</i>			
Humboldt State University	HSU/Northtown	Education	1,047
City of Arcata	Downtown-Uniontown	Government	144
Arcata Elementary School District	Various	Education	150
US Fish and Wildlife	Valley West	Government	79
Arcata High School	Arcata Heights - Northtown	Education	79
Redwood Science Labs	Humboldt State University	Government	75
Arcata Arts Institute	Arcata Heights - Northtown	Education	68
<i>Private Sector</i>			
Mad River Community Hospital	Westwood- Vassade	Health Services	500
Sun Valley Group Inc.	N/A	Agriculture	350
Schmidbauer Lumber Inc.	Samoa Blvd.	Lumber	170
Tomas Jewelry	Downtown-Uniontown	Jewelry Wholesale	160
Sierra Pacific Industries	Samoa Blvd.	Lumber	150
United Indian Health Services	Valley West	Health Services	125
North Coast Cooperative Inc.	Downtown-Uniontown	Food and Beverage	125
Healthsport- Arcata	Downtown-Uniontown	Recreation	110
Kokatat Inc.	Aldergrove	Manufacturing	100
Danco Builders Inc	Aldergrove	Construction	100
Humboldt Flakeboard Panels Inc.	Aldergrove	Manufacturing	85
Joe Costa Trucking	Aldergrove	Transportation	81
Open Door Community Health Center	Arcata Heights - Northtown	Health Services	72

\*Source: Dun and Bradstreet, 2009

**Table 1.9: Arcata Business by Number of Employees, 2009**

Number of Employees	Number of Businesses	Percent of All Arcata Businesses
1 to 4	774	68%
5 to 9	149	13%
10 to 19	114	10%
20 to 99	92	8%
100 to 499	9	0.8%
500 and over	2	0.2%

\*Source: Dun and Bradstreet, 2009

### Employment by Industry

In February 2007, the report “Targets of Opportunity” was released. It contains valuable data and information for the five-county region (Del Norte, Humboldt, Mendocino, Siskiyou, and Trinity counties) and has become Humboldt’s guiding economic development document. It identified six industries, or targets of opportunity, that demonstrated a combination of job growth, wage increases, improving competitiveness, and career potential. According to Prosperity! The North Coast Strategy, “The six targets of opportunity are growing faster than the rest of the region’s economy, particularly the private sector. Over the last decade and a half, these sectors have proven to be long-term sources of structural economic growth, expanding even through short-term economic cycles.” The six targets of opportunity are (in decreasing total employment):

- Diversified Health Care
- Building and Systems Construction and Maintenance
- Specialty Agriculture, Food, and Beverages
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing

Table 1.10 shows that in 2003, niche manufacturing was Arcata’s largest target industry, responsible for 77.6 percent of the County’s niche manufacturing workers and 43.4 percent of its firms. Arcata employed just over one quarter (26.3 percent) of all County workers in the diversified health care industry. Major sources of employment in this industry are the Mad River Community Hospital and Potawot Health Village. The specialty agriculture, food and beverage industry employed almost the same amount of workers (26.2 percent), making this Arcata’s third largest industry by number of workers.

**Table 1.10: Arcata as a Percentage of Humboldt County, QIII 2003**

Target Industry	Jobs	Employers
Diversified Health Care	26.27%	20.43%
Investment Support Services	13.18%	14.41%
Management & Innovation Services	15.70%	17.83%
Building & Systems	17.50%	12.50%
Specialty Ag, Food & Beverage	26.17%	12.12%
Niche Manufacturing	77.62%	43.40%
<b>All Target Industry Total</b>	<b>24.73%</b>	<b>16.53%</b>

Source: Employment Development Department, 2009

Table 1.11 shows that by 2007, Arcata was responsible for slightly less employment in the niche manufacturing and diversified health care industries, Arcata's two largest industries in 2003. Employment in the specialty agriculture, food and beverage industry grew by approximately 24 percent to become Arcata's second largest industry by overall employment. During this time management and innovation services nearly doubled, accounting for roughly 23 percent of Humboldt County's employment in this industry. While niche manufacturing jobs contracted slightly (largely due to Yakima's relocation to Portland) the number of firms grew during this time. Management and innovation services and niche manufacturing were Arcata's largest industries by number of firms by 2007, growing by 29.1 and 26.2 percent, respectively.

**Table 1.11:** Arcata as a Percentage of Humboldt County, QIII 2007

<b>Target Industry</b>	<b>Jobs</b>	<b>Employers</b>
Diversified Health Care	24.08%	18.21%
Investment Support Services	13.65%	14.78%
Management & Innovation Services	22.69%	23.03%
Building & Systems	17.73%	14.63%
Specialty Ag, Food & Beverage	32.44%	11.98%
Niche Manufacturing	73.87%	56.25%
<b>All Target Industry Total</b>	<b>24.70%</b>	<b>17.61%</b>

Source: Employment Development Department, 2009

Table 1.12, below, summarizes the two tables above. It shows the changes from the third quarter of 2003 to the third quarter of 2007. The total number of Arcata employers as a percentage of Humboldt County employers has risen by 6.5 percent over the 2003-2007 time period. Total Arcata employment as a percentage of Humboldt County employment has decreased negligibly over the same time period. This can be explained by an increase in Arcata based firms that employ a smaller number of employees replacing few firms that employed many employees.

**Table 1.12:** Percentage Change in Arcata as a Percentage of Humboldt County, QIII 2003 to QIII 2007

<b>Target Industry</b>	<b>Jobs</b>	<b>Employers</b>
Diversified Health Care	-8.34%	-10.86%
Investment Support Services	3.53%	2.61%
Management & Innovation Services	44.56%	29.13%
Building & Systems	1.33%	17.03%
Specialty Ag, Food & Beverage	23.93%	-1.20%
Niche Manufacturing	-4.84%	29.62%
<b>All Target Industry Total</b>	<b>-0.13%</b>	<b>6.50%</b>

Source: Employment Development Department, 2009

Table 1.13 shows that half of the target industries (management and innovation services, building and systems, and specialty agriculture, food and beverage) were the only industries that realized positive job growth. Diversified health care shed approximately 26 jobs over this time period, while investment support services and niche manufacturing shed 14 and 167, respectively. The large number of niche manufacturing job losses is largely attributed to the

relocation of Yakima out of Arcata. The specialty agriculture, food and beverage industry saw no growth in the total number of employers, but has added the second highest number of employees of all target industries.

**Table 1.13:** Percentage Change in Arcata, QIII 2003 to QIII 2007

<b>Target Industry</b>	<b>Jobs</b>	<b>Employers</b>
Diversified Health Care	-2.03%	-8.96%
Investment Support Services	-7.33%	0.00%
Management & Innovation Services	46.99%	35.71%
Building & Systems	20.31%	28.85%
Specialty Ag, Food & Beverage	28.95%	0.00%
Niche Manufacturing	-25.38%	17.39%
<b>All Target Industry Total</b>	<b>5.22%</b>	<b>10.27%</b>

Source: Employment Development Department, 2009

Table 1.14 shows that Humboldt County has realized similar patterns in job growth (and decline) in the building and systems industry and the niche manufacturing industry. The county added a total of approximately 760 jobs to diversified healthcare, management and innovation services, and building and systems, and the specialty agriculture, food and beverage industries during 2003-2007. The County lost roughly 330 jobs within the investment support services and niche manufacturing industries.

**Table 1.14:** Percentage Change in Humboldt County , QIII 2003 to QIII 2007

<b>Target Industry</b>	<b>Jobs</b>	<b>Employers</b>
Diversified Health Care	6.89%	2.13%
Investment Support Services	-10.49%	-2.54%
Management & Innovation Services	1.68%	5.10%
Building & Systems	18.74%	10.10%
Specialty Ag, Food & Beverage	4.05%	1.21%
Niche Manufacturing	-21.59%	-9.43%
<b>All Target Industry Total</b>	<b>5.36%</b>	<b>3.54%</b>

Source: Employment Development Department, 2009

Many of the job losses in investment support services are most likely attributed to the bursting of the housing bubble, resulting in a decreased need for realtors, brokers, etc. County niche manufacturing job losses (183) closely reflect Arcata niche manufacturing job losses (167). It is important to note that diversified health care is the only target industry that declined in firm size, contracting by nearly 9 percent. Chapter 3, Targeted Industry Assessment, analyzes the target industries with more detail.

## Taxes & Other Business Related City Revenue

The City provides a variety of services, including police protection, water and sewer, parks and recreation, and other services. The City uses diverse funding sources to provide these services to residents and businesses. The majority of City revenue is from taxes levied on property, sales of goods, utility users, and occupants of Arcata hotels. There are also franchise tax fees for certain

types of business, and a business license tax from all businesses conducting business in Arcata. State revenue is also returned to Arcata from car users' vehicle license fees.

**Sales tax** is by far the single most important tax revenue source for the City of Arcata. It accounts for approximately 26.3 percent of total General Fund revenue, and 43 percent of General Fund revenues from taxes. For 2008/09, it is anticipated that the City will receive approximately \$2.25 million. In the 2008 General Election, City voters passed measure G, a law raising sales tax an additional 0.75 percent to a total of 9.0 percent. It is estimated that the tax increase will generate approximately \$1,500,000 per year. The revenues will be placed into a Transaction and Use tax Fund, and will be used to fund City Council identified needs, including transportation projects, infrastructure improvements, public safety, and improvements to City facilities and services.

The current sales tax rate is 9.00 percent and went into effect on April 1, 2009. It is collected by the State Board of Equalization and is allocated as follows:

State	7.25 percent
City/County	1.50 percent
County Transportation	0.25 percent

**Property Tax** generates approximately \$765,100 or 8.9 percent of General Fund revenues. Prior to the adoption of Proposition 13, property tax was a dominant source of revenue for California cities. In the early 1990's, the State shifted over \$3 billion of property taxes from local governments to schools. While the formulas underlying this property tax shift are complex, the concept was simple: shifting property taxes away from local governments to schools reduced, on a dollar for dollar basis, the amount the State was required to spend on schools. These shifted revenues, commonly referred to "ERAF" (Educational Revenue Augmentation Fund) monies, directly reduced the amount of property tax allocated to the City of Arcata.

The reduction in this revenue source was the primary reason the City of Arcata enacted its Utility Users' Tax, as did many other cities in California.

**Utility Users' Tax**, a 3 percent utility users' tax, was adopted to partially offset the City's General Fund loss and to permit the City to maintain essential government services as a result of the ERAF Shift in 1993. The Utility Users' Tax was scheduled to terminate on July 1, 1998. However because of legal uncertainties, it was brought before the voters in November 1996 and was ratified again in November 2000, 2004, and 2008. It is set to expire in November 2016.

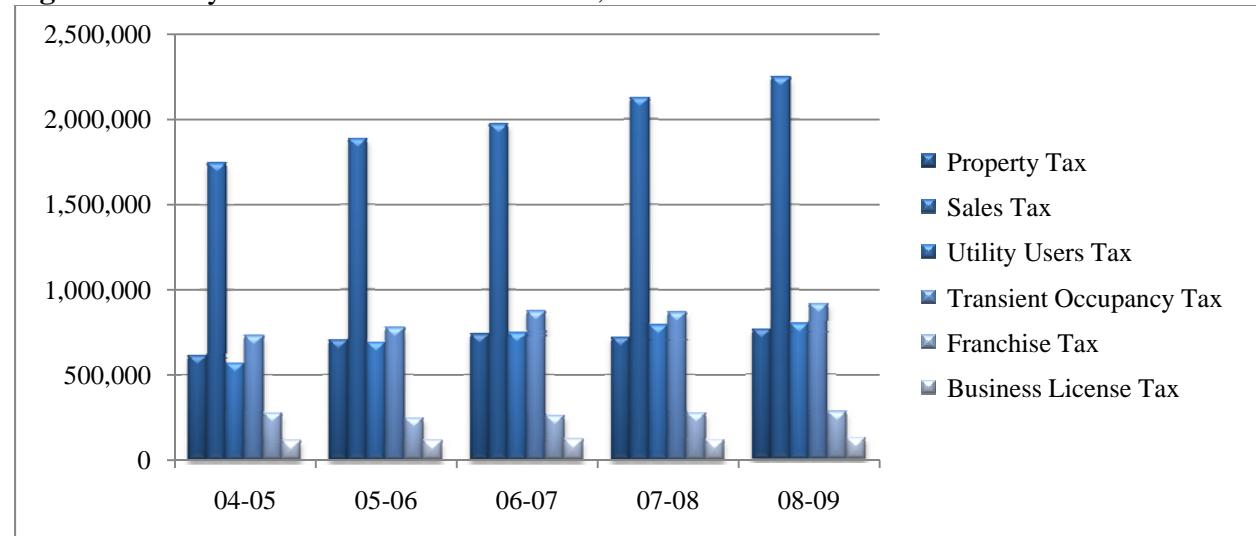
For 2008/09 the City anticipates this revenue source to generate approximately \$800,000, or 9.3 percent of General Fund revenue. The City's utility users' tax is assessed on the following utilities: electric, gas, cable TV, telephone, water and sewer. The tax is limited to \$1,000 for each service user per fiscal year.

**Transient Occupancy Tax (TOT)** a transient occupancy tax is imposed on persons staying 30 days or less in a room(s) in a hotel, motel, etc by the City of Arcata. The current rate of tax is 10 percent. For 2008/09, the City anticipates this revenue source to generate approximately \$915,000, or 10.7 percent of General Fund revenue.

**Franchise Tax** fees are imposed on certain businesses for the privilege of doing business in the City of Arcata. Several state statutes provide cities with the authority to impose fees on privately owned utility companies and other businesses for the privilege of using city rights of way. Typically, the types of businesses that pay franchise fees include public utilities, such as gas and electricity, and cable television companies. For 2008/09, the City anticipates this revenue source to generate approximately \$279,500 in General Funds.

**Business License Tax** is imposed on businesses for the privilege of conducting business within the City. The tax is commonly based on gross receipts, levied at a flat rate, or a combination of the two. The City of Arcata assesses this tax using a flat rate based on the number of employees. For 2008/09, the City anticipates this revenue source to generate approximately \$125,000 in General Funds.

**Figure 1.3: City General Fund Tax Revenues, 2004 – 2009\***



\*Source: Arcata Fiscal Year 2007 – 2008 and 2008-2009 Budgets

This section discusses revenue that is apportioned to the City of Arcata that relates to business activity. With the exception of the Business License Tax and Franchise Tax (which relates only to certain businesses such as electric and telephone utilities, cable television, as several others), Arcata does not have local business specific taxes. Sales and Use Tax is a statewide tax where a portion of the tax (approximately one and one-half -percent of total taxable transactions) is returned to the local jurisdiction.

Business License tax is paid by all businesses that operate within the City of Arcata, whether or not they have a local address (except for those business types exempted by the California Public Utilities Code). The amount of the tax is established by the City and relates to the size of the business (some jurisdictions base the business license tax on total revenue or the amount of business that is transacted within the City). Events, such as fairs and the farmers market also pay a business license tax to the City. Franchise taxes are paid by certain business (mostly utilities) for the privilege of operating within the City (primarily within the City's rights of way.) The franchise tax amount is established by the City of Arcata.

**Table 1.15: General Revenue, Arcata\***

Account	2000-2001		Percent Change FY 06-07 vs. 00-01	2004-2005		Percent Change FY 05-06 vs. 04-05	2005-2006		Percent Change FY 06-07 vs. 05-06	2006-2007	
	Tax Revenue	Percent of Total		Tax Revenue	Percent of Total		Tax Revenue	Percent of Total		Tax Revenue	Percent of Total
Property Tax	\$517,658	11%	<b>36%</b>	\$570,248	10%	15%	\$655,538	11%	7%	\$702,529	11%
Sales and Use Tax	1,528,380	32%	<b>-5%</b>	1,362,659	24%	8%	1,474,559	25%	-1%	1,455,778	22%
Transient Occupancy Tax	579,254	12%	<b>51%</b>	730,417	13%	6%	776,303	13%	12%	872,883	13%
Franchise Taxes	175,462	4%	<b>48%</b>	277,646	5%	-11%	246,983	4%	5%	260,313	4%
Business License Tax	102,813	2%	<b>18%</b>	114,834	2%	1%	115,869	2%	5%	121,771	2%
Real Property Transfer Tax	19,840	0.40%	<b>80%</b>	45,790	1%	11%	50,928	1%	-30%	35,702	1%
Utility Use Tax	557,674	12%	<b>34%</b>	571,044	10%	21%	689,723	12%	8%	747,004	11%
Other General Revenue	1,280,907	27%	<b>86%</b>	1,989,461	35%	-4%	1,909,846	32%	25%	2,379,056	36%
<i>Total General Revenue</i>	<i>\$4,761,988</i>	<i>100%</i>	<b>38%</b>	<i>\$5,662,099</i>	<i>100%</i>	<i>5%</i>	<i>\$5,919,749</i>	<i>100%</i>	<i>11%</i>	<i>\$6,575,036</i>	<i>100%</i>

\* Source: State Controller's Office Cities Annual Report (2000-01, 2004-05, 2005-06, 2006-07). Note: Included are general revenue sources that have a relationship to local economic activity. Revenues not adjusted for inflation.

The City of Arcata does not have fees (aside from sewer, water, and drainage impact fees) that are imposed to mitigate the impact of non-residential development, such as fees relating to public safety, roads and transportation, or schools. In addition, Arcata does not impose general taxes on non-residential development or non-residential uses that could be used for any municipal purpose. Other California cities use such taxes as a source of local revenue; however, these taxes can also have the effect of discouraging development.

As with most California municipalities, sales taxes represent the single largest source of Arcata tax revenue. Approximately two out of every five municipal tax dollars in Arcata is generated from sales and use taxes. One can also see that sales and use tax revenues per resident increased sharply in recent years in Eureka and Fortuna, while in contrast sales and use tax revenues per resident were nearly stationary in Arcata. The loss of automobile dealerships in Arcata has significantly impacted sales and use tax revenue in recent years.

## Major Sales Tax Generating Businesses

Appendix A contains the top 20 City of Arcata sales and use tax generating businesses, listed in random order. Sales and Use Tax receipts are confidential, and data for a single business or an industry group containing less than five permittees cannot be divulged. Businesses listed in the top 20 are more stable than others due to the degree of dependence on the local economy. For example, gas stations and manufacturers are largely independent of the local economy, whereas the others are more so. The top 20 businesses are composed of twelve business types including lumber/building materials, grocery stores liquor, hardware stores, petroleum products/equipment, government/social organizations, auto repair shops, service stations, heavy industrial, drug stores, garden/agricultural supplies, contractors, and restaurants liquor.

The top 20 are located throughout the City; with the largest concentration of top 20 businesses in the Downtown - Uniontown (seven of 20) and Valley West neighborhoods (five of 20). It is notable that Downtown – Uniontown was the leading sales tax generating neighborhood and that Valley West was the second greatest sales tax generating neighborhood during the 2004 EDSP. Sixteen of the Top 20 are the same as those listed for the 2004 EDSP; four have changed. They are (in order of appearance) Harbor Freight Tools, Bay Area Diablo Petroleum, Humboldt Fasteners, and Humboldt Hydroponics. They replaced Uniontown Union 76, Yakima Products, Tomo Japanese Restaurant, and Dollar Tree. Whereas Union 76, Tomo, and Dollar Tree are still large sales tax generators (though not in the Top 20), Yakima has left Arcata thus providing no sales tax revenue.

It is also notable that five of the top 20 Sales and Use Tax generators are still food stores, given that, on average, only one-third of total grocery store sales are taxable. Sales of food for human consumption are generally exempt from tax unless sold in a heated condition (except hot bakery items or hot beverages, such as coffee, sold for a separate price), served as meals, consumed at or on the seller's facilities, ordinarily sold for consumption on or near the seller's parking facility, or sold for consumption where there is an admission charge (*Publication 61, Sales and Use Tax Exemptions and Exclusions* – California State Board of Equalization). Most candy and snack items are also exempt from Sales and Use Tax.

Also notable is the absence of business types that are known for *big-ticket* taxable items, such as auto dealers and warehouse stores; Arcata's only auto dealer, Sacchi Motors, recently left the City. In addition, Humboldt State University, which is the largest economic engine in Arcata, is also a significant contributor of sales tax (through its Student Union related businesses) to the City of Arcata. Worth noting is the new development project at HSU, located on L.K. Wood Boulevard between Harpst and 14<sup>th</sup> Streets. The new College Creek dormitories will consist of 99 apartments, a student community center, soccer field, and a small maintenance facility. It will have the capacity to house 434 students, and will be completed by Fall 2010 (HSU Facilities Management Website). The proposed student center will likely be another significant source of sales tax generation.

**Table 1.16:** Humboldt County Taxable Transactions (2007)

Jurisdiction	Retail Taxable Transactions	Percent of County Retail Transactions (2007)	Taxable Transactions, Total All Outlets	Percent of County Total All Outlets (2007)
Arcata	\$125,944,000	10.1%	\$185,425,000	10.7%
Blue Lake	\$1,044,000	0.1%	\$1,386,000	0.1%
Eureka	\$714,369,000	57.1%	\$848,187,000	49.1%
Ferndale	\$12,414,000	1.0%	\$13,525,000	0.8%
Fortuna	\$114,629,000	9.2%	\$134,936,000	7.8%
Rio Dell	\$8,632,000	0.7%	\$9,286,000	0.5%
Trinidad	\$7,976,000	0.6%	\$8,195,000	0.5%
<i>Total Incorporated</i>	\$985,008,000	78.7%	\$1,200,940,000	69.5%
Unincorporated	\$266,285,000	21.3%	\$526,792,000	30.5%
<b>Total County</b>	<b>\$1,251,293,000</b>	<b>100.0%</b>	<b>\$1,727,732,000</b>	<b>100.0%</b>

Source: Board of Equalization *Taxable Sales in California* (Sales & Use Tax) 2007

For calendar year 2001, total retail transactions within Arcata represented slightly more than 11 percent of total Humboldt County transactions. Comparatively, total retail transactions in Arcata were responsible for just over 10 percent of County transactions in 2007. Total retail transactions in Eureka for 2001 and 2007 account for over 50 percent of Humboldt County transactions. It is important to note that only Unincorporated Humboldt County and Arcata do slightly better when all outlets are considered, versus when only retail outlets are considered. This shows that Arcata is relatively stronger in its non-retail industries.

**Table 1.17:** Sales and Use Tax Revenues by Geographic Area, 2004 – 2008\*

<b>Geographic Area</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008 **</b>	<b>Total</b>
Valley West	\$211,452	\$239,618	\$272,266	\$286,451	\$206,572	<b>\$1,216,359</b>
South G	118,878	111,110	108,312	140,537	95,421	<b>\$574,258</b>
Samoa Blvd	80,298	120,838	110,711	122,830	94,244	<b>\$528,921</b>
Downtown	615,084	644,863	671,245	701,056	532,071	<b>\$3,164,321</b>
Northtown	139,015	138,986	139,498	151,658	116,890	<b>\$686,047</b>
Aldergrove	131,062	149,912	166,752	175,627	137,522	<b>\$760,875</b>
<b>Total</b>	<b>\$1,295,789</b>	<b>\$1,405,328</b>	<b>\$1,468,784</b>	<b>\$1,578,159</b>	<b>\$1,182,721</b>	<b>\$6,930,781</b>

\* Source: Hinerliter, DeLlamas, and Associates, City of Arcata, 2009.

\*\*Note: Data is provided up to QIII 2008

The Downtown area is consistently responsible for the greatest share of sales tax revenues in the City. Not only does Downtown provide many eating, drinking, retail, and general business places, but it is the central hub for tourist spending. Downtown is also host to seven of the top 20 sales tax generators. Valley West is a distant second in terms of its sales and use tax generation. Aldergrove, Northtown, South G, and Samoa Boulevard geographic areas combined to provide the City with roughly 37 percent of the sales tax revenues during this time period.

**Table 1.18:** Sales and Use Tax Revenues by Major Business Group, 2004 – 2008\*

<b>Major Business Group</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008 **</b>	<b>Totals</b>
Autos and transport	\$97,910	\$108,800	\$102,146	\$122,829	\$91,960	<b>\$523,646</b>
Building and Construction	180,606	218,309	260,602	273,522	182,418	<b>\$1,115,457</b>
Business and Industry	273,841	298,470	300,909	318,816	249,164	<b>\$1,441,199</b>
Food and Drugs	246,710	257,481	270,294	277,673	209,893	<b>\$1,262,051</b>
Fuel and Service Stations	229,541	247,011	288,265	296,122	233,666	<b>\$1,294,605</b>
General Consumer Goods	289,976	305,800	277,510	309,639	210,902	<b>\$1,393,827</b>
Restaurants and Hotels	238,634	258,204	289,684	284,535	232,267	<b>\$1,303,324</b>
<b>Totals</b>	<b>\$1,557,217</b>	<b>\$1,694,075</b>	<b>\$1,789,410</b>	<b>\$1,883,136</b>	<b>\$1,410,271</b>	<b>\$8,334,109</b>

\* Source: Hinerliter, DeLlamas, and Associates, City of Arcata, 2009.

\*\*Note: Data is provided up to QIII 2008

Over the five year period, the business and industry group outperformed all other business groups, with general consumer goods a close second. The autos and transportation industry, largely composed of automotive repair and automotive supply stores, (there are no dealerships within City limits) provided the City with the least amount of sales tax revenue, far underperforming the other business groups. The remaining business groups all contributed roughly an equivalent share of City sales tax revenues, indicating a stable, diversified economy.

The two largest business groups by sales tax generation during 2008 were business and industry and fuel and service stations. Combined, they accounted for nearly 40 percent of sales tax revenue generated through the third quarter of 2008. Although gasoline sales have contributed significant tax revenues to the City's budget, this has been largely due to the spike in oil prices that began in 2007. Gasoline prices are historically volatile, and prices during the current recession are no exception. Arcata should therefore plan accordingly, and not be reliant on sales tax revenues from fuel purchases to be contributing the same amount in coming years.

Comparing Arcata business groups to County and State business groups reveals which businesses 'do better' in Arcata (see Table 1.19 below). For example, slightly more than one quarter of all Californians' sales and use tax generating sales come from general consumer goods purchases. Comparing that to the County, slightly less than 23 percent is generated from general consumer goods. Arcata's general consumer goods sales and use tax revenues comprise only 15 percent of sales tax revenue, far less than both the State and the County.

Another Arcata business group that stands out when comparing it to the County and State is food and drugs. This group comprises just over 15 percent of sales and use tax revenues in the City, compared to nine percent in the County and six percent in the State. As discussed earlier in this section, five of the top 20 sales tax generating businesses are food stores. The small contribution of sales tax revenues from the auto business group (less than seven percent of total revenues) may be partially explained by the lack of auto dealership; no large auto purchases can be made, resulting in a leakage of those tax dollars.

When comparing the overall change in sales and use tax revenues between jurisdictions, California did the worst, with a 4.4 percent decline in tax revenues, followed by Arcata and (3.3 percent decline). Humboldt County performed the best, with a decline of only 2.2 percent in sales tax revenues. It is important to keep in mind that the third quarter 2007 data reflect sales patterns that occurred just months before the 2007 recession, and the third quarter 2008 data reflect sales patterns during the recession. As mentioned earlier, it is also important to note that the revenues from fuel purchases increased substantially in all three jurisdictions when compared to the prior year. This is largely explained by the short term spike in oil prices.

**Table 1.19:** Sales and Use Tax Revenues by Major Business Group, QIII 2007 and QIII 2008\*

Major Business Group	QIII 2007	QIII 2008	Percent Change	Percent of Total QIII 2008
<b>ARCATA</b>				
Autos and Transportation	\$55,829	\$32,805	-41.2%	6.7%
Building and Construction	79,705	49,236	-38.2%	10.1%
Business and industry	80,362	101,987	26.9%	20.9%
Food and Drugs	71,427	74,567	4.4%	15.2%
Fuel and Service Stations	68,313	80,326	17.6%	16.4%
General Consumer Goods	75,443	73,939	-2.0%	15.1%
Restaurants and Hotels	74,524	76,215	2.3%	15.6%
Transfers and Unidentified	0	0	N/A	0.0%
<b>TOTAL</b>	<b>\$505,603</b>	<b>\$489,076</b>	<b>-3.3%</b>	<b>100.0%</b>
<b>HUMBOLDT COUNTY</b>				
Autos and Transportation	\$712,134	\$540,342	-24.1%	13.3%
Building and Construction	600,090	558,045	-7.0%	13.7%
Business and industry	513,190	469,055	-8.6%	11.5%
Food and Drugs	365,158	366,892	0.5%	9.0%
Fuel and Service Stations	642,089	777,322	21.1%	19.1%
General Consumer Goods	955,460	930,278	-2.6%	22.9%
Restaurants and Hotels	376,715	428,293	13.7%	10.5%
Transfers and Unidentified	71	19	-73.2%	0.0%
<b>TOTAL</b>	<b>\$4,164,907</b>	<b>\$4,070,246</b>	<b>-2.3%</b>	<b>100.0%</b>
<b>CALIFORNIA</b>				
Autos and Transportation	\$224,013,730	\$176,789,925	-21.1%	14.7%
Building and Construction	131,479,525	116,454,552	-11.4%	9.7%
Business and industry	220,758,145	202,495,524	-8.3%	16.8%
Food and Drugs	74,598,591	75,730,689	1.5%	6.3%
Fuel and Service Stations	140,970,670	179,323,056	27.2%	14.9%
General Consumer Goods	323,430,047	306,339,807	-5.3%	25.4%
Restaurants and Hotels	146,063,760	149,524,472	2.4%	12.4%
Transfers and Unidentified	459,799	47,878	-89.6%	0.0%
<b>TOTAL</b>	<b>\$1,261,774,267</b>	<b>\$1,206,705,903</b>	<b>-4.4%</b>	<b>100.0%</b>

\* Source: Hinerliter, DeLlamas, and Associates, City of Arcata, 2009.

## Transient Occupancy Tax (TOT) Generators

Transient Occupancy Tax (TOT), often referred to as a bed tax, is a 10 percent tax on the total room rate imposed on occupants of hotels, motels, bed and breakfasts, and RV parks. From 2004 to 2007 there was a 24 percent nominal increase in TOT revenues generated from Arcata hotels, motels, inns, and bed and breakfast establishments. Without adjusting for inflation, TOT revenues decreased by \$11,000 between 2007 and 2008. This decline in overnights may be due to the effects of the national recession. As future enrollment at Humboldt State University increases, TOT collections can be expected to rise (family visits, graduation, etc).

**Table 1.20:** Transient Occupancy Tax, Arcata 2004 - 2008\*

Year	Quarter				Annual Total	Average Occupancy Rate
	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>		
<b>2004</b>	\$115,082	\$181,822	\$260,600	\$147,049	\$704,553	66%
<b>2005</b>	131,395	187,293	270,031	154,831	743,551	66%
<b>2006</b>	134,474	213,268	303,135	171,545	822,422	66%
<b>2007</b>	153,434	230,237	317,253	171,073	871,997	68%
<b>2008</b>	156,977	230,448	326,989	146,288	860,702	67%
<b>Subtotal</b>	\$691,362	\$1,043,069	\$1,478,008	\$790,787	\$4,003,225	N/A
<b>% of Subtotal</b>	17.27%	26.06%	36.92%	19.75%	100.00%	N/A

\*Source: City of Arcata. Data are unadjusted for inflation.

Hotel/motel TOT revenues provide the City with a steady revenue stream. Occupancy rates averaged approximately 67% over the five year period, which is higher than the County overall. The third quarter (July, August, and September) tends to exhibit the greatest occupancy rates. From 2004-2008, the third quarter period has an average occupancy rate of 84 percent. This can be explained by multiple factors, but likely due on large part to the weather during this time and its attraction to out of town visitors. The majority of Arcata hotels/motels are located in the Valley West neighborhood; of the 19 hotels/motels in Arcata, the top five hotels by total TOT revenue are located in this neighborhood.

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# Chapter 2

## Economic Development Assets

### Introduction

The economic development assets chapter covers business, community and physical assets, and economic conditions, opportunities, and challenges. Supplementary information to this chapter can be found in Appendix A.

### Business and Employment Assets

#### Aldergrove Industrial Park

The Aldergrove Industrial Park is located near the intersection of US 101 and Hwy 299 on the northeastern corner of the City of Arcata in the West End Road Neighborhood (see map in Chapter 4). The Arcata General Plan 2020 establishes the Aldergrove Industrial Park as light industrial and with increased landscaping requirements.

In 1979 the City of Arcata purchased a 40-acre former lumber mill off of West End Road and subsequently purchased 10 acres of adjacent industrial lands. The prior uses on this land included lumber mill operations (teepee burner, log pond, log deck and log storage, and agriculture uses to the north.) The City acquired the land for approximately \$340,000 and estimated at that time that required site related improvements (sewer, water, drainage, and roads) would total approximately \$1.7 million. The infrastructure planned to serve the Aldergrove Industrial Park is now in place.

Located at the intersection of two major highways (U.S. 101 and State Route 299), the area is a regional transportation node and has been selected by some of the region's larger trucking companies as a base of operations. The Aldergrove Neighborhood, outside of the Aldergrove Industrial Park, contains a significant amount of vacant industrial land to the south of Aldergrove Road and prime industrial lands adjacent to West End Road to the north of the City boundary.

The City sold a portion of the property in the 1980's that has since been developed as small office and industrial park related uses. The City retained a portion of the land, approximately 20 acres as roads and a wetland/storm water retention basin (APN 507-461-011 and 507-251-029). The City is yet to sell several parcels totaling approximately five acres that remain vacant (APN 507-251-028, 507-251-039, and 507-251-040). Also in 2002 the City purchased the Foodworks building and property (see Foodworks description contained in this section).

In addition to the City's vacant land in the Aldergrove Industrial Park, there are an additional 13 acres of land along Ericson Way that remain vacant (APN 507-251-021, 507-251-026 - currently used as staging/storage) and could be developed. The City is interested in developing at least

one of the vacant parcels in the Aldergrove Industrial Park as a condominium-style business development. These spaces would be sold to small businesses start-ups with possible loan assistance from the City. HSU and Economic Fuel will be valuable partners if this development occurs.

Although the Aldergrove Industrial Park is ideally suited for many light industrial/industrial flex uses, there are some factors that constrain future use of the property. Portions of Aldergrove are located adjacent to the Aldergrove Marsh and Janes Creek that are Resource Protection Areas. The former Britt Lumber site is made up of several parcels. The parcel with the “old” mill and the parcel with the “newer” mill were recently purchased by a private entity (2009). The owner plans to use these parcels to harvest certified sustainable lumber.

The recent purchase of the Britt Lumber log deck parcels (i.e., Happy Valley) by the City creates an opportunity for an eco-industrial park that would better utilize wood and energy waste from existing manufacturing facilities (for further discussion, see Chapter 4). The City of Arcata is also considering developing a trail along the HBMWD right-of-way that runs through the Happy Valley site.

The City of Arcata hopes to re-route drainage from the Aldergrove Marsh to the Louisiana Pacific log deck wetland area in order to limit seasonal flooding of the parcels between West End Road and SR 299. This reduction in flooding will in turn enhance the development potential of these parcels fronting SR 299.

## **Little Lake Redevelopment Property**

The Little Lake Property is a former industrial site acquired by the Arcata Community Development Agency in 2001. The three parcels that make up the Little Lake Property (APN 502-232-004, 502-232-013, and 502-232-016) comprise approximately 12 acres of potential industrial land approximately half a mile south of the Arcata Plaza and south of Samoa Blvd.

The site has historically been used for industrial purposes but will require infrastructure improvements prior to re-use. The following is a list of required improvements:

**Sewer.** Based on information from the City of Arcata, there is a 24-inch sewer line running adjacent to the Little Lakes property. This line is currently operating at 77 percent of capacity. This sewer facility has additional capacity to handle the Little Lake property, even if it were fully built out as an industrial/commercial use.

**Water.** There is an 8-inch water line approximately 200 feet from the site. The City estimates that this water line has sufficient capacity to serve both the fire and water needs of the Little Lake site. In addition, an industrial well located on site served the site in the past. This well may be available to the extent that additional that additional fire suppression or irrigation water is required.

**Streets.** Approximately 1,200 feet of ‘I’ Street fronts along the Little Lake site. ‘I’ Street south of Samoa Boulevard is currently a paved two lane road that lacks sidewalks and gutters and dead ends at the public boat launch/marsh access area about 0.6 miles

beyond the Little Lake site. Significant road improvements would likely be required if the Little Lake site is developed.

**Environment.** Jolly Giant Creek is located adjacent to the site. This creek is considered a Class 1 fish-bearing stream. This stream is part of a resource protection area. This site is not located within the 100-year flood plain, but the site is considered to be at moderate to high risk of liquefaction in the event of a major earthquake.

This site contains important wetland values and can provide a vital connection between the developed portion of Arcata and the Arcata Bay marshlands. However, these conditions also serve to limit the use of the property and present a number of opportunities and challenges. The following is a list of specific considerations that are set forth in the Arcata General Plan 2020 (Table LU-7) relating to the Little Lake Property:

1. An area not less than 25-feet wide adjacent and parallel to "I" Street shall be a landscape buffer between heavy manufacturing uses to the west and internal development on the site. Landscaping within the buffer strip shall include a dense planting of trees of species appropriate to the coastal environment.
2. A multi-use coastal access pathway shall be included along the entire landscape buffer to connect the Samoa Boulevard area to the Arcata Marsh and bay shoreline.
3. The former marsh areas at the southern portion of the property (south of the railroad tracks) shall be restored or recreated.
4. A small portion of the site adjacent to the Marsh Commons area, or along Butcher Slough, may be suitable for limited residential development.
5. A small portion of the site adjacent to the restored marsh area may be suitable as a site for an "eco-lodge" or other eco-tourism uses focused on coastal recreation.
6. The northern portion of the site east of the landscape buffer may be developed as a "business park" with light industrial and business-service uses. Comprehensive development standards for the business park area, including sidewalks, landscaping, and building design, shall be included in the master plan for the site.
7. A creekside conservation area shall also be required parallel to the top of the bank of Butcher Slough.

The site is subject to soil and groundwater contamination as a result of past uses. The City is currently working to complete environmental clean-up of this site. The last building at this site is scheduled for demolition and removal in October 2009. One of the challenges to re-use of this site include the timing and cost associated with environmental cleanup, the need to improve access to the site from Samoa Boulevard, and balancing economic development with the City's strong desire to preserve and enhance natural values.

The former Little Lake Industries site to the south of Samoa Boulevard has had wetlands restoration work done on the southern portion of the parcel. Chapter 3 and Chapter 4 to provide insight into the types of development that could occur on this site.

## **Samoa Boulevard Area**

The former Beaver Lumber site on the western edge of Arcata has been used for a temporary waste transfer station and for firewood production, while other parts of the site have sat vacant. Wing Inflatables has moved into a part of this site, and the site on the north side of Samoa Boulevard from which Wing Inflatables is moving is vacant. The site south of Samoa Boulevard near the Highway 101 interchange is being considered for a transitional housing facility. The City plans to develop a Samoa Boulevard Revitalization Plan that will more explicitly consider economic development for this area.

## **Foodworks Culinary Center**

The Foodworks Culinary Center in the 20,565 square foot Foodworks building, is sited on a 2 1/2 acre parcel in the Aldergrove Business Park. The Center was created in 1991 by the Arcata Economic Development Corporation. The Foodworks Culinary Center was sold to the City of Arcata in 2001.

In 2002 College of the Redwoods (CR) entered into a five-year lease of the Foodworks Building at an annual rent of \$22,345. Since occupying the building CR has built new classrooms and a computer lab and is offering business courses, along with the Small Business Development Center (SBCD). The building also houses the offices of the Arcata Economic Development Corporation (AEDC), which sublets the space from the City.

Foodworks Culinary Center building is an example of a physical asset owned by the City that also serves as a resource for helping incubate new food-oriented businesses. It also serves as means of improving the human capital of its students by increasing their skills. Prior to the City acquiring the facilities, business consultant Richard Burroughs prepared an "Arcata Business Incubator Report". This report may be of use were the City to consider directly providing or supporting business incubator services.

The City-owned Foodworks building in the Aldergrove Industrial Park is currently in transition. College of the Redwoods (CR) is no longer leasing any building classrooms except for the instructional kitchen and the space it rents for storage and cooking. (The two Arcata CR sites are Arcata High School and the Stewart School, which is located directly across from Arcata High.) The City has decided to retain ownership of the building and City staff will serve as site manager and contract out maintenance and upkeep. Staff will work to develop a long term and remodel strategy in 2010.

## **Public Parking Lots**

The City owns four parking lots comprising a total of nearly 3 acres and over 100,000 square feet (see Table 2.1). These lots provide 253 parking spaces (see Table 2.2).

**Table 2.1:** City of Arcata owned Parking Lot Inventory

Lot	Acreage	Square Feet	Notes
7th and F Streets (behind City Hall)	1	42,560	Approximate acreage
8th and F Streets (Behind Fire Station)	0.4	17,024	
9th and E Streets (Intermodal Transit Facility)	0.96	40,858	Parking lot Acreage breakdown not available
7th and G Streets (South of 76 station)	0.41	17,450	
<b>TOTAL</b>	<b>2.77</b>	<b>117,892</b>	

**Table 2.2:** City of Arcata Parking Space Inventory

Public Lot	Open	Blue	Police	City	20-minute	Total
Lot 1 8th & F (II)	36	4				40
Lot 2 7th & H (IV)	45					45
Lot 3 7th & G (IV)	43	2				45
Lot 4 7th & F (IV)	56	3	7	8	2	76
Transit Area (II)	43	4				47
<b>TOTAL</b>						<b>253</b>

In addition to the above public parking lots, the City provides parking spaces at the Community Center parcel and the D Street Neighborhood Center. Some of the parking at the Community Center parcel belongs to HealthSport. Reportedly the heaviest use of parking at the Community Center parcel during the week is after 3 pm, and is relatively light between 10 am – and 3 pm. The D Street Neighborhood Center has only a few parking spaces.

Availability of public parking can have a significant impact on retail sales and thereby on sales tax revenue received by the City. The announced increase in the target enrollment ceiling for Humboldt State University has far reaching parking and transportation impacts that could affect the City's consideration of the public parking lot facilities it provides.

## Meetings, workshop and conference facilities

The City owns a variety of facilities for meetings, workshops and conferences. In addition to those listed in Table 2.3, the City has a meeting room in its Library Building and the Marsh Interpretive Center could also be used for meetings.

Humboldt State University has facilities for conducting large conferences (those over 100 participants) but use would be constrained by the HSU academic schedule. Non-HSU conference facilities in Arcata are very limited, especially in terms of smaller "break-out" rooms at a single location. The Arcata Community Center has 3 smaller rooms suitable for "break-out" sessions, but these would be insufficient for a larger conference. The Community Center Gymnasium might accommodate break-out sessions if moveable partitions and walls were available and suitable acoustically. Planned development in the Valley West neighborhood includes the addition of a new hotel with conferencing capabilities (i.e. Hampton Inn), as well as

a meeting facility at the Days Inn. The increase in transient occupancy tax (TOT) revenues from the new Hampton Inn may be used to fund a marketing coordinator position to serve the entire City of Arcata. Other plans for this area include the development of additional rooms at Best Western and the addition of a meeting facility at Days Inn, both located on Valley West Boulevard.

**Table 2.3: City of Arcata Meeting, Workshop and Conference Facilities**

Facility/Room	Capacity	Day Rate	Half Day Rate	Address
D Street Neighborhood Center	300	\$490	\$370	14 <sup>th</sup> and D Streets
Arcata Community Center				321 Community Park Way
Arts and Crafts Room	40	\$185	\$134	
Gymnasium Court	unavail.	n/a	\$67/hr	
Kitchen	unavail.	\$155	\$72/hr	
Multi-Purpose/Gym	600	\$825	\$595	
Senior Dining Room	122	\$380	\$290	
Redwood Lounge	35	\$235	\$170	Redwood Park
Redwood Lodge	99	\$375	\$280	Redwood Park

## Others

Collectively, land within the City limits of Arcata constitutes the community's physical asset. Most of the land is privately owned, and while most of it has been developed, there are many unrealized land assets in the form of vacant and underutilized parcels (see Figure 2.1). The City recognizes the value of these lands and has included policy in the Arcata General Plan 2020 to promote utilization of vacant and underutilized parcels, especially those designated for commercial and industrial use.

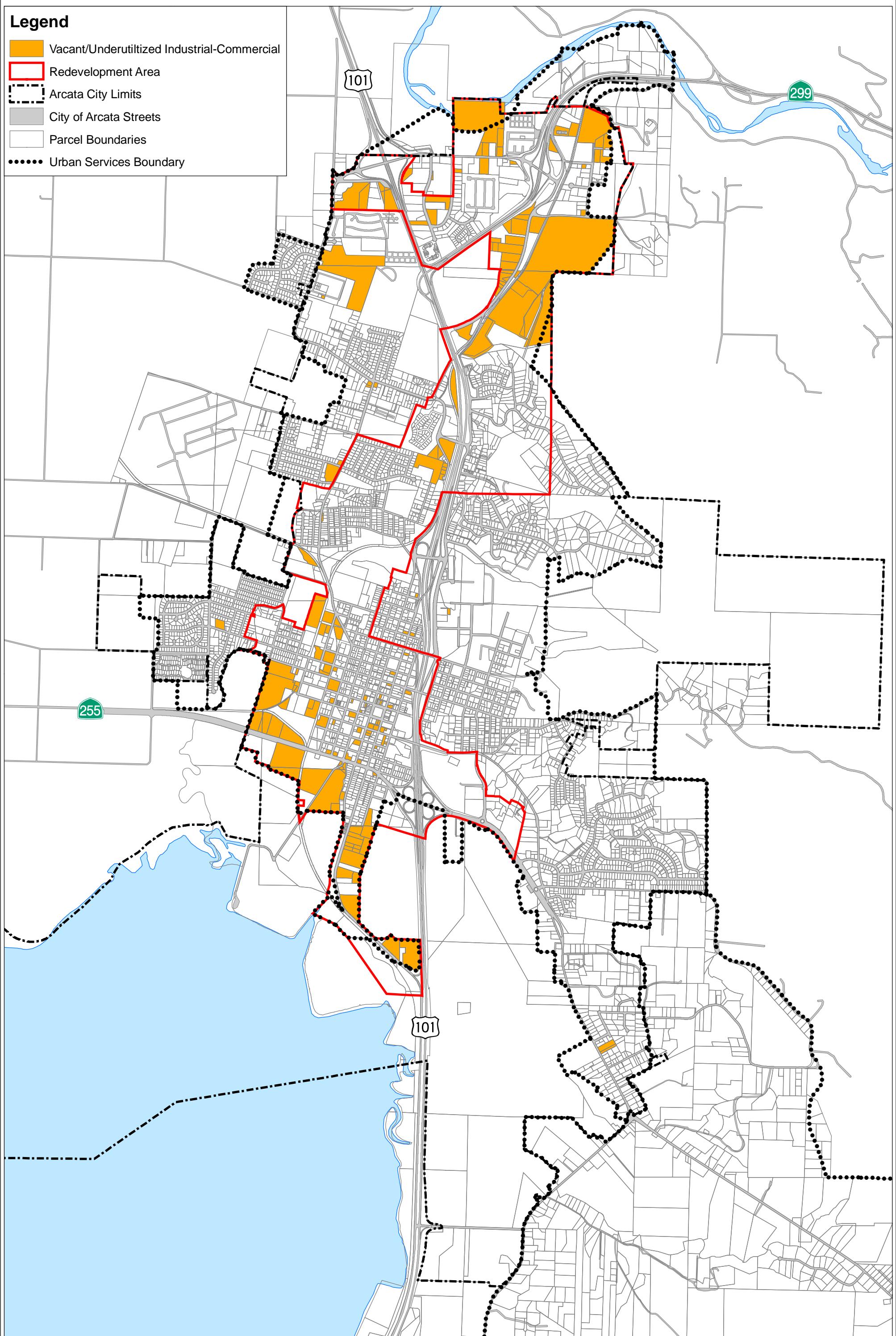
In terms of labor, the continually replenished student population of Humboldt State University can be viewed as a resource for potential entrepreneurs and skilled and creative workers of all types. In addition to students, a wide range of others choose to move to Arcata bringing with them a wide range of skills, abilities and experience.

In terms of the value of Arcata's capital, Arcata's assessed property valuation continually grows. Assessed valuation in the Arcata Redevelopment Project Area for Fiscal Year 2009-10 is \$374,448,564 greater than that of the base year (1983) for the Project Area and is projected to grow significantly in the next decades. This increased valuation is the basis for increased property tax revenue to the City, which the City can access through sale of redevelopment bonds. One of many considerations regarding financial capital based on Arcata's property tax revenue would be the long term impact on City property tax revenues, if a significant amount of private property is acquired by Humboldt State and exempted from paying property tax. The impact of acquisition by the State of residential property when the 101 Highway was expanded would be an example of a similar situation.

Figure 2.1 - Arcata Economic Development Strategic Plan - Vacant & Underutilized Industrial & Commercial

### Legend

- Vacant/Underutilized Industrial-Commercial
- Redevelopment Area
- Arcata City Limits
- City of Arcata Streets
- Parcel Boundaries
- Urban Services Boundary





# Community Assets

The City possesses assets in the form of its public image and the quality of life enjoyed by its residents and visitors. These assets can be a large draw for visitors and bolster Arcata tourism.

## Arcata Plaza

Since the 2004 EDSP, the Plaza area has lost all of its automobile-related businesses. Arcata Muffler was converted into a restaurant (Brio), and Arcata Auto Supply has been converted into the new Outdoor Store. The Alibi is still planning to expand into the vacant parcel along 9<sup>th</sup> street between G and H streets. The former Sacchi Motors site will be developed into a three story building with commercial uses on the ground floor and residential uses on the top floors(s). Just beyond the Plaza, the Humboldt Machine Works site on I street is being converted into a winery, tasting room, and restaurant. The City of Arcata provided a \$325,000 loan to the owners of the Arcata Theater, which helped them secure additional loan funds. Together these loan funds are being used to substantially redevelop the building for an entertainment venue. The City of Arcata is interested in creating a “24 hour downtown” concept that emphasizes infill development and placement of housing on the top floor(s) of multi-story buildings with commercial uses on the ground floor.

## Playing Field and other City Parks

As noted earlier, the Arcata Ball Park comprises 4.17 acres. In addition to providing playing fields for the Humboldt Crabs baseball team and other teams, sports camps, several soccer and baseball tournaments are held each year each attracting many teams from outside the local area. Outside teams stay overnight at local motels and make meal and other purchases which benefit the local economy. The parcel also contains the Judo Hut recreational building.

Since the 2004 EDSP, the Arcata Ballpark’s playing field has been upgraded with improved drainage to allow for uses beyond just the dry summer months. The City is interested in using the fenced ballpark site for festivals that either incorporate alcohol sales or charge fees, which would then allow the Plaza to be used for alcohol-free events.

## Arcata Community Forests

Arcata's Forests actually comprise three different units: the Arcata Community Forest proper, the Jacoby Creek Forest and the Jacoby Creek Forest Expansion – Lucchesi Acquisition. Arcata's Forest Management Plan has been heralded by many public and private agencies as the model document for managing sustainable forestry. The Forest is the only “Smartwood” Certified redwood forest in the United States (Smartwood is affiliated with the Forest Stewardship Council which certifies forests and lumber as being sustainably harvested.)

## Arcata Marsh and Wildlife Sanctuary

The 154 acre Arcata Marsh & Wildlife Sanctuary (AMWS) has become an international model of appropriate and successful wastewater reuse and wetland enhancement technologies. Over 150,000 people a year use the AMWS for passive recreation, bird-watching, or scientific study.

Visitors from around the world have come to Arcata to investigate its success in wastewater management. Students of all ages and institutions use the AMWS for scientific study. In 1987, the City of Arcata was selected by the Ford Foundation to receive an award for this wastewater wetlands project as an innovative local government project. This award included a \$100,000 prize to be used to fund the establishment of the Arcata Marsh Interpretive Center. The Center focuses on the historical, biological and technical aspects of the AMWS, and attempts to meet the informational and educational demands of the wastewater treatment system.

### **Eco-tourism related open space and natural areas**

In addition to the Arcata Marsh and Wildlife Sanctuary and the Arcata Community Forests, the City of Arcata owns other land of environmental interest and ecological value: the Lower Janes Creek/McDaniel Slough Restoration Area and the Jacoby Creek/Gannon Slough Enhancement Area. According to City staff, the Jacoby Creek Watershed is very popular but it is difficult to promote if it cannot be maintained. Access is valuable to Arcata residents as well as employees of local businesses. The conservation easement in the Arcata Forest will produce miles of new trails, with an expected completion date of 2010.

According to local experts, nature based or ecotourism expansion is both possible and realistic in Arcata. There is a growing market of people interested in and participating in sustainable tourism opportunities. Arcata is moving in a direction where they can attract such people; open space agriculture land, freshwater habitat restored by CDFG, Samoa and Northbank, and freshwater habitat restoration. There is also agriculture land east of Highway 101 and south of HSU, that was purchased as tidal/intertidal land for wetland habitat.

One option for Arcata would be to follow an extended stay model, where visitors stay an extra night to visit such asset areas. This would be an add-on benefit to the destination travel/tourism magnet (the visitors are here for other reasons). Birders are the exception; they are destination travelers (i.e. Arcata Marsh, Bayside bottoms, and Jacoby Creek trails). The City should capitalize on the growing birding activity, which is the fastest growing outdoor recreational activity in the country (as a percent of the population). Another option for the City would be to expand the trail system, which could attract visitors interested in mountain biking and horseback riding. However, the City does not have existing publications describing trail networks, so cooperation with Americorps and the HSU Natural Resources Planning and Interpretation Department is recommended.

## **Economic Conditions, Opportunities, and Challenges**

Arcata possesses an exceptional array of local attributes, including a California State University, a vibrant downtown, and a healthy natural environment. Arcata's labor force is well educated, highly skilled, and exhibits a strong entrepreneurial spirit. The City of Arcata has demonstrated its willingness to use economic development tools (primarily Redevelopment) to build a strong community and has access to a broad range of partners that can provide funding and technical assistance. Further, the General Plan: 2020 promotes job creation and quality of life by encouraging land conservation and opportunities for infill development.

## **Current Economic Environment**

Over the last several years, the U.S. and California economies have been struggling to recover from unforeseen events, including the California energy crisis, the Silicon Valley dot com bust, the September 11 terrorist attack, and the late 2000's recession. The economic downturn has resulted in significant job losses and has had severe effects on state and local governments. The recent reversal in the California economy has contributed to State budget deficits and reductions in funding to the State University system. California will be suffering from such financial difficulties in the near term. The State's financial situation affects the local economy in a variety of other ways, such as increased uncertainty regarding the amount of property and sales tax revenues the City will receive.

## **Challenges**

### **Regulatory Environment**

Arcata businesses and land developers are subject to federal, state, and local regulations. Environmental clean-up is one regulatory area that affects economic development in the City. Some of Arcata's vacant and underutilized land was formerly used for industrial purposes and is contaminated to some degree from activities such as fuel storage, the disposal of industrial solvents, or the residues from waste burning (these contaminated areas are often referred to as "brownfields"). In order to put this land to use, it must be cleaned-up based on a remedial action plan approved by the U.S. Environmental Protection Agency, the North Coast Regional Water Quality Control Board (NCRWQCB), and the California Environmental Protection Agency. Clean-up is costly, and the party responsible for the contamination and its cleanup often cannot be found. Therefore, former industrial land frequently sits fallow while waiting to be cleaned up for reuse, and in the meantime degrades the value of surrounding lands.

Other regulations that directly impact the cost of doing business include worker's compensation laws and occupational safety and health regulations. These regulations provide protection to workers to reduce job-related accidents, support workers in the event that an accident occurs, and require the installation of emission reduction systems. Additionally, there are regulations to protect natural resources, including air and water quality regulations, the California Coastal Act, and other regulations that affect the use of land. While society values these protections, the regulations combine to make starting and operating a business costly.

The local regulation of business is most apparent at the City's land use planning and building permit public counter. The City of Arcata's Community Development Department regulates development, renovations, signage, and other construction as a means to achieve community goals, such as historic preservation, agricultural and natural resource conservation, and community appearance. Stakeholders interviewed as part of this planning process have indicated that the Arcata design guidelines and design review process, however well-intentioned, can result in significant increases in development costs which they perceive as resulting in little direct benefit to the community. The City should consider streamlining the permitting process to reduce these costs. This challenge is addressed in Chapter 5 (see Implementation Measure BSR – 10).

## **Fiscal Environment**

The City General Fund relies on local taxes such as sales tax, property tax, business license tax, and franchise tax, as well as State aid such as motor vehicle in-lieu fees to support local services. As indicated in the previous chapter, local taxes are at best keeping up with inflation, while State aid to local government (which is increasingly becoming the most important source of revenue to local government) is subject to cuts to help reduce the State budget deficit. The establishment of new local taxes, or increases to existing taxes, requires approval of two-thirds of the voters, which can be very difficult to secure.

Funds available to the Arcata Community Development Agency are also affected by the current State budget deficit. The State legislature has shifted millions of dollars of property tax revenue from cities, counties, special districts, and redevelopment agencies into the State Educational Revenue Augmentation Fund (ERAF) in order to meet constitutional funding mandates for schools. The Arcata Community Development Agency expects to receive a total of approximately \$3.8 million in tax increment (the growth in property tax revenue within the redevelopment area) funds for FY 2009/10. Approximately 41 percent of City tax increment funds were shifted to various other agencies. The remaining \$2.3 million will be available for housing and other community development projects.

## **Opportunities**

### **Humboldt State University**

As stated previously, HSU is the single largest contributor to the Arcata economy. The HSU Master Plan projects enrollment to increase from 8,000 to 12,000 full-time equivalent students within the next 30 to 40 years. Although State budget difficulties may delay this growth, the expansion of HSU-related employment will occur and will directly affect the Arcata economy. This enrollment growth will likely result in significant benefits to the City of Arcata, but could also create problems if adequate advanced planning does not occur.

Humboldt State University is a source of new business ideas and industry-researcher collaboration. Through the HSU Office of Economic and Community Development, the Economic Development Portal, tremendous opportunity exists to match University research strengths to industry needs. As well, collaboration offers opportunities to leverage the resources available through HSU to benefit the *Prosperity!* “Information and Technology” and “Education and Research” industry clusters located in Arcata.

Through improved collaboration, there are additional ways that HSU and Arcata can benefit the local economy. As economic development, housing, transportation, parking, and public safety issues become more evident, HSU and the City must undertake long-range planning in a collaborative manner. The City of Arcata and HSU could consider joint-use projects as a means to lower the cost of larger projects, such as parking, transportation, community facilities, and housing. Cooperative planning will ensure that the growth of the University matches with General Plan: 2020 and that the University can offer a richer learning environment to new students.

HSU has had several new projects since 2004. One example is the College Creek dormitories which will consist of 99 apartments, a student community center that will generate retail sales, a soccer field, and a small maintenance facility. The dormitories will have the capacity to house 434 students and will be completed by Fall 2010 (HSU Facilities Management Website).

Another major project is the Schatz Energy Research Center (SERC), which is currently constructing a new three million dollar research facility. The new research center, located atop Cluster Court to the west of the Behavioral & Social Sciences (BSS) building, will contain two indoor laboratories, one exterior laboratory, a machine shop, a conference/demonstration room and offices for both staff and graduate students. The new building will be designed and constructed to meet United States Green Building Council (USGBC) Leadership in Energy and Environmental Design (LEED) Gold equivalence (HSU Facilities Management Website).

Another project is the recently completed BSS building. This 84,000 square foot (52,900 ASF) building is the new home to ten departments replacing the old Behavioral Sciences building. The building features lecture rooms, research space, faculty and graduate offices, gallery space, academic computing labs, and a psychology clinic. Construction began in May of 2004, and the building was ready for use the beginning of the Fall 2007 semester. The BSS meets the LEED Gold rating, and is currently the most environmentally friendly and sustainable building in the California State University system.

However, significant recent reductions in the Humboldt State University (HSU) budget are occurring, impacting HSU employment and the student population. Humboldt State is planning for a \$12.2 million reduction from a general fund budget of \$102 million and is experiencing furloughs, layoffs and a student population cap among other types of restructuring. The near term impacts of the reduced HSU budget will result in fewer faculty, staff, and students. This impact will likely ripple through the local economy in the form of decreased housing and consumer demand, resulting in lower tax revenues for the City.

### **Availability of Land for Employment**

Based on the Arcata General Plan: 2020, Arcata needs to produce 59 additional jobs each year to keep pace with population growth. There are concerns that Arcata may not have sufficient developable land to accommodate needed employment growth. Based on a conservative estimate of the jobs that could be accommodated within the vacant and underutilized land described in the preceding section and illustrated by Figure 2.1, Arcata's vacant land can support several times more jobs than the General Plan: 2020 indicates are required to keep up with projected population growth.

It should be noted that, if HSU grows as allowed in HSU's Master Plan, there would be increases in HSU employment without significant use of Arcata's available vacant or underutilized land. Such HSU employment growth would meet much of the employment increase called for in the City's General Plan: 2020. For example, if HSU enrollment doubled steadily over 40 years (HSU Master Plan timeframe), i.e. a 100% increase, it would go up by 50% in 20 years (Arcata General Plan timeframe). Currently, HSU employs 1,047 people; a 50% increase would equal 523 new jobs. It is likely, though, that employment would increase less than enrollment. However, even if HSU employment grew only half as much as enrollment in the next 20 years, it would still imply the creation of over 260 new jobs. Consequently, considering possible HSU

housing and the availability of vacant and underutilized land in Arcata, available land does not, on closer examination, appear to be as scarce as it might appear on first glance.

**Table 2.4 Employment Estimate - Based on Available Commercial and Industrial Land**

Land Use Type	Gross Acres	Net Parcel Acres	Net Parcel SF <sup>1</sup>	Average FAR <sup>2</sup>	Maximum Building SF	Average SF Per Employee	Potential Employment
Vacant Commercial	75.5	75.50	3,288,780	1.00	3,288,780	350	9,397
Vacant Industrial	131.51	131.51	5,728,576	0.75	4,296,432	700	6,138
Underutilized Commercial	44.21	22.11	962,894	1.00	962,894	350	2,751
Underutilized Industrial	163.25	81.63	3,555,585	0.75	2,666,689	700	3,810
<b>Total</b>	<b>414.47</b>	<b>310.74</b>	<b>13,535,834</b>		<b>11,214,794</b>		<b>22,095</b>

1. SF – square footage.

2. FAR – floor area ratio.

Note: Employment density factors (Average SF Per Employee) were based on the regional average employment densities by building type used by the Portland Area Metro Council in the *Urban Growth Report 2000-2022*.

Table 2.4 takes the vacant and underutilized commercial and industrial land in Arcata and projects its full build-out and the employment that it can accommodate. The General Plan: 2020 allows this land to be developed to higher densities than those used in Table 2.4 (up to 1.5 times the total parcel area for industrial use, and up to three times the total parcel area for commercial use). Lower development densities were used in this analysis

The following describes the column headings in Table 2.4.

Gross Acres –	Total parcel acres.
Net Parcel Acres –	Removing 50 percent of the acreage from underutilized parcels on the assumption that up to half of the parcel is already developed with structures.
Net Parcel SF –	Conversion of parcel acreage to parcel square feet (SF).
Average FAR –	A conservative estimate of the average floor to area ratio (FAR), the ratio of building square footage to parcel square footage, for the use type (Commercial FAR ranges from 2.00 to 3.00; Industrial FAR is 1.5).
Maximum Building SF –	The maximum square footage of buildings on vacant and underutilized parcels given the previous assumptions.
Average SF Per Employee –	Generally accepted estimates of the average building area occupied by one employee based on use type.
Potential Employment –	Maximum Building SF divided by Average SF Per Employee to derive an estimate of employment at buildout.

## Arcata Business Diversity

Economic diversification limits a community's risk of job and income losses that might occur if one employer or one sector of the economy experiences a sharp decline. A diversified economy is more inherently stable and less subject to boom and bust cycles. In Arcata, the ability to

diversify this relatively remote rural economy is limited by the small scale of the local market and labor pool, higher transportation costs, and the existence of a significant, large incumbent employer, HSU. Public comment indicates particular support for promoting tourism (particularly eco- and cultural/heritage tourism), arts/culture/entertainment, manufacturing, information and technology, agriculture and horticulture, and education and research. Arcata's economy is already fairly diverse, but the presence of HSU and its share of the local workforce is encouragement to strengthen existing business and encourage the creation of diverse business types.

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# Chapter 3

## Targeted Industry Assessment

### Introduction

The City of Arcata is a desirable place to work, learn, live, interact, socialize and recreate. When these opportunities are sustained in balance, the City prospers. The purpose of a targeted industry assessment is to find an optimal mix of employers and occupations that draws upon city resources, and in return, fuels the economic engine that sustains the City.

The City offers certain public incentives and resources to employers but relies on those employers to provide significant private economic development opportunities for a vibrant local workforce. The targeted industry assessment seeks to determine where the City should offer incentives and allocate its resources to attract and grow targeted industry and make a meaningful contribution to a viable public – private partnership.

One of the key aspects of economic development strategic planning is identifying and focusing on those actions that make best use of city resources and deriving the greatest benefit in terms of living wage jobs and taxable revenues. For reasons documented in this chapter, the following four targeted industries have significant growth potential for the City and are worth pursuing:

- Diversified Health Care;
- Specialty Agriculture, Food, and Beverages;
- Management and Innovation Services; and
- Niche Manufacturing.

Two approaches were used to identify the City's target industries. One method involved analyzing occupational data and projections, and applying the Oklahoma State University (OSU) method (for a complete discussion on the OSU methodology, see sources cited, Homm et al. 2001). This resulted in a list of occupations that met certain desirability criteria as outlined in the OSU document. The other method involved updating data from the Targets of Opportunity, the region's guiding economic development document. This analysis involved updating data (through 2007) on industries or "targets" identified by that document, in order to ensure compatibility with the County economic development plan. The synthesis of the two methods resulted in the identification of Arcata's target industries. Once the target industries were identified, the City of Arcata Economic Development Committee (EDC), held several brainstorming sessions to identify target industry subsectors. This resulted in a list of recommendations for each target industry, which can be found in the last section of this chapter.

## Economic Definitions, Concepts and Models

In its basic form, an economy is a system for meeting the needs and wants of people in a particular geographic area (Woods et al. 1999). “Development” is used here as improvement in the well-being of residents in a particular geographic area. This includes such measures as infrastructure investment, improving services and quality of life, or providing enhanced opportunities for business startups or expansions. This implies that actual development activities will depend on goals and needs identified by residents in the region of concern.

The term “economic development” refers to an enhancement of economic vitality through efficient allocation and use of available resources. A working definition for economic development could be any activity which provides additional jobs and income given a community’s standard or quality of life.

## Employment Desirability Criteria and Application

A targeted economic development approach begins with compiling economic data (Homm et al. 2001). Quantifiable desirability criteria are developed to screen the data in order to identify a broad set of candidate target industries. For the purpose of this assessment, the following quantifiable desirability criteria are used:

- Overall employment levels;
- Employment growth rates;
- Median hourly and annual wage or salary per employee; and
- Occupational education and training requirements of the workforce.

The last of these desirability criteria is selected because Arcata residents have a much higher than average level of educational attainment due to Humboldt State University. Thus, occupations that employ highly educated workers are included among the desirability criteria. Complementary desirability criteria from the *Targets of Opportunity* report will also be used for analysis.

These desirability criteria are initially applied to regional employment projections (2006-2016) generated by the California Employment Development Department (EDD). EDD’s North Coast region includes Del Norte, Humboldt, Lake, and Mendocino Counties; EDD does not produce occupational projections at individual county or city scales. Two datasets are available; one of these is a projection for all occupations, and the other is for the 50 fastest growing occupations.

The data presented in the four tables included in the appendices offers a broader regional perspective in projected growth by occupation using EDD-provided data. While it is an important exercise to look at overall regional employment and wage data, for this chapter it is just a preliminary step in focusing on targeted industries for Arcata. The purpose of the Arcata Economic Development Strategic Plan is to consider all potentially beneficial occupations, but then focus on those projected to be most viable for the City. An overall regional perspective on the top 15 occupations out of a broader list provided by EDD can be found in Appendix B, Table B.1.

Sorting the occupational projection dataset by total regional employment in 2016 yields a top 15 list of occupations that is dominated by low-wage jobs that do not require a college education (see Appendix B, Table B.1). Important exceptions include nurses and school teachers. These data were reviewed for jobs with higher employment opportunities but were determined not to have much value for City economic development purposes.

Sorting the EDD occupational projections data by fastest growing occupations yields a list that may be a somewhat better match for Arcata (see Appendix B, Table B.2). Some of these fastest growing occupations draw from the healthcare, computer technology, educational services, and science and technical services industries. Nevertheless some of these same occupations are unlikely to be good fit for Arcata (e.g., declining demand for school teachers due to demographic change and falling Arcata school enrollments) or may not be amenable to economic development stimulation (e.g., fire fighters, bus drivers, pharmacists).

The data were then sorted to reveal the 15 top paying occupations (see Appendix B, Table B.3), which tend to be physicians and top level managers. These jobs are small in number and would not be significantly increased by local economic development stimulation. Sorting the occupational projection dataset by the lowest educational codes (highest education/training requirements) results in a list that is dominated by highly skilled healthcare and other professional occupations. Many of these occupations are not projected for any growth through 2016, or are small in number, which makes them relatively low value candidates for economic development stimulation (see Appendix B, Table B.4).

## **Further Refining the Desirability Criteria**

The desirability criteria can be further refined to produce a list of occupations that is a better match for the City. These criteria were selected because they display qualities essential to the needs of the Arcata workforce. They address the regional job supply, living wage requirement, and Arcata's relatively highly educated population. Therefore, emphasis will be placed on occupations that meet the following four standards:

- Those among the top 50 fastest growing occupations in the region;
- Pay at least \$30,000 per year;
- Are projected to employ at least 100 people in the region; and
- Require at least an associate's degree (e.g., have an educational code of 6 or lower).

Eighteen occupations that best meet these four standards are listed in the table on the following page. They are all considered to be occupations paying a living wage.

**Table 3.1:** Fastest Growing High Paying Occupations, with at least 100 Employed in Region and Education Code of No Higher than 6

Occupation	2006 Jobs	2016 Jobs	Growth %	Hourly Wage	Annual Wage	Ed. Code**
<b>Business Services</b>						
Management Analysts	330	390	18.2	\$23.38	\$48,644	4
Farm, Ranch, and Other Agricultural Managers	650	730	12.3	\$28.02	\$58,274	4
Accountants and Auditors	540	590	9.3	\$22.20	\$46,193	5
Public Relations Specialists	120	130	8.3	\$16.27	\$33,851	5
<b>Computer, Mathematical, Technical, Scientific Services</b>						
Computer Systems Analysts	140	180	28.6	\$33.20	\$69,076	5
Environmental Scientists and Specialists, Including Health	140	170	21.4	\$33.89	\$70,491	5
Computer Support Specialists	260	280	7.7	\$16.53	\$34,384	6
<b>Education</b>						
Instructional Coordinators	220	280	27.3	\$32.89	\$68,399	3
Special Education Teachers, Preschool, Kindergarten, and Elementary School	170	210	23.5	N/A	\$58,247	5
Kindergarten Teachers, Except Special Education	180	210	16.7	N/A	\$51,386	5
Education Administrators, Postsecondary	190	220	15.8	\$33.80	\$70,315	4
Elementary School Teachers, Except Special Education	1,460	1,670	14.4	N/A	\$53,991	5
Middle School Teachers, Except Special and Vocational Education	690	780	13.0	N/A	\$60,575	5
<b>Diversified Healthcare</b>						
Pharmacists	220	280	27.3	\$58.82	\$122,339	1
Clinical, Counseling, and School Psychologists	130	150	15.4	\$33.64	\$69,958	2
Registered Nurses	1,510	1,680	11.3	\$31.67	\$65,856	6
Child, Family, and School Social Workers	180	200	11.1	\$18.50	\$38,486	5
<b>Other</b>						
Probation Officers and Correctional Treatment Specialists	210	240	14.3	\$14.83	\$30,846	5

\* Source: <http://www.labormarketinfo.edd.ca.gov/?pageid=145>. Sorted by Projected Employment Growth Rate

\*\* Education and training codes: 1 (professional degree), 2 (doctorate), 3 (master's degree), 4 (bachelor's degree or higher and some work experience), 5 (bachelor's degree), 6 (associate's degree), 7 (post-secondary vocational education), 8 (work experience in related occupation), 9 (long-term on the job training), 10 (moderate on the job training), 11 (short term on the job training).

The occupations in Table 3.1 meet minimum standards for all four desirability criteria, shedding some light on possible target industries (in bold). However, there are limitations to the data and the methodology that make this list incomplete. One limitation is that the data cover overall North Coast regional occupational projections, and thus do not reflect the unique economic conditions in Arcata; additional data for Arcata are necessary. Another is that industries, and not occupations, are amenable to economic development efforts. Thus occupations must be translated into industries, which must be evaluated for their economic development potential.

The following sections identify and refine targeted industries for economic development specific to Arcata. The industry sectors that together make up the *Targets of Opportunity* are analyzed, and Arcata's dominant source of jobs and income – Humboldt State University – is addressed. Then the analysis of the *Targets of Opportunity* and HSU will be linked with the occupational analysis presented above.

## The North Coast Region's Targets of Opportunity

The *Targets of Opportunity* report set out to identify the North Coast region's most promising industrial sectors for economic and workforce development. The targets include specific industry sectors drawn from both the region's export-oriented base clusters and support sectors. As with the targeted industry approach used here, the targets of opportunity were developed by analyzing data using desirability criteria. The approach used in the targets of opportunity analysis utilized historical data for the North Coast region between 1990 and 2004 and projected what were deemed to be future economic development opportunities from historical data trends. The advantage of this approach is that it utilized high quality disaggregated regional industry data; the disadvantage is that it implicitly assumes that trends between 1990 and 2004 will continue into the future.

The targets of opportunity were identified using the following desirability criteria:

- expanding opportunity (i.e., job and/or firm growth)
- growing quality (i.e., wage increases)
- improving competitiveness (i.e., strong and/or growing specialization compared to California as a whole)
- career potential (e.g., distribution of job opportunities across the occupational spectrum).

The six targets of opportunity are (in order of decreasing total employment):

- Diversified Health Care
- Building and Systems Construction and Maintenance
- Specialty Agriculture, Food, and Beverages
- Investment Support Services
- Management and Innovation Services
- Niche Manufacturing

The time period of analysis in the *Targets of Opportunity* report includes much of the housing bubble and the resulting speculative boom in residential construction. Debt, especially from second mortgages and refinances collateralized by the perception of ever-rising home equity, fueled a boom in home renovations and consumption spending. Thus certain elements of the construction industry, and by extension the softwood lumber industry, have been adversely affected by the bursting of the housing bubble starting in 2006. Nevertheless, the federal economic stimulus package will potentially bring increased construction activity to other sectors of the construction industry focused on infrastructure and public works.

The collapse of the housing bubble in turn caused a financial crisis and sharp declines in financial markets that have reduced investor portfolios and confidence in traditional investment classes. These events have adversely affected elements of the investment support services

industry. Financial industry expert Professor Thomas Philippon (2008) of New York University's Stern School of Business predicts that the finance industry will shrink from 8.3 percent of the US economy at its pre-financial crisis 2006 peak, to no more than 7 percent of the economy. This reduction implies that the finance industry will shrink by about 16 percent *above and beyond* the overall recessionary decline across all sectors of the US economy. Nevertheless, local North Coast community banks and credit unions have been less affected by the financial crisis, and people will continue to need finance, insurance, and real estate services.

The housing bubble collapse and subsequent financial crisis in turn triggered a recession starting in late 2007 that continues to deepen up to the time of this writing (2009). Rising unemployment, the loss of consumer confidence, and unsustainable debt burdens have caused consumers to reduce discretionary spending on goods such as new automobiles, recreational equipment, and many other consumer durable goods. Thus, inventories of unsold goods have grown, which in turn has caused a sharp reduction in business spending on capital goods such as computers, industrial and commercial equipment, and other intermediate goods.

There have been many significant changes to the economic development landscape since 2004, the end date for data used in the *Targets of Opportunity* report. This is not to say that the *Targets of Opportunity* report has become invalid. Rather, a forward-looking analysis is necessary to identify elements of this report that are most likely to bridge these economically troubled times and continue to offer economic development opportunities for Arcata and the North Coast region. This is done using customized employment data.

## Targets of Opportunity Analysis

Custom EDD-provided data is used to analyze the targets of opportunity industry sectors. This analysis includes both a trend analysis that takes into account data up to the third quarter of 2007 and a comparative analysis of the targets of opportunity for Arcata and Humboldt County.

Information on *location quotients* for the targets of opportunity is shown in the following table. Location quotients are a measure of industry concentration, which tells us about the regional balance of industry. They are calculated by first taking the total number of community members employed in a particular industry and dividing by the community's all-industry employment total. Next, broader regional area employment for that industry is divided by the all-industry total for the broader regional area. Finally, the community's ratio is divided by the broader regional area ratio. For these purposes, the community is Arcata, and the broader regional area is Humboldt County. The particular industries are each of the targets of opportunity.

Location quotients exceeding 1.0 indicate that jobs in a particular industry are more highly concentrated in a community than would be "expected" given the all-industry distribution of jobs. These industries are likely to be generating export sales and thus to be industries injecting income into the community. A location quotient that exceeds 1.0 is usually interpreted to mean that the community has a *competitive advantage* in that industry from an economic development standpoint. The following table provides Arcata's location quotients relative to Humboldt County for each of the targets of opportunity in the third quarters of 2003 and 2007.

**Table 3.2: Location Quotients for Arcata Relative to Humboldt County\***

Targets of Opportunity	2003 Quarter 3	2007 Quarter 3
Diversified Health Care	1.20	1.13
Investment Support Services	0.60	0.64
Management & Innovation Services	0.72	1.06
Building & Systems	0.80	0.83
Specialty Ag, Food & Beverage	1.20	1.52
Niche Manufacturing	3.56	3.45

\* Data source: EDD 2009.

Location quotient data indicate that as of 2007 Arcata has a competitive advantage in four of the six regional targets of opportunity: niche manufacturing, specialty agriculture, food, and beverage production, management and innovation services, and diversified health care. The data in Table 3.2 reveal that Arcata's location quotient for management and innovation services increased significantly over this four year period, indicating a rather rapid development of competitive advantage in this industry sector. Arcata's competitive advantage in four of the six regional targets of opportunity bodes well for Arcata's economic development future.

The table below shows how the targets of opportunity industry sectors changed in both total employment and in total number of establishments between the third quarters of 2003 and 2007.

**Table 3.3: Percentage Change in Numbers of Employees and Employers, Targets of Opportunity\***

Targets of Opportunity	% Arcata Change, 2003-07		% County Change, 2003-07	
	Jobs	Employers	Jobs	Employers
Diversified Health Care	-2.03%	-8.96%	6.89%	2.13%
Investment Support Services	-7.33%	0.00%	-10.49%	-2.54%
Management & Innovation Services	46.99%	35.71%	1.68%	5.10%
Building & Systems	20.31%	28.85%	18.74%	10.10%
Specialty Ag, Food & Beverage	28.95%	0.00%	4.05%	1.21%
Niche Manufacturing	-25.38%	17.39%	-21.59%	-9.43%

\* Data source: EDD 2009.

Targets of opportunity sectors that grew in Arcata between 2003 and 2007 include management and innovation services, building and systems, and specialty agriculture, food, and beverage. The decline in jobs in niche manufacturing is somewhat distorted by the fact that Watermark (formerly Yakima Products), one of the largest niche manufacturing firms in Arcata and Humboldt County, relocated out of the area during the time period covered in the table above (North Coast Journal, 2004). Not included in the data in the table above is the loss of Amulet Manufacturing, which relocated from Arcata to Rathdrum, Idaho in 2008 (Post Falls Press, 2008). Nevertheless the number of niche manufacturing employers has held up much better in Arcata than in Humboldt County as a whole. Other declining targets of opportunity sectors are diversified healthcare and investment support services.

## **Humboldt State University**

Humboldt State University is not included as a separate component in the Targets of Opportunity report, but it is clearly important to the economic vitality of Arcata; HSU operations inject millions of dollars into the Arcata economy. Moreover, all of the subsectors of the management and innovation services sector match the potential private sector spinoff businesses that could derive from HSU and its relationship with Arcata. These management and innovation services subsectors are:

- Scientific and technical consulting services;
- Management consulting services;
- Engineering and design services;
- Research and development in the physical, engineering, and life sciences; and
- Computer systems design and related services.

Interviews with key stakeholders at HSU indicate there are centers of faculty and students that have great potential for creating spinoff private sector businesses. These centers include:

- Faculty and students in a wide variety of biological, physical, and natural resource sciences have the potential to form scientific and technical consulting services.
- Business faculty, undergraduates, and MBAs that have the potential for starting management consulting services businesses
- Environmental Resource Engineering faculty, undergraduates, and graduate students that have the potential for starting engineering and design services businesses.
- Schatz Energy Research Center and associated faculty and students have the potential for starting research and development businesses in renewable energy, energy efficiency, and energy systems.
- Computing Science and Art/Graphic Design faculty and students have the potential for starting computer systems design and related services businesses.
- Art/Graphic Design and Film faculty and students have the potential for starting graphic media businesses.

The Economic Fuel competition has stimulated entrepreneurship (e.g. AlgaRhythms and Agogo). Moreover, a number of businesses have been started that cross traditional disciplinary boundaries.

## **Synthesis – Targeted Industries for Arcata**

The four most viable targeted industries for economic development meet the following criteria:

- They are linked to the occupations that were identified as meeting minimum standards for the desirability criteria established in this strategic plan.
- They derive from the Targets of Opportunity report, which provided exhaustive historical analysis of industry sectors based on desirability criteria that are broadly consistent with Arcata's economic development goals.
- Based on location quotient analysis, Arcata has a competitive advantage in all four of these targeted industries. Recent trends indicate a rapid improvement in Arcata's competitive advantage in the management and innovation services sector.

- Arcata hosts Humboldt State University, a major potential source of entrepreneurs and spinoff businesses in the management and innovation services sector.

Within these targeted industries we can provide additional details in some cases. Arcata level data for specific subsectors of the targeted industry sectors are not available due to confidential data protocols at EDD. Thus when considering specific subsectors of the targeted industry sectors for economic development, qualitative information on specific Arcata subsectors is combined with Targets of Opportunity information below:

### **Diversified Health Care**

In light of both existing healthcare services clustering around Mad River Community Hospital, and development opportunities on parcels surrounding the hospital, economic development strategies should include measures designed to capitalize on hospital synergies. Promoting development of senior residential care facilities near the hospital offers one example of such a measure. The Targets of Opportunity report notes the following:

- Outpatient care centers were a rapidly growing health care alternative between 1990 and 2004, with growing real wages that are much higher than the regional average, and with a rising regional concentration that is now twice that of the California average.
- Other sizable, growing sectors include a diverse mix of health care options, including:
  - home health care services;
  - offices of other health practitioners (other than physicians and dentists);
  - residential mental retardation, mental health, and substance abuse facilities;
  - individual and family services;
  - community care facilities for the elderly;
  - other residential care facilities; and
  - other ambulatory health care services.

Unlike outpatient care centers, these sectors pay less than the regional average wage. However, the average wages in these sectors have grown faster than the regional average wage between 1990 and 2004.

**Recommendations:** Senior residential care, child care, outpatient care, holistic and non-traditional medicine, and preventative care.

### **Specialty Agriculture, Food, and Beverages**

Arcata is strategically well positioned within this sector. Arcata hosts Sun Valley Floral within its sphere of influence, a major floraculture producer, and Cypress Grove Chevre, an internationally known artisan cheese producer. Arcatans are interested in organic niche and specialty products with a local connection, such as food and snacks; beers, wines, and juices; and specialty sauces, cheeses, and desserts. Demand for organic foods continues to grow much faster than conventional food products across the United States. The Targets of Opportunity report notes the following:

- One of the top three largest employers in regional agricultural production is in the greenhouse/nursery/floraculture production subsector. Jobs in this subsector increased rapidly between 1990 and 2004. It is now almost four times more concentrated in the North Coast region than the California average. These jobs pay below-average wages, although their wages grew faster than the regional average wage between 1990 and 2004.
- The second largest regional employer in this sector, beverage manufacturing, has moved from paying below-average wages to above-average wages during the 1990-2004 period. This sector has also expanded its base of firms from 50 in 1990 to 80 in 2003, an increase of 38%. This sector is more than four times more concentrated in the North Coast region than the California average.
- Dairy product manufacturing has been a small but rapidly expanding sector, growing jobs at an average of more than 9% annually between 1990 and 2004, with real wages that are much higher than the regional average. Moreover, its regional concentration that has jumped from a position just below the California average in 1990 to almost three times that of the state average by 2004. It is important to note that at the time of this writing the Humboldt Creamery, the County's largest dairy cooperative employing approximately 150 people at its peak in 2009, is undergoing a major restructuring after declaring bankruptcy that same year. It is estimated that the creamery now provides approximately 80 jobs at the Fernbridge location, most of which are hourly wage earning positions; most of the higher wage-earning positions have been shifted to the Stockton location.
- Support sectors such as warehousing and storage, and wholesalers overall have also grown. Warehousing and storage has grown at more than 12% annually, while moving from below-average to above-average wages. Wholesalers pay at or above-average wages.

**Recommendations:** Provide space for growing and start-up firms in this industry, (i.e. Foodworks and potential condominium-style business development in Aldergrove), and organic farming support and warehousing facility.

### **Management and Innovation Services**

Many HSU students either hope to stay or try to return to this area, providing both business startups and staffing for businesses. HSU faculty expertise serves as a key economic development asset in this sector. Experienced professionals move to this area for quality of life purposes. Arcata attracts and retains people with a strong commitment to renewable energy and energy efficiency, and to environmental and natural resource sustainability. Arcata includes a disproportionate share of creative and technically competent people with skills in the areas of graphic arts, media, Internet design, and computer services. The Targets of Opportunity Report notes the following:

- The biggest employers are management of companies and enterprises (i.e., firms that administer, oversee, and manage other establishments); architectural, engineering and related services; management, scientific, and technical consulting services; and other professional, scientific, and technical services.
- Architectural, engineering, and related services has experienced slow growth, but pays an average wage well above the regional average—with wages growing at a faster rate as well.
- Three sectors have experienced double-digit annual job growth rates of 13-19% between 1990 and 2004: management of companies and enterprises; management, scientific, and technical consulting services; and specialized design services. Each of these sectors has also jumped from below-average to above-average wages compared to the rest of the regional economy during this period.
- Scientific research and development services is a small sector, but has grown and moved from below-average to above-average wages as well.
- Every sector in Management and Innovation Services has experienced a double-digit increase in the number of firms—ranging from 21% to 82% over the 1990-2003 period.
- Most sectors pay average wages above the regional average, and have experienced real wage gains over the past decade and a half.

**Recommendations:** Provide start-up space for new businesses, business streamlining, networking services, coordinate job fairs, partner with HSU and Economic Fuel to expose student and faculty entrepreneurs.

### **Niche Manufacturing**

Arcata is strongly represented in this sector. Examples include redwood lumber manufacturing (with potential for 3<sup>rd</sup> party certified sustainable lumber manufacturing); furniture and musical instrument manufacturing; art and artisan goods such as art glass, ceramic products and jewelry; and outdoor-related products and clothing. The Targets of Opportunity Report notes the following:

- The two largest subsectors regionally are (i) metal product manufacturer and related activities such as coating, engraving, heat treating, machine shops, turned product, and screw, nut, and bolt manufacturing, and manufacturing with other materials including plastics, glass, and clay—as well as paint, coatings, and adhesives.
- The third largest niche manufacturing subsector is a miscellaneous category that includes jewelry, sporting goods, games, office supply, musical instrument, and other areas. Real wages in this sector have more than doubled between 1990 and 2004—from a level below to one above the regional average. While wages have jumped, there has also been almost a doubling of jobs and an increase of 22% in the number of firms during this period.

- Stakeholder interviews revealed that the market for sustainable redwood remains relatively robust and strong despite the current recession. The City could utilize its working forests by tapping into the current market for sustainable redwood, and should consider planning for/providing space for a milling facility for this niche market lumber. Smaller certified mills have less overhead and may have an easier time of surviving the recession, given support from the City. Also, if the facility in Blue Lake does not reopen, there will be less competition and thus higher prices received for Arcata sustainably harvested redwood.
- Industry members indicate that there is currently insufficient kiln drying space for lumber in Arcata. Stakeholder interviews also indicate lumber mills would benefit from a market for wood waste. One way to accomplish both goals would be to consider the implementation of industrial ecology by creating a small biomass to electric facility on West End Road. Waste heat could be used as cogeneration for kiln drying lumber. A valuable resource for this type of project would be the Schatz Energy Research Center at HSU, as they have already completed research on this type of facility.

**Recommendations:** Provide space and land for growing and/or new manufacturing businesses, provide support to the wood products industry, and consider eco-industrial planning to maximize the use of waste.

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# Chapter 4

## Targeted Area Assessment

### Introduction

The Targeted Area Assessment (TAA) characterizes and assesses selected target areas of the City, describes the readiness for job related growth in those areas, and discusses the City's role in promoting geographically targeted economic development. Chapter 3 assesses selected target industries for workforce and business development. The TAA matches those industries with viable geographic (target) areas of the city. Economic studies clearly show that aggregating compatible target industries in suitable geographic settings creates an identity and sustainable economic environment that continues to attract complementary businesses, and facilitates economic development. The City is committed to providing the catalyst for that growth.

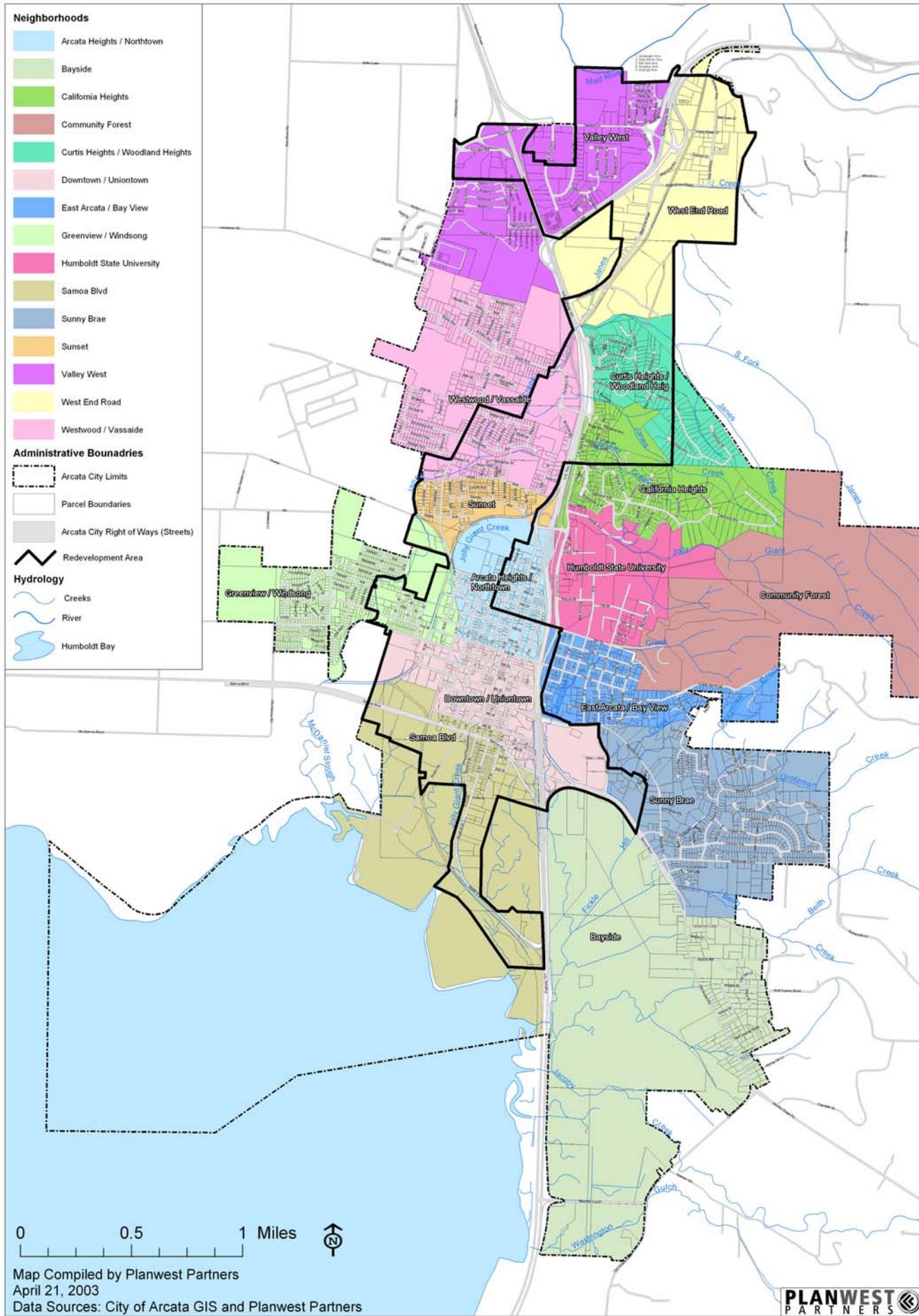
The City offers certain public incentives and resources to employers, but relies on those employers to provide significant private economic development opportunities for a vibrant local workforce. This assessment seeks to determine where the City should allocate its incentives and resources to attract and grow targeted industries, and make a meaningful contribution to a viable public –private partnership.

The City of Arcata is characterized by fifteen distinct neighborhoods (see Figure 4.1). Within these neighborhoods, there are five targeted areas that have significant potential for economic development. For purposes of the Economic Development Strategic Plan, these areas were chosen based on their potential to draw new businesses and grow and expand existing ones. The selection of these areas does not preclude other areas and/or neighborhoods (e.g. K Street and Downtown) from future economic development. For reasons provided in this document, the following five targeted areas have significant economic development potential for the City and are worth pursuing:

- Giuntoli Lane and Valley West;
- Humboldt State University/Northtown/D Street;
- West End Road/Aldergrove Industrial Park;
- Samoa Boulevard Revitalization Area; and
- Mad River Hospital/United Indian Health Services.

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# Figure 4.1 Economic Development Strategic Plan - Neighborhood Map





## Targeted Area Descriptions and Assessments

The areas described in this section all exhibit economic development potential that would benefit the City. Each target area discussion begins with a location and physical description. Following each targeted area description is an assessment of the types of development that would best fit each area given planned land uses (e.g. industrial and commercial). The assessment includes current and planned uses, identification of the target industry or industries considered most applicable for the area and use concepts (e.g. eco-industrial park or sustainable living center).

### Giuntoli Lane and Valley West

This area is bounded by Highway 299 to the southeast and Highway 101 to the southwest (see map). Giuntoli Lane is situated in the upper portion of this area. This target area is characterized by a high density of hotels and motels along Valley West Boulevard, as well as some medical offices and housing. There are many underutilized/vacant parcels, mostly on the borders of this area; the northwest and northeast corners just south of Giuntoli Lane, as well as many parcels that lie along Giuntoli Lane to the north. Valley West is the primary Northern gateway into Arcata, and represents the first potential contact with Arcata for visitors traveling southbound on U.S. Highway 101 or westbound on State Highway 299. Valley West has the Welcome Center, a concentration of motels, and access to various natural resource amenities such as Mad River beach, bicycling in the Arcata Bottoms, and the Mad River.

#### Assessment

Most of the City's transient occupancy tax (TOT) revenues are generated from this area, as the majority of Arcata hotels/motels are located along Valley West Boulevard. There is currently a vacant parcel in the northwest section of this area, south of Giuntoli Lane, adjacent to the existing Days Inn hotel. This was the proposed La Quinta Inn site, but due to the current economic climate development plans have been put on hold.

The new Hampton Inn is under construction (as of June 2009) and is located just south of the shopping center on Valley West Boulevard. It is important to note that this will be the first hotel in Arcata with all of the features, services, and amenities necessary to accommodate visiting collegiate sports teams. The Hampton Inn will also have conferencing or 'break out' rooms. There may be a sit down restaurant on adjacent land, creating a more diverse dining selection for travelers. The City expects the hotel to generate approximately \$130,000 in yearly TOT revenues, and may consider funding a marketing coordinator with a portion of these revenues. Other potential development in this area includes the development of additional rooms at Best Western and the addition of a meeting facility at Days Inn, both located on Valley West Boulevard.

This area shares similar characteristics (aggregation of hotels/motels, fast food, etc.) to Fortuna's Riverwalk/River Lodge area, and may benefit from locating a meeting facility here. Although several of the existing hotels/motels in this area have limited meeting facilities, a larger meeting facility in this area would complement existing uses.

Other planned developments for this area include Carlson Park, a proposed City park located north of Giuntoli Lane at the Mad River. At the time of publication, the plans for this park were still being developed, but may include a boat/kayak launch which will add to the recreational opportunities of the area. One option for connectivity to this park would be to create a multi-use trail system. The trail could extend from the northern end of LK Wood Boulevard to West End Road. From West End Road, the trail could access the proposed Carlson Park site/Mad River via Giuntoli Lane. An option for a connecting trail would be one that begins at or near Valley West Boulevard, providing direct access for visitors staying in nearby hotels/motels. This trail would run alongside the linear park, east of Valley East Boulevard, and connect to the proposed Carlson Park site. The trail could also connect to Wymore Road, a frontage road that parallels Highway 101, to access the new Caltrans bridge and/or Hammond Trail.

The vacant commercial and industrial designated parcels fronting Giuntoli Lane are all good locations for mixed use development. These properties offer a locational advantage at an identified City gateway. Access advantages are their arterial street frontage and direct access to both Highways 101 and 299. Another advantage is proximity to the Mad River and the City planned riverfront Carlson Park north of Giuntoli Lane. The Zanzi property, located on the northeast corner of the Giuntoli/Valley East intersection, has a split designation of industrial (northern portion of parcel) and commercial (southern portion of parcel). This is the only place in the City where this dual designation occurs, and industrial development on this property could benefit from this opportunity.

The City focus in this target area would be on growing, supporting and/or attracting businesses that could capitalize on the Mad River recreation access. For example, a niche manufacturing firm specializing in recreation equipment could benefit from the symbiosis between the commercial area on the southern portion of the parcel, the access to Highway 101, the access to the Mad River, and the guide service and tackle shop adjacent to this property. The Graham property, immediately west of the Zanzi property and adjacent to Highway 101 is another opportunity for commercial development should annexation occur. Important industrial and commercial parcels in this neighborhood are outside of the City's boundary, and annexation of these parcels could help bring urban services to them and make them an integrated part of the overall neighborhood.

There are currently a number of diversified health care firms (i.e. dental offices) near the Valley West and Valley East connector. There are also multiple vacant parcels adjacent to these offices which could be developed to form a healthcare mini-campus. By supporting the diversified health care industry, the City will be reinforcing the strength of existing diversified health care firms, while giving new firms an incentive to locate near the established industry cluster.

## **City Strategies and Implementation Measures**

The 2004 EDSP included seven implementation measures for this area; many of these measures are ongoing. The measure to preserve commercial-visitor serving zoned land within the Valley West neighborhood has been completed. The Land Use Code update has been completed, and current zoning is Commercial-Visitor on Valley West Boulevard and Heindon Road. Also, the Zanzi development has land available for commercial/industrial, office, retail and park land towards the back of the property along the Mad River.

The strategies VW – H through VW – K and implementation measures VW – 1, VW -2, VW – 4, and VW – 6 through VW – 10 (see Chapter 5) have been developed based on the above assessment, ongoing EDSP strategies and implementation measures, and stakeholder input.

Figure 4.2 Giuntoli Lane and Valley West Target Area



## **Humboldt State University / Northtown / D Street**

This area is situated on both sides of Highway 101 and is bounded on the south by 11<sup>th</sup> Street and to the north by 18<sup>th</sup> Street (see map) connectors on 18<sup>th</sup> and 16<sup>th</sup> streets. This area contains the most economically significant areas from the Arcata Heights/Northtown and Humboldt State University (HSU) neighborhoods, specifically HSU to the east of Highway 101 and the commercial district (G Street) to the west. Also located in this area is the D Street Community Center and surrounding City-owned parcels. Northtown is an active commercial area due to its proximity to HSU.

### **Assessment**

The City's economic engine, HSU, supplies the City with a talented and educated workforce, which the City should continue to cultivate for maximum benefits. Despite HSU's budget reductions, there may still be opportunities available for the City whether it decides to develop vacant/underutilized parcels itself or chooses to sell or lease the land to HSU for similar purposes.

The D Street Community Center parcels are one example of City-owned land with significant redevelopment potential. The Center takes up a relatively small portion of a largely undeveloped linear site bounded by Highway 101 to the west, 14<sup>th</sup> Street to the north, 11<sup>th</sup> Street to the south and D Street to the east. Although unlikely that there will be more buildings constructed at the site, its location directly adjacent to HSU and Northtown creates opportunities for leasable office space for management and innovation services firms (business incubator), an extension of the North Coast Small Business Development Center (Lead Center) where student entrepreneurs or small business owners could go to for resources, or ecological lodging. Therefore, the City should investigate the possibility of adding an addition to the north side of this site. HSU owns the Trinity Hospital site, which contains central historic buildings and peripheral buildings in various conditions. This could be a potential short-term site for a business incubator if the City was considering creating a business incubator at the D St. site. A formal relationship between the City and HSU would be very beneficial for this area.

Recently, a study was completed that analyzed the feasibility of a sustainable living center to be potentially located on a site in Eureka. The study assessed tourist and travel data, meeting facilities in the Humboldt County area, off season use, and construction costs. A similar project with many of the sustainable living center features could be located at the D Street site. This would be a good location for this type of facility because of its proximity to HSU and the Campus Center for Appropriate Technology (CCAT). A community garden and/or graywater system would be two complimentary uses on this site.

Other possibilities for this location include a mixed use development with residential or some transient lodging associated with a sustainable living center, open space capitalizing on clear views of Humboldt Bay, and leasable incubator space. It would be beneficial for the City to consider development on this site that would include one or more of these options. In order to increase circulation for all transportation modes, the City should consider connecting D Street to 14<sup>th</sup> Street. This action would most likely improve safety and quality of life for residents of B and C Streets who currently experience considerable north-south through traffic flow in their neighborhood.

HSU is the largest single contributor to the Arcata economy. A key assumption from HSU's Master Plan was that there would be enrollment growth up to 12,000 full-time equivalent students over the next 30 to 40 years, from about 8,000 in 2009. This is substantially more growth than projected in General Plan 2020. However, HSU is currently experiencing budget reductions tied to State budget difficulties that may delay enrollment growth. However, as growth eventually proceeds, the housing, parking, and shopping needs of new students, staff, and faculty will need to be addressed.

HSU is currently building new on-campus housing units along LK Wood Boulevard, between 14<sup>th</sup> and Harpst streets. The College Creek Student Housing project includes 99 apartments built to accommodate 434 students, as well as a student community center, soccer field, and maintenance building. The scheduled completion date is Fall 2010. With better connectivity, students would be likely to spend more time in the north G Street commercial district, which would increase sales tax revenues.

The Northtown G Street area between the Highway 101 onramp and 14<sup>th</sup> Street is designated General Commercial. The General Commercial land use designation allows for a maximum floor area ratio (FAR) of 2.00 with a 35 foot maximum structure height. Since the majority of the buildings in this area are single story, there is potential for increased density, and therefore use, with the addition of a second story. Vertical infill should include a vibrant mix of residential, office, and retail. Though this neighborhood is already extensively developed, there is potential for revitalization and redesign of the Northtown retail and commercial corridor. Narrow sidewalks with power poles and signage discourage pedestrian use, and there is potential for significant access by HSU students within several walking minutes away.

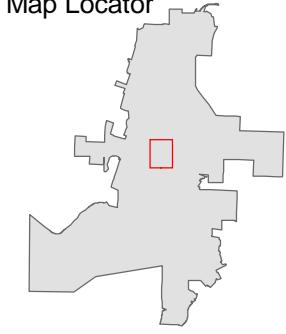
### **City Strategies and Implementation Measures**

The strategies AHN – D, HSU – F, HSU – G, HSU – H and implementation measures AHN – 1 through AHN – 6 and HSU – 1 through HSU – 12 and BSR - 8 and BSR - 11(see Chapter 5) have been developed based on the above assessment, ongoing EDSP strategies and implementation measures, and stakeholder input.

Figure 4.3 North Town/HSU Target Area



City of Arcata  
Map Locator



## **West End Road/ Aldergrove Industrial Park**

This is the City's most northeasterly EDSP target area. It is located east of the Highway 101 and 299 interchange, within City limits, and north of South Fork Janes Creek (see map). Proximity to Highways 101 and 299 make this area ideal for manufacturing and light industrial. Natural amenities include the Aldergrove Marsh and Upper Janes Creek. It contains many longtime City-owned parcels (e.g. Aldergrove Industrial Park and Foodworks Culinary Center) along with the recently acquired former Britt Lumber log deck parcels (Happy Valley). This area has direct access to Highway 299 via Giuntoli Lane. Some of the larger scale businesses within City limits are located in this area, including Wes Green Landscape and composting facility, Humboldt Flakeboard and Kokatat. The Britt Lumber site, is located here as are a couple of the larger builders, Danco and Ray Wolfe Construction.

### **Assessment**

This area is predominantly composed of niche manufacturers and a few firms in other industries. The recent purchase of the Britt Lumber log deck parcels by the City creates an opportunity for an eco-industrial park that would better utilize wood and energy waste from existing manufacturing facilities. In its most basic form, "an eco industrial park is expected to provide both economic and environmental benefits to increase business success and reduce pollution and waste," (Brown et al, 1998).

According to the National Center for Eco-Industrial Development, economic benefits for companies include cost savings & enhanced competitiveness, revenue generation, improved opportunities for investment, access to new technology, and improved human resources. Economic benefits for the community include improved business attraction, expansion, and retention, local import substitution, brownfield redevelopment, reduced infrastructure development costs, and improved quality of life.

Red Hills Ecoplex in Mississippi offers one example of an eco-industrial park. It was created to build a network of environmentally friendly industries around the anchor tenants to maximize community benefits. Companies that locate in the eco-industrial park participate in exchange of by-products, whereby one company's waste becomes another company's source of energy or other input. Given the right mix of tenants, the Ecoplex mimics a natural, efficient ecosystem. By working together, the community of businesses sees a collective benefit that is greater than the sum of individual benefits each company would realize by only optimizing its individual performance (Choctaw County Economic Development website).

Manufacturers in the West End Road area may benefit from an eco-industrial park. The various lumber mills in this area generate sawdust and other wood waste, and the Humboldt Flakeboard facility generates waste heat. The City could encourage the development of a certified sustainable lumber milling packaging and shipping facility to process logs harvested from the Arcata Community Forest or other sustainably managed stands. This could be coupled with a biomass-to-electricity facility and lumber-drying kiln. The small biomass-to-energy facility, for example, would create a short-haul market for wood waste from the nearby lumber mills. The lumber-drying kiln could be constructed nearby that would utilize waste heat from this energy generating facility, or from Humboldt Flakeboard. A valuable resource for researching the feasibility of this type of project would be the Schatz Energy Research Center at HSU, as they have considerable expertise regarding renewable resource and technology assessment.

Another possible technology appropriate for an eco-industrial park would be a cellulosic ethanol plant, to produce alcohol as a transportation fuel and manufacturing ingredient on a commercially viable scale. Cellulosic ethanol is an emerging and promising biofuel technology that could make use of wood waste from nearby mills, fuel thinning and other harvesting operations and woody materials from the nearby composting facility on West End Road.

Yet another possibility would be to develop a biogas facility that would digest food (e.g., Tofu Shop) and agricultural wastes, producing biogas that could then be combusted or used to produce hydrogen as a form of energy storage. Given the proximity to local farms, it may be possible to incorporate a biogas discharge facility on the site. The West End Road area has good highway access and an existing circulation system for moving bulky products. There is also sufficient land to store quantities of wood waste and cellulose products for energy generation. Humboldt Waste Management Authority (HWMA) has recently completed a feasibility study for a proposed food digester in Eureka. The food digester would supply Eureka's Waste Water Treatment Facility with methane gas. HWMA has received a small grant from the Environmental Protection Agency (EPA) for the project, and will be applying for a second grant for construction. Although the County can only support one food digester, HWMA is a valuable resource for similar projects that the City decides to pursue.

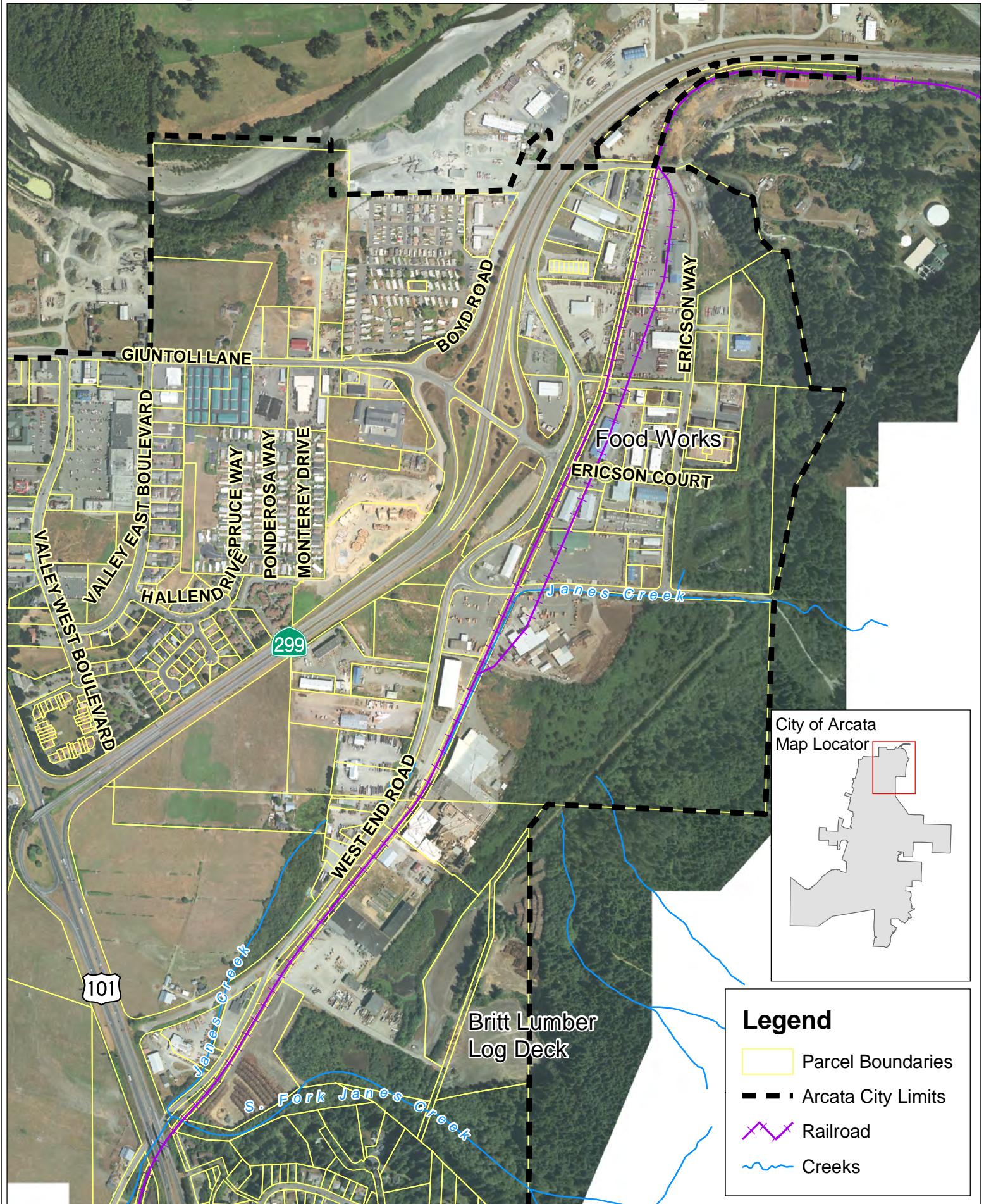
The City-owned Foodworks building in the Aldergrove Industrial Park is currently in transition. College of the Redwoods (CR) is no longer leasing any building classrooms except for the instructional kitchen and the space it rents for storage and cooking. The City should consider restructuring the management of the facility and determine whether to expand or modify the facility. Foodworks, and its expansion, represents a significant opportunity for the specialty food, beverage, and agriculture industry. In an effort to promote development of this target industry, the City is interested in developing at least one of the vacant parcels in the Aldergrove Industrial Park as a condominium-style business development. These spaces will be sold to small businesses start-ups with possible loan assistance from the City. HSU and Economic Fuel will be valuable partners if this development occurs.

There may also be economic development potential around the cluster of commercial offices at the northern section of West End Road, just north of the bridge that extends over the 299. Most of the commercial buildings in this area are single story, and they may be able to better utilize their footprint. This area could benefit from a comprehensive plan for this commercial activity, focusing on better site utilization. Commercial and industrial development in this neighborhood is limited by a lack of access to fiber optic and broadband communications. Just east of this area, near O & M Industries, the City roads are in need of maintenance. This issue extends down Ericson Way, and causes issues with bicycle accessibility and use. Child care is frequently identified as a challenge to economic growth. This area may benefit from a child care facility to meet the child care needs of entrepreneurs and employees in the target industries.

## **City Strategies and Implementation Measures**

The strategies WER – A through WER – F and implementation measures WER – 1 through WER – 6 (see Chapter 5) have been developed based on the above assessment, ongoing EDSP strategies and implementation measures, and stakeholder input.

Figure 4.4 West End Road Target Area



## **Samoa Boulevard Revitalization Area**

This is the southernmost target area in the City, the only area located south of the Downtown Central Business District. It is bounded by 5<sup>th</sup> St. (one block north of Samoa Boulevard/Highway 255) to the north, Highway 101 to the east, the Arcata Marsh and Wildlife Sanctuary (the Marsh) to the south, and abuts the existing City boundary to the west (see map). Along with Valley West and Arcata Heights/Northtown, the Samoa Boulevard neighborhood serves as a primary gateway for visitors who come to Arcata. This area contains many underutilized parcels, including the City-owned Little Lake industrial site, McColl's Dairy on South G Street, and the Slack/Winzler property just north of Samoa Boulevard. One of the westernmost parcels, the Industrial Electric Property, has recently been purchased by HSU and will be converted to the University's shipping and receiving facility.

### **Assessment**

The Samoa Boulevard Revitalization Area is composed of a mix of industry types. There are also the significant natural amenities associated with the Arcata Marsh and Wildlife Sanctuary, and a residential neighborhood. The most predominant industry identified for this area is niche manufacturing, followed by specialty agriculture, food, and beverage, with some firms in the management and innovation service industry. There are many unutilized and underutilized buildings and parcels in this area that would benefit from intensification of land use involving these three industry types.

Given the high density of niche manufacturers in this area, the best strategy would be for the City to aim development efforts toward this industry. Also, many of the underutilized buildings and lands in this area once hosted wood products and manufacturing firms. Changes to the City General Plan industrial land use designations have increased floor area ratio to allow for development intensification. Child care is frequently identified as a challenge to economic growth. This may be the right area to meet the child care needs of entrepreneurs and employees in the target industries by investigating the potential for a child care or 'Head Start' facility.

The management and innovation services industry sector would be attracted to economic development in this area if the Little Lake site develops into a business park. One possible option for the Little Lake site would be to encourage the development of an eco-industrial park here with a different emphasis than the one discussed for West End Road / Aldergrove Area. This area would likely attract more research and development type businesses that valued the natural setting and closer proximity to the downtown area. These uses would benefit from the Arcata Bay proximity and the trails and natural features of the Arcata Marsh. These natural and access features have been recently expanded by the City's McDaniel Slough restoration project, which has increased the amount of trails in addition to habitat to the west.

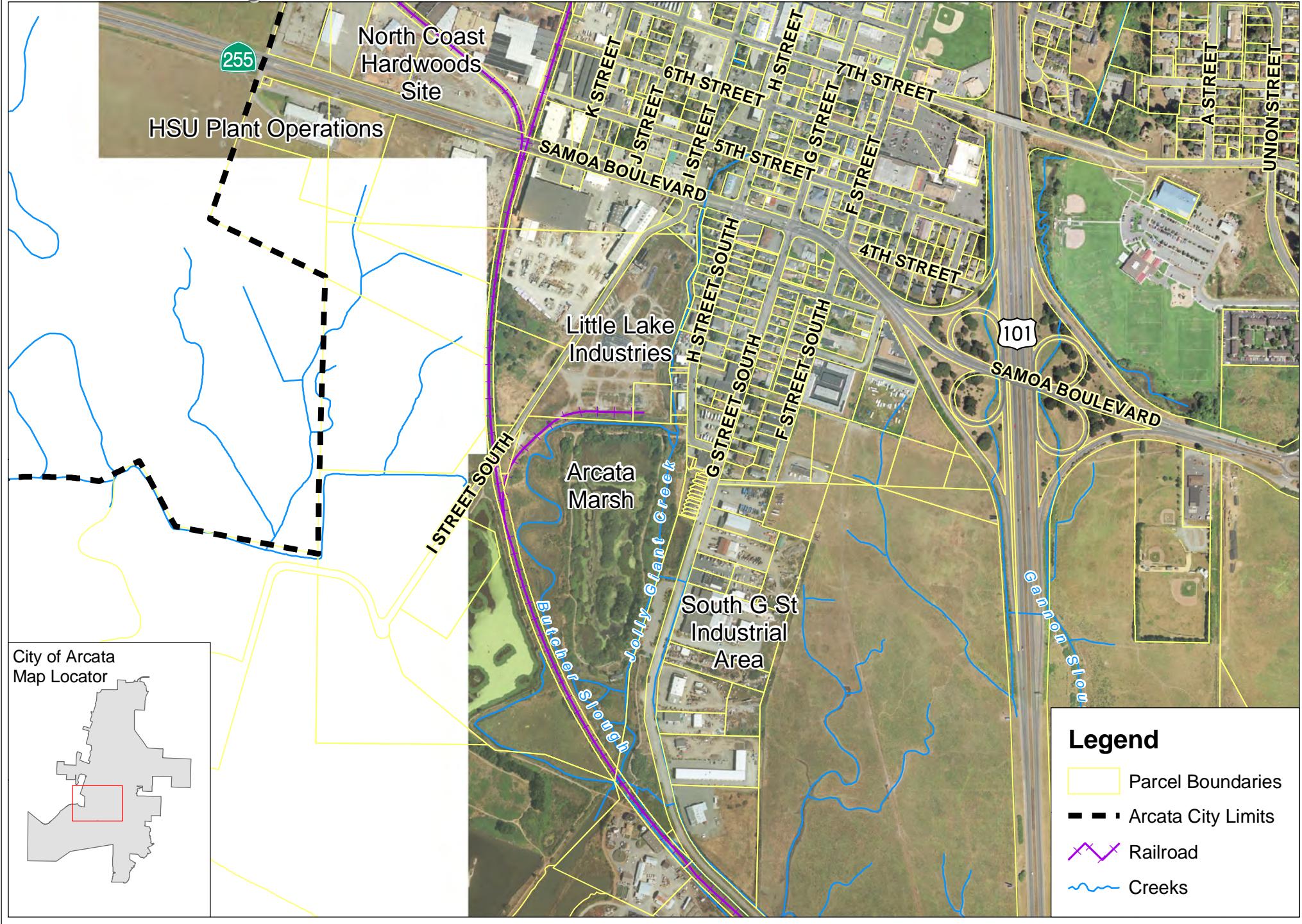
The City is preparing to issue a request for proposals (RFP) for a Samoa Boulevard Revitalization Plan. Some anticipated goals of the Revitalization Plan include job creation and the elimination of vacant and blighted sites. Other outcomes will include corridor improvements that involve changing the current land use of the Samoa Boulevard frontage parcels from Industrial General (I-G) to Commercial General (C-G). The Slack/Winzler and Industrial Electric parcels behind the proposed commercial zoning would be changed from Industrial

General to Industrial Limited (I-L), thus encouraging light industrial uses. An increased level of detail is needed to appropriately develop the Little Lake Industries site and limit use conflicts. Options that have been discussed in this area include changing the land use designation at or near the Little Lake site to Residential, similar to proposed changes on the northern section of the Los Harbors site. The primary outcome of this revitalization project will be a long term plan that lets property owners, developers, and residents know what the City wants.

### **City Strategies and Implementation Measures**

The strategies SB – C and SB – D and implementation measures SB – 1 through SB – 4 (see Chapter 5) have been developed based on the above assessment, ongoing EDSP strategies and implementation measures, and stakeholder input.

Figure 4.5 Samoa Boulevard Revitalization Area



## **Mad River Community Hospital /United Indian Health Services**

This area lies south of the Valley West Redevelopment Area in the southwestern section of the Valley West neighborhood. It is bounded by Janes Road to the west, Spear Avenue to the south, and Highway 101 to the east (see map). It contains two of the most economically significant diversified healthcare organizations within City limits.

### **Assessment**

Given the existing economic conditions in this area, the diversified health care industry would benefit most from economic development efforts. Options for parcels surrounding this area should focus on diversified health care, forming a cluster around United Indian Health Services (UIHS) and Mad River Community Hospital (MRCH). Obvious benefits to this type of development would be the proximity to the larger health services centers; a temporary living/lodging center situated closely to MRCH would allow those coming out of the hospital to recoup for a number of days or weeks before going home. Family members visiting loved ones in the hospital would also benefit from a temporary housing development.

The nursing program at Humboldt State University has approximately 150 students enrolled as of 2009. Through this program, students perform “clinicals” at various local hospitals, which are essentially internships where the students get to work in the hospital that she/he is placed. Clinicals at MRCH can occur at any time of day or night, and last the duration of the semester. Students who are in this stage of their program may find it beneficial to live close to the hospital. College of the Redwoods (CR) has a nursing program as well and accepts approximately 45 students each year. There may also be a market for temporary housing for graduating students who become employed by the hospital.

Employees at MRCH would also benefit from living near the hospital. A subsidized housing development would be ideal for employees seeking affordable housing. Other options for this area would be senior care facilities, offices for physical therapy, and corporate wellness/preventative care facilities. With an aging population there will be need for various types of senior housing and senior services to meet the need of resident and out-of-area retirees. A ‘health care campus’ situated along Janes Court, just north of MRCH and UIHS may include a combination of each type of facility, with an emphasis on an extended stay model, to provide care for those exiting the hospital.

This area has undergone a recent General Plan Amendment that designates two medium density residential uses. Preliminary site plans for this area have recently been submitted to the City, and include designated open space areas (roughly 10 acres), two medium density residential areas for employees and/or patients, and a trail system that connects the MRCH and UIHS facilities. A new Open Door Clinic is proposed to be developed east of Janes Road, just north of MRCH. In order for this area to reach its full development potential, a Master Plan should be created.

### **City Strategies and Implementation Measures**

The strategies VW – C, VW – I and VW – K and implementation measures VW – 3, VW-11 and VW – 12 (see Chapter 5) have been developed based on the above assessment, ongoing EDSP strategies and implementation measures, and stakeholder input.

Figure 4.6 Mad River Hospital/UIHS Target Area



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# Chapter 5

## Economic Development Strategies and Implementation Measures

### Introduction

This chapter presents a complete range of economic development strategies and implementation measures for consideration by the City of Arcata. They draw from the characteristics and assets of the City and its relationship to the Humboldt Bay region. These strategies take into account:

- Key planning documents: Arcata General Plan 2020; the 1997 Economic Development Strategies Report; 1982 Plan and 2000-05 Implementation Plan of the Arcata Community Development Project Area; existing City policies and implementation measures related to economic development; and *Prosperity! The North Coast Strategy*
- Baseline socioeconomic information
- Comments drawn from public meetings and stakeholder interviews
- Successful strategies from other communities that appear to be consistent with Arcata's values and characteristics;
- The redevelopment potential of vacant, underutilized, and infill parcels;
- Anticipated City revenues available to support economic development;
- Anticipated City general fund revenue needs resulting from State budgetary problems; and
- Information provided by City staff and the Economic Development Committee.

Following each implementation measure is a brief update of progress to date as of 2009, the end of the 2004-2009 EDSP. All strategies and implementation measures have been updated where necessary. The priority implementation measures are those within a three-year planning range (see "Year" column in Implementation Measure tables). Implementing long-range measures can create uncertainty; therefore, only measures addressed within three years are prioritized.

## Infill Development [ID]

### Strategy:

- Strategy ID – A      The City shall work with the private sector to identify, market, and develop key vacant and/or underutilized properties within the urban services boundary.
- Strategy ID – B      Where economic and residential uses can be made compatible, the City shall encourage development projects that feature "smart infill" elements.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
ID -1	<p><b>Maintain Infill Lands Inventory.</b> Identify and develop an inventory of vacant and underutilized parcels within the urban services boundary, including an accompanying GIS map of these parcels. The vacant and underutilized parcels inventory shall include as much information as possible to be well marketed, such as: Location; Site attributes; Opportunities &amp; constraints; Funding sources that could be tapped based on particular site attributes; contamination issues; and development potential in relation to General Plan 2020 and EDSP.</p> <p>a. Provide information to landowners regarding gateway, corridor, and other city planning guidelines, as outlined in the EDSP Neighborhood Strategies.</p> <p>b. Identify appropriate methods for marketing vacant and underutilized parcels, such as Internet based techniques used by other agencies (e.g., City of Vallejo Economic Diversification and Revitalization – Available Base Properties system, or other regional economic development land marketing site)</p> <p>c. Seek funding to establish a coordinated Internet marketing program.</p> <p>d. Establish an Internet-based property lookup system and build clear and easy web links.</p> <p>e. Coordinate proposed preliminary development plans in cooperation with landowners.</p> <p><b>PROGRESS: Ongoing.</b> The Infill lands inventory has been completed. A vacant and underutilized map was compiled in 2005, and the City's GIS specialist maintains up to date data. Information is provided to property owners at the City's Community Development/Planning counter. There is also ongoing work with property owners on development plans.</p>	Property owners; Developers; Real estate ; Chamber; State/Fed. Funding programs	All Target Industries	Giuntoli Lane and Valley West; West End Road	Valley West; West End Road; Downtown/ Uniontown	
ID -2	<b>Smart In-Fill Projects Plan.</b> Develop a citywide Smart Infill Projects Plan to direct various uses to specific sites in the City and reduce conflicts in the future. Develop more detailed special plan areas which will facilitate "smart infill" development in the following areas:	Property owners;	All Target Industries	Samo Blvd. Revitalization Area;	Greenview/ Windsong;	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>a) Samoa Boulevard;  b) Little Lake Industries site;  c) South “G” Street;  d) West End Road;</p> <p>e) Giuntoli Lane;  f) Happy Valley;  g) Reid &amp; Wright;  h) Mad River Community Hospital/UIHS.</p> <p><b>PROGRESS: Ongoing.</b> Infill development planning for Samoa Blvd., Little Lake, Giuntoli/Valley West ongoing and priority for 2009.</p>	Developers; Real estate; State/Fed. Funding programs		Giuntoli lane and Valley West; West End Road	Samoa Blvd.; Valley West West End Rd.; Downtown/Uniontown	
ID - 3	<p><b>Revitalization of Existing Commercial Areas.</b> Promote mixed use and additional commercial uses in Neighborhood Centers (See VW-4, WV-1, AHN-1, GV-2, DU-13, SU-1</p> <p><b>PROGRESS: Started.</b> The City adopted a new land use code in 2008. The City is moving forward with its “streetscape” and Plaza improvement program.</p>		All Target Industries	HSU/ Northtown; Valley West	All Neighborhoods	
ID - 4	<p><b>Preservation, Conversion and Reuse of Industrial Sites.</b> Consistent with General Plan policy LU-1f, promote infill redevelopment of brownfields and vacant sites surrounded by existing development. Establish an environmental site assessment program and assist property owners in accessing State environmental contamination clean-up funds for leaking underground storage tanks and other contaminants. Explore how the HSU Industrial Ecology Program, the Office of Economic, Community and Business Development (OECBD), or other HSU departments could be resources or partners.</p> <p><b>PROGRESS: Ongoing.</b> Needs to be extended to commercial corridors and districts, with special attention given to converting former gasoline stations with contamination issues. The City is working to clean up the Little Lake site. There are also ongoing programs in the Environmental Services Department. The City encourages infill redevelopment of brownfield sites.</p>	Environmental Services  HSU programs/depts.	Niche manufacturing;	HSU/ Northtown; West End Rd.  Samoa Blvd Revitalization Area;	HSU; West End Rd.; Samoa Blvd	

## Business Support and Revitalization [BSR]

### Strategy:

- Strategy BSR-A The City shall provide assistance to promote a business startup loan and technical assistance fund.
- Strategy BSR-B The City shall promote public and private loan funds that support retention and expansion of existing businesses.
- Strategy BSR-C The City shall simplify regulatory, permitting, and design review processes in Arcata, and make the process less burdensome, time-consuming, and uncertain.
- Strategy BSR-D The City shall expand revitalization projects to priority neighborhoods with blighted commercial and industrial properties beyond the downtown.
- Strategy BSR-E The City shall explore development of City-owned Aldergrove parcels for condominium-style small business development.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BSR -1	<p><b>Arcata Marketing Image</b> – Develop an overall concept/logo that will be used on promotional brochures, gateway signs, web sites, and other marketing venues. This will create the opportunity for a unified approach to promoting Arcata's unique identity to attract potential business and residential relocations and visitors, as well as to market its local products, services and attractions. Partner agencies should incorporate the City logo into marketing materials.</p> <p><b>PROGRESS:</b> <b>Ongoing.</b> A Gateway Plan has been completed which includes goals, objectives, and recommendations for Samoa Boulevard, Giuntoli Lane, and Sunset Avenue gateways. The Gateway image will be used for the overall Arcata image.</p>	Chamber; Main Street; HCCVB; Film Humboldt; Private sector tourism interests	All Target Industries	All Target Areas	All Neighborhoods	1 – 2
BSR -2	<p><b>Diversification – Manufacturing.</b> Encourage the expansion of the manufacturing industry cluster within Arcata. (See BSR-8, BSR-10, BSR-13, SP-1, GV-1, SB-3)</p> <p><b>PROGRESS:</b> Ongoing through the Business Loan Program.</p>	Small and large manufacturers	Niche manufacturing	Samoa Blvd Revitalization Area; Giuntoli Lane/ Valley West; West End	Samoa Blvd; West End Rd. ; Valley West	1 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BSR – 3	<p><b>Diversification – Tourism.</b> Encourage the expansion of the tourism industry cluster within Arcata. (See Tourism implementation measures)</p> <p><b>PROGRESS: Ongoing.</b> The City supports the new Valley West hotel and discussions of a possible move of Chamber of Commerce to Valley West. The City has acquired hundreds of acres of new open space and forest land. Valley West's "Mad River Park" will be approximately 19 acres with river access. Reinvestment of approximately \$200,000 annual TOT revenues from hotels into Valley West for new police sub-station, improving streetscape and trails, and hiring a marketing coordinator.</p>	Hotels/motels, tour operators, and other stakeholders  Arcata Chamber		Giuntoli Lane and Valley West	Valley West;	2 – 3
BSR – 4	<p><b>Diversification – Arts and Culture.</b> Encourage the expansion of the arts and culture industry cluster within Arcata. (See BSR – 8, BSR-13, BSR-15, BSR-27, T-7, SP-6, HSU-4, SB-3). Promote Arcata and surrounding area to the film and media industry. The City should offer support for businesses interested in providing all-age nighttime entertainment options.</p> <p><b>PROGRESS: Ongoing.</b> Current loan to Arcata Theatre.</p>	Artists, gallery owners, related shops and other stakeholders  Film Humboldt	Specialty agriculture food, and beverages;  Niche manufacturing;	HSU/ Northtown	Downtown/ Uniontown;  HSU;  Arcata Heights/ Northtown	
BSR – 5	<p><b>Diversification – Research and Education.</b> Encourage the expansion of the research and education industry cluster within Arcata. (See BSR-13, BSR-21, BSR-22, HSU-2, SB-3) especially as it relates to the management and innovation services and diversified health care industries. The City should partner with HSU to complete a business incubator study.</p> <p><b>PROGRESS: Ongoing.</b> Current CDBG Business Incubator development grant.</p>	HSU, K-12 schools, R&D and consulting firms and other stakeholders	Management and innovation services;  Diversified health care	HSU/ Northtown	HSU	1 – 2
BSR – 6	<p><b>Diversification – Agriculture Horticulture and Aquaculture.</b> Encourage expansion of the agriculture and horticulture industry cluster within Arcata. (See BSR-13, BSR-21, SP-1, SP-2)</p> <p><b>PROGRESS: Ongoing.</b> Business loans to business such as Cypress Grove.</p>	Agri and Aqua culture stakeholders  land owners  CAFF	Specialty agriculture food, and beverages;  Niche manufacturing;	Giuntoli Lane and Valley West;  Samoa Blvd.  Westwood/ Vassaide;  Valley West;  HSU	Bayside;  Samoa Blvd;  Westwood/ Vassaide;  Valley West;  HSU	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BSR - 7	<p><b>Diversification – Lumber, Wood Products, and Forestry.</b></p> <ul style="list-style-type: none"> <li>a. Explore how the City can assist the lumber and value added wood products industry retain its vitality through business support activities.</li> <li>b. Explore how the City can promote the restoration economy through business support activities with natural resources consulting firms and agencies (see SP-8).</li> <li>c. Explore how the City and regional partners such as HSU can support research and innovation in sustainable practices in the forest sector (see SP-8).</li> </ul> <p><b>PROGRESS: Ongoing.</b> The City provided loan funds to Humboldt Flakeboard to finance pollution control investment. The City considers this the first implementation of the current Business Loan Program.</p>	Wood products industry Environmental Services	Management and innovation Services;	HSU/ Northtown	HSU	
BSR -8	<p><b>Entrepreneurism Encouragement.</b> The City shall collaborate to encourage entrepreneurship, to identify local entrepreneurs interested in starting up small business enterprises, and provide them with business startup assistance.</p> <ul style="list-style-type: none"> <li>a. The City shall collaborate with HSU's Office for Economic and Community Development and HSU's Career Center in: <ul style="list-style-type: none"> <li>i) Sponsoring HSU's annual student entrepreneur events</li> <li>ii) Identifying student entrepreneurs, and</li> <li>iii) Identifying "spinoff" business startup opportunities.</li> </ul> </li> <li>b. The City shall also work with CR in identifying student entrepreneurs</li> <li>c. The City shall collaborate with Arcata High School in encouraging student entrepreneurship, such as through the Art Institute</li> <li>d. The City shall work with Redwood Technology Consortium (RTC) or other similar technology based organizations to facilitate entrepreneurship (new business ideas, transform hobbies into businesses.).</li> <li>e. Diversify and expand the Foodworks Culinary Center into the Arcata Business Incubator, to broaden business incubator opportunities for different type businesses. (see BSR-11)</li> <li>f. The City shall collaborate with the Northcoast Prosperity Center in delivering business startup services to entrepreneurs interested in starting up small businesses.</li> <li>g. The City shall explore the potential of developing a condominium-style small business facility on one of the city-owned vacant parcels in Aldergrove.</li> </ul> <p>The City shall encourage home based and cottage industries to move to commercial and</p>	OECBD College of the Redwoods Prosperity Center, Redwood Tech. Consortium Arcata High	All Target Industries	All Geographic Areas	All Neighborhoods	1 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>industrial space to facilitate growth.</p> <p><b>PROGRESS: Ongoing.</b> CDBG Business Incubator development grant, and preliminary work toward Foodworks expansion. The City has plans to build business/manufacturing facility in Aldergrove as a condominium-style development for business expansion space. The City is working to launch an RFP for an “incubator without walls” that will stimulate entrepreneurship, particularly related to emerging targeted industries, likely linked to HSU.</p>					
BSR - 9	<p><b>At Risk Business Assistance.</b> The City shall develop a process whereby firms at risk of closing or relocating out of the area first contact the City to see if the problems they are encountering can be resolved through City action.</p> <p>a. The City shall work closely with the Prosperity Network at the County level to identify existing industry cluster member firms in Arcata and integrate those firms into their industry cluster work plans.</p> <p>b. The City shall identify ways to collaborate with Prosperity Network members on specific projects that can bring training, capital, and other business resources to Arcata firms in need.</p> <p>c. Promote Diversification, Clustering and Resource Sharing: The City shall take actions to facilitate office or professional services, with the goal of co-locating similar types of business, such as medical , technology, professional services, and others.</p> <p>i) Explore how to facilitate sharing of resources such as marketing, bookkeeping, support personnel, and equipment among co-located businesses.</p> <p>ii) Consider designating specific uses as part of the Infill Lands Inventory (ID-2)</p> <p>Promote communication among similar small-scale businesses through the City web site and local economic development partners.</p> <p><b>PROGRESS: Started.</b> Business Loan Program. Clustering and resource sharing may be incorporated into new Business Incubator and Foodworks.</p>	Chamber Prosperity Network Business Owners	All Target Industries	All Geographic Areas	All Neighborhoods	
BSR - 10	<p><b>Simplified Development Regulations and Permitting.</b> The City shall engage in a facilitated collaborative process with existing Arcata business owners and developers to identify ways that existing regulations and permitting and design review requirements can be made less complex, time-consuming, burdensome, and uncertain. The outcome shall be incorporated into the City’s processes for enforcing regulations and permitting and design review requirements</p> <p>a. Work with partner agencies to complete a survey of businesses to identify concerns and challenges of the permitting process.</p>	Residents Businesses Developers Regulatory agencies	All Target Industries	All Geographic Areas	All Neighborhoods	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>b. Develop specific plans that specifically identify development criteria.</p> <p>c. Development projects that fall within specific plan and Land Use Code requirements will require only administrative approval.</p> <p>d. Work with partner agencies to develop procedures, public information, and application reference materials in handout format that provide a clear roadmap for the permitting process</p> <p>e. Implement the “One-Stop” permit process. This shall include providing customer service training to relevant City staff and investigating potential for providing an “ombudsman” to assist business applicants by providing pre- and post-application assistance for applicants meeting the City’s economic development objectives.</p> <p>(i) Improve the City’s Internet website to provide a clear roadmap for businesses applying for City permits, and to provide information and relevant application forms regarding building permits and Land Use and Development Code requirements for new commercial and industrial construction and tenant improvements.</p> <p>f. Develop a public information campaign addressing Arcata’s improved business climate. The City shall also develop a process whereby firms considering expansion contact the City early in the process so that permitting and other requirements can be expedited. Assist business to obtain Regional, State, and Federal permits by accessing the Cal Gold Website (<a href="http://www.Calgold.ca.gov">www.Calgold.ca.gov</a>) and other permit assistance programs.</p> <p>g. Hire student interns to research permitting needs of local businesses and identify problems that will allow the City to address the permit streamlining issues.</p> <p><b>PROGRESS: Ongoing.</b> Staff has been working with CDBG to clarify and simplify the Business Loan procedures. Other regulatory procedures require working with multiple departments and agencies.</p>	City Manager Chamber Main Street				
BSR - 11	<p><b>Continue, Replicate, and/or Expand the Business Incubator Program.</b></p> <p>a. Continue the Foodworks incubator facility and consider diversifying it into the Arcata Business Incubator (e.g., small manufacturers institute as described in Prosperity, ABI Strategy (Burroughs), RTC and technology center)</p> <p>b. Review the Prosperity work plan to plan and create an “incubator without walls” approach in Arcata.</p> <p>c. Explore developing an Arcata Prosperity arts and media incubator and work with Film Humboldt to market Arcata as a location for the film industry.</p> <p>d. Implement the artist/live work feasibility study, to identify a site suitable for a common</p>	College of the Redwoods Prosperity Network Private Businesses HSU	All Target Industries	West End Road	West End Road	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>artist gallery, with individual studios and living quarters</p> <p>e. Restructure Foodworks facility management and develop a building improvement plan to expand the facility to accommodate additional tenants and create a true incubator environment.</p> <p>f. Complete the new business incubator feasibility study to identify target industries to focus on.</p> <p>g. Identify Arcata film and television sites for purposes of marketing to the film industry.</p> <p>h. Coordinate with implementation measures HSU-2, and BSR-6, BSR-8</p> <p>i. Consider developing a light manufacturing business incubator.</p> <p><b>PROGRESS: Ongoing.</b> City is working to launch an RFP for an “incubator without walls” CDBG Business Incubator development grant, particularly related to emerging targeted industries, likely linked to HSU. Proposed Foodworks expansion.</p>	Film Humboldt				
BSR – 12	<p><b>Façade Grant Program.</b> Extend the City’s façade grant program to key gateway neighborhoods and integrate the façade grant program with gateway design and corridor plans. Utilize redevelopment, graffiti abatement and other resources to revitalize priority neighborhoods. (In coordination with BSR – 24). Partner with the Chamber of Commerce to expand façade grants to Valley West and Samoa Boulevard.</p> <p><b>PROGRESS: Ongoing.</b> Focus on Valley West and Samoa Boulevard, graffiti project coordinated with APD and Parks Dept, Main Street working on downtown façade proposals.</p>	Main Street Property owners Chamber	No action	Giuntoli Lane and Valley West;	Valley West; Downtown/ Uniontown Samoa Boulevard	2 – 3
BSR – 13	<p><b>Business Loan Program.</b> Continue to promote the Business Loan Program, and;</p> <p>a. Reevaluate the Business Loan Policy (BLP) and update as appropriate so that the loan portfolio will be representative of Arcata’s industry clusters and economic development goals.</p> <p>b. Increase outreach to small manufacturers and ensure that the Business Loan Program is more proactive to create economic development.</p> <p>c. Increase outreach to niche manufacturing small businesses and cooperatively/employee-owned businesses.</p> <p><b>PROGRESS: Ongoing.</b> The City recently revised business loan policies (Nov.2008). The new BLP includes scoring criteria that provides bonus points to projects that produce living wage jobs or that generate tax revenue (TOT or sales tax). There have been successful business loans to Wing Inflatables, Arcata Theater, Robert Goodman Wines, Brio, Carlson Wireless, and Humboldt Flakeboard.</p>	AEDC Chamber	All Target Industries	All Geographic Areas	All Neighborhoods	1 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BSR – 14	<b>Owner Participation Agreements.</b> Expand the use of owner participation agreements to encourage the elimination of blight within the Redevelopment Area.  <b>PROGRESS: Ongoing.</b> Using OPA format for new grants to assist development through completion of required geologic reports as well as public infrastructure improvements.	Developers/Property owners				2 – 3
BSR – 15	<b>Arts and Culture.</b> Identify older buildings in Arcata that can be easily renovated to create space for art studios. Create a catalog of sites and locations to attract film industry.  <b>PROGRESS: No Action</b>	Developers/Property owners Artists Film Humboldt	HSU/ Northtown	Downtown/ Uniontown HSU; Arcata Hts/ Northtown		
BSR – 16	<b>Transportation Infrastructure Improvement.</b> a. Intrastate and Interstate Trucking. Advocate improvements to U.S. 101 and S.R. 299 to support interstate trucking, consistent with GP Policy T-4a which does not support additional travel lanes on 101 or 299 nor auxiliary lanes or interchanges on US 101. b. Investigate reinstituting railway service to the Aldergrove Industrial Park consistent with GP Policy T-7, which supports the retention of the railroad right of way and improved levels of freight train service within certain limits; and consistent with GP T-7d, which also supports the plans to convert railroad rights of way to trials once abandoned, or multi-use trails if an active railway. c. Participate in discussions and cooperate with other agencies regarding short haul shipping for Humboldt Bay.  <b>PROGRESS: Ongoing.</b> Public Works Dept/Caltrans improvements for Samoa Boulevard	Public Works Cal-Trans	Specialty agriculture food, and beverages; Niche manufacturing;	Samoa Blvd Revitalization Area; West End Road	Samoa Blvd; West End Road	2 – 4
BSR – 17	<b>Incumbent Worker Program.</b> Work with the <i>Prosperity!</i> Network to include Arcata businesses in the Incumbent Worker Training Program that will define career ladders and provide appropriate training to retain and promote workers up the career ladder.  <b>PROGRESS: No action.</b>	Prosperity! Network	All Target Industries	All Geographic Areas	All Neighborhoods	
BSR – 18	<b>Local and Regional Produce Marketing.</b> Work to incorporate local growers and the Arcata Farmers' Market into a regional marketing theme and distribution plan for Humboldt produce.  <b>PROGRESS: Ongoing.</b> Eat local campaign.	N.C. Growers Assn. & Farmers Regional ED organization CAFF	Specialty agriculture food, and beverages;		Downtown/ Uniontown	1 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BSR - 19	<b>Foreign Trade Zone.</b> Explore the advantages and disadvantages of incorporating certain Arcata industrial and commercial lands into the Eureka Foreign Trade Zone.  <b>PROGRESS: No action.</b>	City of Eureka	Specialty agriculture food, and beverages;  Niche manufacturing;	West End Road	West End Road	
BSR - 20	<b>Enterprise Zone</b> – Explore the advantages and disadvantages of applying for Enterprise Zone Status when and if funds become available.  <b>PROGRESS: Planned.</b> Task for new Deputy Director. Possibly begin process summer 2010	CA Commerce and ED Dept.				1 – 3
BSR - 21	<b>Recycling Marketing Development Zone.</b> Encourage the use of Recycling Marketing Development Zone (RMDZ) programs resources by Arcata businesses and outreach by RMDZ staff to Arcata businesses.  <b>PROGRESS: No action</b>	CA Commerce and ED Dept. Local RMDZ liaison	All Target Industries	All Geographic Areas	All Neighborhoods	
BSR - 22	<b>Micro-Financing.</b> a. Reevaluate and update, as appropriate, to ensure that the City's Business Loan Program for loans under \$20,000 is cost effective and/or increase the lower limits. b. Work with AEDC, RREDC, and SBDC to seek and secure technical assistance funds to make micro-loan programs cost effective c. Consider applying to the CDBG Microenterprise Assistance Program for additional program funds that could be linked to HSU student start-ups.  <b>PROGRESS: Ongoing.</b> City has revised and expanded Business Loan Program. There have been changes to the Business Loan Program, as the City has not been focusing on micro loans. The current minimum loan amount is \$20,000.	CA CDBG AEDC RREDC SBDC	All Target Industries	All Geographic Areas	All Neighborhoods	
BSR - 23	<b>Graffiti and Litter Abatement.</b> Establish partnerships with business and community groups to identify priority areas for graffiti and litter abatement efforts. Use programs such as community clean-up days, and the Community Development Agency funds and business organizations to provide resources for clean-up. Coordinate with City of Arcata "free paint"	City Manager Main Street	All Target Industries	All Geographic Areas	All Neighborhoods	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>program. Partner with Main Street and Chamber to complete graffiti abatement on private property.</p> <p><b>PROGRESS: Ongoing.</b> Main Street has been working on Plaza cleanup, volunteer maintenance of plaza landscaping, and graffiti abatement has been coordinated with ADP and Parks Department. The free paint program is currently run by the City, but volunteers can only use the paint for public spaces.</p>	Chamber				
BSR – 24	<p><b>Business Hours.</b> Work to expand the hours that shops and restaurants are open during the business week, on weekends, and during holidays.</p> <p><b>PROGRESS: Ongoing.</b> Facilitated through Main Street and Chamber; Main Street has been working with downtown stores on expanding hours of operation.</p>	Main Street Chamber Businesses Shopping Centers	Specialty agriculture food, and beverages;	HSU/ Northtown	Down-town/ Union-town; Arcata Heights/ Northtown	
BSR – 25	<p><b>Airport Improvements.</b> Cooperate with Eureka, McKinleyville, and the County in support of Airport improvements, which serve as essential infrastructure for information/technology/education/research/agriculture enterprises that are heavily dependent upon reliable air travel.</p> <p><b>PROGRESS: Complete.</b> The Arcata-Eureka Airport has just completed a large expansion and remodeling effort. Ongoing meetings/discussion at the public level.</p>	Humboldt County  MCSD  City of Eureka	Management and innovation services;  Specialty agriculture food, and beverages;			
BSR – 26	<p><b>Home Occupation Businesses.</b> Evaluate expanding allowable uses in all Residential zones to include home occupation businesses that directly serve customers, but do not create a nuisance (e.g., attorneys, book keepers).</p> <p><b>PROGRESS: Completed:</b> The City adopted new Land Use Code.</p>	Private business	Diversified health care;  Management and innovation services	All Target Areas	All Neighborhoods	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BSR - 27	<b>Child Care Facility Development.</b> Actively encourage development of new child care facilities to serve the City.  <b>PROGRESS:</b> New.	NCCS, Humboldt Child Care Council, Private providers		All target Areas	All Neighborhoods	1 – 2
BSR - 28	<b>Local Business Contracting.</b> Consider developing a City policy to hire local businesses for City projects whenever possible. Promote hiring and procurement of local businesses and/or vendors. Develop a point system for bids that includes geographic location of businesses, among other factors.  <b>PROGRESS:</b> New.	Local Businesses  Main Street Chamber	All Target Industries	All Geographic Areas	All Neighborhoods	2 – 3

## Tourism [T]

### Strategy:

#### Strategy T-A

Work with the Arcata Chamber of Commerce, the Convention and Visitors Bureau, and local businesses to develop and integrate the many aspects of Arcata's tourist related information including signage, gateway design and promotional material or all types.

#### Strategy T- B

Assist in the development of a network of Arcata tourism stakeholders through a variety of means including co-sponsoring of an annual "Tourism Attraction" workshop.

#### Strategy T-C.

Assist in the development of expanded or new programs that increase or improve tourism in Arcata.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
T- 1	<b>Gateway Improvements.</b> Focus the improvements at each of the City's Primary and Secondary Gateway locations so that they increase tourism activity through signage,	Public Works				1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>Gateway community design and promotional material or all types.</p> <p><b>Primary Gateways:</b></p> <p>South: Samoa Avenue and G Street (see also SB-1)</p> <p>Central: Sunset Boulevard and southbound Hwy 101 off ramp (see also AHN-3)</p> <p>West: Samoa Avenue and K Street (see also SB-1)</p> <p>North: Valley West - Giuntoli Road and southbound Hwy 101 off ramp (see also VW-1)</p> <p>North Valley West - Giuntoli Road and westbound Hwy 299 off ramp (see also VW-1)</p> <p><b>Secondary Gateways:</b></p> <p>Central: 14th Street and Hwy 101 off ramp (coordinate with HSU signage)</p> <p>Central: Sunset Avenue and northbound Hwy 101 off ramp</p> <p>South: Old Arcata Road and Sunny Brae Roundabouts</p> <p>a. Establish a transitional plan to eliminate billboards on 101/299/255 within the City of Arcata in the long term, and in the short term encourage Arcata organizations to secure billboard leases and sub-lease to Arcata area businesses or business organizations.</p> <p>b. Establish transitional billboard plan signage program (emphasizing thematic design, quality, and community image of local businesses)</p> <p>c. Encourage Caltrans to advertise the Arcata California Welcome Center at rest stops and other State information locations along 101, 299, and along the State's interstate system.</p> <p>d. Encourage Cal-Trans to install additional historical signage along 101 and 299 to encourage heritage based tourism</p> <p>e. Work with partner agencies to incorporate Gateway Image into their marketing materials.</p> <p><b>PROGRESS: Ongoing.</b> A Gateway Plan has been completed which includes goals, objectives, and recommendations for Samoa Boulevard, Giuntoli Lane, and Sunset Avenue gateways.</p>	Chamber Main Street Cal-Trans				
T -2	<p><b>Tourism Development Funding.</b> Develop a stable funding mechanism to support Tourism.</p> <p><b>PROGRESS: Planned.</b> TOT income from new hotels proposed to fund Marketing Coordinator position.</p>	City Manager		Giuntoli Lane and Valley West	Valley West; Downtown/Uniontown	1 – 2
T -3	<p><b>Arcata Marketing Image.</b> Consistent with BSR-1, develop a unified Arcata image, logo, and theme for use with tourism signage and promotional material, highlighting Arcata's nature-based and heritage-based assets, in coordination with <i>Prosperity! Redwood Coast</i> brand program and "Up State". Develop a marketing strategy to improve Arcata's image and</p>	Main Street Chamber			Community Forest; Samoa Blvd.	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>increase its appeal as a destination. Partner agencies will incorporate image into marketing materials.</p> <p><b>PROGRESS: Ongoing.</b> Current Streamline Planning contract for Gateway Project underway. Arcata image will be defined in the final Gateway Plan.</p>	HCCVB				
T - 4	<p><b>Co-sponsor annual "Tourist Attraction" workshop.</b> Co-sponsor an annual workshop on "Tourist Attraction" (including extending the time tourists stay in Arcata) in conjunction with local tourist related stakeholders.</p> <ul style="list-style-type: none"> <li>• Stakeholders would include lodging facilities owners and operators, tourists business such as restaurants and retailers, and institutional program participants who use local housing.</li> <li>• Development of this Arcata Tourism image and theme could be a topic of the Tourist Attraction workshop as well as ongoing review of promotional materials.</li> <li>• Review trends in tourism and their relationship to Arcata.</li> <li>• This workshop could be funded in part from the TOT funds.</li> </ul> <p><b>PROGRESS: No action</b></p>	HCCVB  Chamber  Private Sector Tourism stakeholders	Valley West;  HSU/ Northtown	Valley West;  Downtown/ Uniontown;  Arcata Heights/ Northtown	Valley West;  Downtown/ Uniontown;  Arcata Heights/ Northtown	2 – 3
T - 5	<p><b>Local and Regional Tourism Marketing Coordination.</b></p> <ol style="list-style-type: none"> <li>Produce a regional arts/culture calendar including Arcata arts/culture attractions;</li> <li>Work with the HSU, Humboldt County Convention and Visitors Bureau, City of Eureka, State and National Parks, adjacent Counties, and other municipalities to bundle Arcata events with other regional events;</li> <li>Develop a marketing coordinator position. The marketing coordinator will be responsible for increasing tourism and TOT revenues, as well as increasing the number of conferences and sporting events in the City. This will be done by marketing the City's eco-assets including the community forest, sports facilities, marsh and wildlife sanctuary, McDaniel Slough, baylands, parks, and lodging (i.e. Hampton Inn). The marketing coordinator will organize an informational booth for visitors during City events such as Godwit Days, Oyster Festival and the North Country Fair. The marketing coordinator will also be responsible for growing/attracting targeted industry businesses through marketing efforts.</li> </ol> <p><b>PROGRESS: Ongoing.</b> Film Commission support, increased Arcata visibility in HCCVB marketing.</p>	HSU  Main Street Chamber HCCVB  Regional 101 Corridor Project	HSU/ Northtown	HSU	2 – 3	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
T - 6	<p><b>TOT Revenue Reports.</b> Communicate TOT revenues at least semi-annually to the Economic Development Committee, tourism stakeholders and the local news media in order to heighten awareness of the role of tourism in Arcata and any changes in tourism locally.</p> <p><b>PROGRESS: Ongoing.</b> Current TOT tracking through City's finance department, throughout 2008 was topic for EDC committee review.</p>	City Finance Dept. HCCVB Chamber		Valley West	Valley West	
T - 7	<p><b>Tourism Coordination-</b> Work with appropriate partners to create more unified local and regional approaches to tourism planning, marketing, and sponsorship:</p> <ul style="list-style-type: none"> <li>a. <b>Heritage Related Tourism Coordination.</b> Coordinate with heritage and logging related tourism, including tourist train project (investigate the feasibility of a tourist train depot) and broadening the use of the rail line in Arcata; have local stakeholders participate in promoting HCCVB's Heritage Trails Program.</li> <li>b. <b>HSU Events.</b> Coordinate with HSU and other regarding new or expanded tourism programs or efforts such as a revival of a summer arts and music program/festival; collaborate on "town/gown" events.(see also HSU-4).</li> <li>c. <b>Humboldt Bay Excursion Train.</b> Work with the North Coast Rail Authority, the Northern Counties Logging Interpretive Society, and other regional interests to develop a regular Arcata stop for the Humboldt Bay Excursion Train, and link Arcata tourist related activities to the excursion train.</li> <li>d. <b>Children's Attractions.</b> Inventory and promote attractions for children such as the HSU Natural History Museum.</li> <li>e. <b>Arts Arcata!.</b> Strengthen and expand Arts Arcata! beyond the Downtown area.</li> <li>f. <b>Farmers' Market.</b> Work with the North Coast Growers Association to evaluate the potential for expanding the Arcata Farmers' Market to additional days per week during tourist season.</li> <li>g. <b>New Event Development.</b> Develop new events in Arcata such as cycle tours (build on regional bike map prepared by RCAA, the Arcata bike library program, encourage bicycle rentals, etc.) water recreation, and ice-skating. Place a primary focus on extending events to neighborhoods beyond the plaza, such as the Valley West/Bottom/Mad River area.</li> <li>h. <b>Annual Downtown Events.</b> Ensure the promotion of new and continuing Plaza events through partner agencies.</li> </ul> <p><b>PROGRESS: Planned.</b> Goal to create new Marketing Coordinator position through outside agency to address these goals.</p>	HCCVB Chamber Main Street Private stakeholders HSU Center Arts and other Depts. Museums and Galleries NCGA		HSU/ Northtown	Downtown/ Uniontown; Arcata Heights/ Northtown; HSU;	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
T - 8	<p><b>Eco-Lodge Feasibility.</b> A Community Development Block Grant funded an Ecolodge Feasibility Study to investigate unmet potential demand for tourist visitation to Arcata (international, national and from the greater San Francisco Bay). Continue to investigate the potential for developing an eco-lodge in Arcata.</p> <p><b>PROGRESS: Completed.</b> Feasibility Study completed 2004-2005.</p>	CA CDBG Program	Specialty agriculture food, and beverages; Management and innovation services	Samoa Blvd. Revitalization Areas	Samoa Blvd.	
T - 9	<p><b>Multi-use Facilities.</b> Investigate the feasibility of summer tourist related facilities being used for increased student housing during the school year. Investigate shared seasonal accommodations, visiting faculty needs, and expanded summer programs as they relate to multi-use facilities.</p> <p><b>PROGRESS: No action</b></p>	HSU		HSU/ Northtown	HSU	
T - 10	<p><b>Visitation Tracking.</b> Establish a reporting mechanism in coordination with the Arcata Welcome Center and local hotels to monitor tourism. Expand marketing to attract conferences and sporting events, and to maximize the use of the new Valley West hotel and conference rooms (tied to T - 5).</p> <p><b>PROGRESS: Ongoing.</b> Visitation tracking ongoing through Chamber.</p>	Chamber HCCVB		Giuntoli lane and Valley West	Valley West	1 – 2
T - 11	<p><b>Private Sector Tourism Partnership.</b> Establish a strong partnership between the City, other government agencies and business organizations to improve Arcata tourism and encourage private sector funding of local tourism development, such as tourism focused business improvement district.</p> <p><b>PROGRESS: No action</b></p>	HCCVB Chamber				
T - 12	<p><b>Customer Service.</b> Work with local businesses, non-government organizations and CR Culinary Institute to strengthen customer service and improve the local tourism experience</p> <p><b>PROGRESS: Planned.</b> To be included in new business incubator feasibility grant (tied to T - 4).</p>	CR Chamber	Specialty agriculture food, and beverages;	West End Rd	West End Rd	2 – 3

## Affordable Housing [AH]

### Strategy:

Strategy H – A      The City shall implement the Housing Element.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
H-1	<b>Housing.</b> Implement the Arcata Housing Element.  <b>PROGRESS: Completed.</b> The 2004-2009 Arcata Housing Element has been implemented. The City is currently updating the 2010-2014 Housing Element.	HBHDC, RCAA, Arcata House,				

## Redevelopment [R]

### Strategy:

Strategy R – A      Provide redevelopment zone tools to key blighted commercial and industrial areas of Arcata that are not currently within the Redevelopment Area.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
R-1	<b>Implementation Plan.</b> a. Update the Implementation Plan of the Arcata Community Development Agency based on the strategies and implementation measures contained in the Arcata Economic Development Strategic Plan. Seek USDA, CDBG and Economic Development Administration funds to carry out Implementation Measures.  <b>PROGRESS: Planned:</b> The Redevelopment Agency Implementation Plan, 2010-2014, will be adopted by December 31, 2009.	City Council ED Committee City Manager				1
R-2	<b>Identify New Areas for Redevelopment.</b> Identify priority areas for redevelopment that are not within the existing Redevelopment Area. Construct a scope of work and hire a consultant	Property and business				

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>to develop a plan for either (i) expansion of the existing Redevelopment Area, or (ii) create one or more new Redevelopment agencies</p> <p><b>PROGRESS: On Hold.</b> It is unlikely that the City will pursue adding to the Redevelopment Area, as a re-negotiation of the County and City agreement would be required, and the current agreement is very favorable to the City.</p>	owners				

## Broadband Telecommunications Services [BB]

### Strategy:

Strategy BB – A      Facilitate the expansion of broadband and fiber optic telecommunications services throughout the City of Arcata.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
BB-1	<p><b>Expand Broadband Communications.</b> Work with AT&amp;T to locate appropriate sites, and facilitate the construction of fiber hubs to ensure access by Arcata residents to DSL services. Work to ensure that new line from Redding continues to Arcata.</p> <p><b>PROGRESS: Started.</b> Redundant fiber optic line is being developed along SR 299, but it is unclear at this point whether it will be fully extended to and interconnected with the Highway 101 fiber optic line. Key areas needing broadband are business parks such as Aldergrove.</p>	AT&T  Film Humboldt				1 – 2
BB-2	<p><b>Improve Cable Internet Access.</b> Work with Suddenlink Communications to facilitate the extension of their coaxial cable plant to ensure access by Arcata residents to cable Internet services.</p> <p><b>PROGRESS: No action</b></p>	Suddenlink				
BB-3	<p><b>Determine a Plan for Improving Wireless Communication</b> – Determine how and where to expand wireless services.</p> <ol style="list-style-type: none"> <li>Explore public support for wireless communications and other forms of alternative communications.</li> <li>Install free wireless nodes or hubs at the California Welcome Center, plaza, marsh and</li> </ol>	Public/residents  Wireless providers				2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>other public venues.</p> <p>c. Evaluate and encourage collocation of wireless infrastructure on existing towers such as PG&amp;E towers.</p> <p><b>PROGRESS: Started.</b> 101 Netlink has brought services to Arcata. Verizon/ATT/Sprint have also brought mobile wireless broadband.</p>	Private business PGE				

## Sustainability Program [SP]

### Strategy:

- Strategy SP – A      Ensure that economic development occurs in a manner consistent with the *Arcata Community Vision* contained in the *Arcata General Plan: 2020*.
- Strategy SP – B      Encourage local organic agriculture and Farmers' markets.
- Strategy SP – C      Preserve the City's greenbelt (working agricultural landscapes, natural resource lands) and parklands, and improve the City's network of trails.
- Strategy SP – D      Encourage energy conservation, generation from renewable sources, and "green" building design.
- Strategy SP – E      Encourage and revitalize neighborhood commercial centers.
- Strategy SP – F      Encourage business enterprises in sectors and occupational categories that pay a living wage.
- Strategy SP – G      Preserve and enhance historically significant districts.
- Strategy SP – H      Develop and maintain sustainability indicators for Arcata.
- Strategy SP – I      Preserve Arcata's commercially and industrially designated lands.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
SP - 1	<p><b>Agricultural, Horticultural, and Aquaculture Uses.</b> Encourage active and where appropriate more intensive agricultural use of Agricultural zoned land and increase nature-based activities on Natural Resource zoned land, including Humboldt Bay.</p> <ul style="list-style-type: none"> <li>a. Investigate the potential for using City-owned natural resource lands for organic gardens and farms or the pasturing of livestock, in part to reduce the impact of Aleutian Canada Geese on pastureland.</li> <li>b. Encourage the use of the Williamson Act, Farmland Security Zone, or other conservation easements/trust to preserve private farmlands</li> <li>c. Encourage use of Rural Residential land including, farming, farm stays.</li> <li>d. Encourage agricultural commerce through promoting local produce/farm commodities and farm activities.</li> <li>e. Encourage aquaculture on Humboldt Bay within the City limits.</li> </ul> <p><b>PROGRESS:</b> Completed</p>	<p>Environmental Services North Coast Growers Assn. Private ag and ranch owners CAFF</p>	<p>Specialty agriculture food, and beverages; Niche manufacturing;</p>			
SP - 2	<p><b>Parks and Natural Resource Planning.</b> Include trails, City parks, natural resource areas, and urban gardens in future development plans. Improve access to and maintenance of key natural resource lands. Make use of conservation easements and other tools for preserving working agricultural lands in and adjacent to Arcata, and limit conflicts between agriculture and commercial/industrial/residential development. Implement the Bike and Pedestrian Plan and connectivity to Valley West and natural resource areas and parks.</p> <p><b>PROGRESS:</b> The City is very interested in linking new conservation lands acquisitions (and conservation easement lands) via trail network, and to then use that as a way to promote ecotourism/nature-based tourism. Valley West plans include ped / bike access to Mad River, and a ped/bike path from the commercial center north to the Mad as well as connection to South via West End Road and LK Wood Boulevard.</p>	Environmental Services				2 – 3
SP - 3	<p><b>Energy Efficiency Programs.</b> Develop or maintain economic development programs consistent with General Plan Measure RC-8: Energy Resources Management, especially the spatial distribution and//or clustering of industry or commercial as in ID-2. RC-8 includes:</p> <ul style="list-style-type: none"> <li>a. Encouragement of appropriate energy alternatives.</li> <li>b. Encouragement of energy efficiency and conservation.</li> <li>c. Promotion of energy efficiency in transportation.</li> <li>d. Investigate the potential for regional collaborations on renewable energy projects.</li> <li>e. Provide energy conservation education to local businesses and residents, including “green” building design.</li> </ul>	Environmental Services	<p>Management and innovation services; Niche manufacturing</p>			2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>f. Consider adding free or subsidized parking and a recharging station for zero emission vehicles in the downtown.</p> <p><b>PROGRESS:</b> The City is working with RCEA on a detailed energy efficiency program. City is investigating developing an innovative program to provide financing for residential renewable energy or energy efficiency investments (see Beckie Menten at City of Arcata for details).</p>					
SP - 4	<p><b>Neighborhood Commercial</b> Sustain and revitalize neighborhood commercial and retail centers to reduce automobile pressure in downtown Arcata, and promote walking and bicycling in these neighborhood centers and throughout the City. (Using the Pedestrian/Trails Plan as the basis for activities). This is reflected in VW, AHN, SU, and WV neighborhood strategies.</p> <p><b>PROGRESS:</b> Environmental Services and Public Works have been working to develop more pedestrian and bike trails</p>	Property owners Business tenants				2 – 3
SP - 5	<p><b>Living Wage.</b> Develop a list of occupational categories that pay a living wage, and encourage the creation or relocation of businesses that employ people in these occupations.</p> <p><b>PROGRESS: Ongoing.</b> City has integrated living wage job creation as a scoring element for its Business Loan Program.</p>	Workforce Investment Bd EDD				1 – 3
SP - 6	<p><b>Historic Preservation.</b> Work collaboratively with residents of historically significant districts and neighborhoods in Arcata to identify tools and approaches to preserve and revitalize these areas.</p> <p><b>PROGRESS:</b> Staff have been directed by Council to begin working on a Historic area assessment. This is planned for 2010.</p>	CA Office of Historic Preservation Programs				1 – 2
SP - 7	<p><b>Sustainability Indicators.</b> Develop sustainability indicators that are easy to understand, update, and can be used over time to gauge progress toward a more sustainable Arcata.</p> <p><b>PROGRESS:</b> City plans to match General Plan policies with quality of life indicators, and have each of the 11 citizen's advisory committees develop one or two indicators and to provide updates on these indicators to City staff, who will then compile them into a comprehensive set of sustainability indicators that will be updated over time.</p>	Prosperity Community leaders HSU				
SP- 8	<p><b>Sustainable Economic Diversification.</b></p> <p>a. Explore how the City can promote the restoration economy or an Arcata based</p>	Natural Resources	Niche manufacturers			2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>Restoration Cluster through business support activities with natural resources consulting firms and agencies working in the fields of forestry, fisheries, wetlands, and other natural resources.</p> <p>b. Explore how the City and regional partners such as HSU can support research and innovation in sustainable practices in the natural resources sectors such as forestry and fisheries.</p> <p>c. Provide support for businesses that provide ‘green’ jobs.</p> <p>d. Promote entrepreneurship partnerships in the management and innovation services and niche manufacturing target industries.</p> <p><b>PROGRESS: No action.</b> Will be included in business incubator feasibility study.</p>	<p>consulting firms Public NR agencies HSU Depts.</p>	<p>ring; Management and innovation services</p>			
SP - 9	<p><b>Utility User Tax.</b> Investigate implementing an energy consumption use tax within City limits. This use tax will focus on residences that use an excessive amount of energy.</p> <p><b>PROGRESS: New</b></p>	<p>PG &amp; E City Finance Director</p>			All Neighborhoods	

## Valley West Neighborhood [VW]

### Strategy:

Strategy VW – A Develop a gateway plan for Valley West.

Strategy VW – B Develop a corridor plan for Giuntoli Lane.

Strategy VW – C Work with parcel owners near MRCH and UIHS to encourage planning and development of commercial facilities and housing that would synergistically interact with the existing health care service centers.

Strategy VW – D Revitalize the Valley West neighborhood commercial center and integrate this commercial center into the gateway and corridor plan above.

Strategy VW – E Improve the pedestrian, bicycle, and vehicle linkage to other Arcata neighborhoods. Develop a multi-use trail system providing connectivity to HSU via LK Wood Boulevard and Valley West Boulevard and to Downtown via Spear Avenue.

Strategy VW – F	Consider annexing the industrial and commercial parcels adjacent to Giuntoli Lane and Boyd Road that lie within Arcata's urban services boundary.
Strategy VW - G	Improve access to nearby natural resource amenities available to residents and visitors to the Valley West neighborhood. Develop Carlson Park and access to the Mad River as a significant recreational and tourist serving amenity
Strategy VW-H	Attract businesses to this area by encouraging industrial and commercial development
Strategy VW - I	Encourage development of the diversified health care industry
Strategy VW - J	Promote more tourist visitation to this area.
Strategy VW - K	Start a dialogue with the HSU nursing program and MRCH to better understand the demand for student/employee housing needs.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
VW - 1	<p><b>Valley West Gateway Plan.</b> Develop a gateway plan for Valley West:</p> <ul style="list-style-type: none"> <li>a. Identify missing elements needed to link together existing assets and attract travelers to stop in Valley West and access commercial services and adjacent natural resource amenities (e.g., Mad River beach, Mad River, Community Forest, etc). Plan, design, and construct signage/maps/information resources, wayfinding resources, landscaping, and monuments for State Highway 299 and U.S. Highway 101.</li> <li>b. Promote Valley West's competitive advantage as a staging area for bicycle recreation activities related to Arcata Bottom, future Annie and Mary Trail (consistent with GP T-7d), Hammond Trail, Coastal trail, Community Forest, and regional biking opportunities.</li> </ul> <p><b>PROGRESS: In progress.</b> A Gateway Plan is being developed which includes goals, objectives, and recommendations for Valley West and Giuntoli Lane should be completed by December 2009.</p>	Property owners  Envir. Services  Public Works  Chamber  Cal-Trans				1 – 2
VW - 2	<p><b>Giuntoli Lane Corridor Plan.</b> Develop a Giuntoli Lane corridor plan.</p> <ul style="list-style-type: none"> <li>a. Integrated with the gateway plan, include gateway attributes (landscaping &amp; design theme, circulation improvements, easier access to welcome center, land use planning along frontage including park development), and commercial/retail development plans.</li> <li>b. Develop signage and safety corridors for pedestrians and bicyclists accessing the Arcata Bottom, Mad River beach, Mad River, and the future Annie and Mary trail. Interconnect</li> </ul>	Property owners  Public Works		Giuntoli Lane and Valley West	Valley West	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>access with the City and regional trail and bike path system. Develop new access points on the Mad River and future Carlson Park to the extent that the City can support additional maintenance.</p> <p>c. Investigate the potential for improving automobile access to the Welcome Center by way of U.S. Highway 101 and Giuntoli Lane, or relocation of Welcome Center to the Valley West Shopping Center.</p> <p>d. Tie in the Welcome Center with the Valley West gateway plan and the Giuntoli Lane corridor plan. Showcase Arcata and adjacent natural resource amenities, access routes, and Arcata and HSU cultural amenities. Consider a large-scale map and other displays.</p> <p>e. Develop a convenient location for truckers to park in the Valley West area, possibly combined with a commercial refueling and services area for truckers.</p> <p><b>PROGRESS: Ongoing:</b> This is in the development stage, and includes a set of streetscape improvement plans for Valley West. There is a multi-use trail plan for access to HSU via LK Wood Boulevard and to Downtown via Spear Ave., additional lodging, and the potential Visitor Center move to Valley West. All of these items are still in the planning stages but should be considered together.</p>	Envir. Services  Arcata Chamber  Cal-Trans				
VW - 3	<p><b>Medical Complex Plan.</b></p> <p>a. Foster collaborative relationship with MRCH and UIHS regarding coordinated campus development. Discuss needs, mutually beneficial opportunities, and threats.</p> <p>b. Facilitate meetings with City and MRCH to discuss the hospital master plan, services currently provided by MRCH and future expansion of services (especially as they relate to seniors and the feasibility of developing a senior assisted living center), complementary services providers that should be attracted to a medical office building campus, etc.</p> <p>c. Prepare joint MRCH development plan for multi-tenant multi-story medical office building park that maximizes available office/hospital space, provides broad range of medical services, and provides for appropriate circulation and parking.</p> <p>d. Solicit development partners to participate in the development of the MRCH development plan (development partners could provide financing, development, marketing, and campus management services.)</p> <p>e. Work with parcel owners near MRCH and UIHS to encourage planning and development of commercial facilities and housing that would synergistically interact with the existing health care service centers.</p> <p><b>PROGRESS:</b> The General Plan was amended to provide for hospital dependant residential</p>	MRCH  UIHS  Private developers	Diversified health care	MRCH/ UIHS	Valley West	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	use (community care facility, assisted living, etc.) on the parcel adjacent to the Mad River Hospital. The property owners are preparing a Master Plan for the complex; as part of the Master Plan, land will be available for medium density housing and open space.					
VW - 4	<p><b>Revitalize the Valley West Shopping Center.</b></p> <ul style="list-style-type: none"> <li>a. Develop a concept for revitalizing the Valley West neighborhood center to serve both visitors and residents. Tie in to Giuntoli Lane corridor plan and gateway plan.</li> <li>b. Acquire resources (e.g., Economic Development Administration, Community Development Block Grant program, or redevelopment) to support revitalization.</li> <li>c. Prepare a shopping center master plan that includes Valley East commercial buildout.</li> <li>d. Survey stakeholders to identify needs in the Valley West neighborhood.</li> </ul> <p><b>PROGRESS: Ongoing:</b> The City is supporting a plan to develop one new hotel in Valley West (Hampton Inn), and to then designate the resulting TOT incremental increase to police protection, streetscape improvements, and revitalization of Valley West. The City may use this revenue to fund a marketing coordinator through a local agency. The City is also working on drainage improvements on Janes Creek that will enhance the development potential of parcels along SR 299 and West End Road.</p>	Arcata Chamber		Giuntoli Lane and Valley West	Valley West	2 – 3
VW - 5	<p><b>Commercial-Visitor Serving.</b> Preserve Commercial-Visitor Serving zoned land within the Valley West Neighborhood.</p> <p><b>PROGRESS: Completed.</b> The Land Use Code update has been completed, current zoning is Commercial-Visitor on Valley West Boulevard and Heindon Road.</p>			Giuntoli and Valley West	Valley West	
VW - 6	<p><b>Annexation.</b> Identify key parcels with significant economic development potential that are outside of the City limits but within the existing urban services boundary that would benefit from receiving City services. These include vacant and underutilized parcels that have historically been used for commercial or industrial uses to the north of Giuntoli Lane/State Highway 299 and south of the Mad River, including those along Boyd Road.</p> <p><b>PROGRESS: No action.</b></p>		Niche manufacturing; and Management and innovation services.	Giuntoli Lane and Valley West	Valley West	
VW - 7	<p><b>Industrial and commercial development.</b> Offer a ready supply of industrial and commercial properties.</p> <ul style="list-style-type: none"> <li>a. Identify ways to enhance infrastructure for the parcels lying along the north side of Giuntoli Lane.</li> <li>b. Study the viability of annexing the Graham Property, and other properties in this area, to increase the supply of commercial land and to capitalize on Hwy 101 frontage.</li> </ul>	Property owners  Public Works  Envir.	Niche manufacturing; and Management and innovation	Giuntoli Lane and Valley West	Valley West	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<b>Progress: New</b>	Services Arcata Chamber	services			
VW -8	<b>Diversified health care industry.</b> Provide Redevelopment funding mechanisms for the vacant parcels near existing medical offices on Valley West Boulevard. Promote alternative medicine, holistic care, and investigate a medical marijuana sales tax ordinance modeled after the City of Oakland.		Diversified health care	Giuntoli Lane and Valley West	Valley West	
VW -9	<b>Tourism promotion.</b> Support the expansion of the hospitality industry. <ol style="list-style-type: none"> <li>Increase the number of lodging and dining accommodations on Valley West Boulevard.</li> <li>Proceed with talks about using the increased TOT revenues to fund a marketing coordinator position and police substation.</li> <li>Maximize visitation to Valley West hotels. Increase lodging visibility in brochures to attract conferences and sports events.</li> </ol> <b>Progress: New</b>	Arcata Chamber HCCVB		Giuntoli Lane and Valley West	Valley West	2 – 3
VW -10	<b>Carlson Park.</b> Encourage development of Carlson Park and multi-use trail. <ol style="list-style-type: none"> <li>Secure Caltrans funds for the purchase of the Carlson Park parcel.</li> <li>Complete a trail feasibility study to determine the best use of City funds for trail development.</li> </ol> <b>Progress: New</b>	Caltrans		Giuntoli Lane and Valley West	Valley West	1 – 2
VW - 11	<b>Research the demand for student, employee, and student-employee housing needs.</b> The City shall start dialogues with HSU, CR, and MRCH to identify the demand for housing by these groups. The City shall also start a dialogue with UIHS to understand the demand for employee housing. The City shall encourage MRCH and UIHS to create on-site housing for these groups if there is enough demand.	MRCH UIHS HSU CR	Diversified health care	MRCH/ UIHS	Valley West	2 – 3
VW - 12	<b>Support the development and completion of a medical campus and housing Master Plan for the Mad River Hospital area.</b> The City shall work with MRH/UIHS and property owners to facilitate the completion of a Master Plan to outline the development of this area to include an open door clinic, medical offices, open space, residential facilities, and wetland	MRCH UIHS	Diversified health care	MRCH/ UIHS	Valley West	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>areas. This shall include:</p> <ul style="list-style-type: none"> <li>a. The City shall investigate potential CDBG PTA funds for technical assistance to complete the master plan</li> <li>b. The City will work with the owner/developer to clearly define what is needed</li> <li>c. Investigate the possibility of doing a Phased Plan, to allow for detailed plans for the first phase of development (Open Door Clinic) with detailed plans for the remainder of the development to be completed as the project progresses. This will allow further/future development of the site to meet changing health care needs at the time each phase is completed.</li> <li>d. Plan to include open door parcel feasibility study, including proposed uses for parcel at the existing location after it is vacated, overall site plan, phases for development of remainder of the project. Specific information to be included in the Master Plan (Phase 1): <ul style="list-style-type: none"> <li>i. Open door detailed site plan, need for subdivision</li> <li>ii. Commitment of 50% open space</li> <li>iii. Wetland mitigation sites, wetland included in 50% contiguous open space</li> </ul> </li> <li>e. Investigate the potential use of a Development Agreement to facilitate a phased plan that allows for specifics to be developed at a later date for later phases of the project: This might include: planned development, Master Plan part of PD, first activity is open door clinic, complete a regulatory document to set aside the open space, specify if open space will be dedicated to the City or will it be an easement.</li> <li>f. Complete a Development agreement term sheet that clearly outlines tasks/responsibilities for the City and for the owner/developer.</li> <li>g. Hospital expansion when and what needs to be upgraded, other details (residential etc) to be worked out in future as part of phased plan.</li> </ul>					
VW - 13	<p><b>PROGRESS:</b> New.</p> <p><b>Valley West Police Substation.</b> The City should consider adding a police substation in Valley West, possibly funded through increases in TOT revenue. Investigate other funding options.</p> <p><b>PROGRESS:</b> New</p>	Arcata Police Department		Giuntoli Lane and Valley West	Valley West	

## West End Road Neighborhood [WER]

### Strategy:

- Strategy WER – A Develop vacant and underutilized parcels between State Highway 299 and West End Road in a manner that is consistent with the gateway plan for Valley West.
- Strategy WER – B Bring fiber optic and broadband communications to the West End Road neighborhood.
- Strategy WER - C Intensify and promote commercial activity on West End Road
- Strategy WER - D Determine the best use of the Foodworks building, and identify whether to expand or modify the facility and restructure the management.
- Strategy WER - E Develop the Eco-Industrial Park and condominium-style business development concepts.
- Strategy WER - F Prepare a development plan for the Happy Valley property.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
WER – 1	<p><b>Vacant and Underutilized Parcels.</b> Develop vacant and underutilized parcels between State Highway 299 and West End Road in a manner that is consistent with the gateway plan for Valley West.</p> <p>a. Consistent with ID-1, identify, evaluate, and prioritize specific uses for vacant and underutilized land in WER.</p> <p>b. Prepare North Fork Janes Creek drainage master plan.</p> <p>c. Create a development plan that evaluates possible compatible uses such as "home improvement" retail, contractor's supply stores, and industrial services.</p> <p>d. Identify necessary site improvements (e.g., soil contamination, lack of City services, driveway/access, broadband telecommunications access, sidewalks, lighting, Aldergrove Marsh improvements, and other) and use redevelopment and other resources to create incentives for development.</p> <p>e. Investigate the possibility of the City tearing out the underutilized fragment of old State Highway 299 that intersects with West End Road and selling a portion of the 100-foot wide strip for commercial or industrial development.</p> <p>f. Consider zoning West End Road's east side "Commercial"</p>	Property owners  Envir. Services  Cal-Trans	Management and innovation services; and  Niche manufacturing;	West End Road/ Aldergrove Industrial Park	West End Road	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p><b>PROGRESS: Ongoing:</b> The City is working on drainage improvements on the North Fork of Janes Creek that will enhance the development potential of parcels along State Route 299 and West End Road. A stormwater plan will be completed for this site. Also, the Mill Yard is relocating to West End Road and may be operating as early as December 2010. Infrastructure improvements in Aldergrove have been an important topic, but are yet to be completed.</p>					
WER-2	<p><b>Broadband Communications.</b> Bring fiber optic and broadband communications to the West End Road neighborhood.</p> <ul style="list-style-type: none"> <li>a. Meet with West End Road neighborhood commercial and industrial businesses to identify the need for fiber optic and broadband communications to this neighborhood.</li> <li>b. Work with neighborhood business leaders to negotiate with broadband providers for service to this area. Identify any economic development resources that may help secure broadband access.</li> </ul> <p><b>PROGRESS: Ongoing:</b> The City is looking to make sure redundant fiber optic line being laid along SR 299 fully extends to Highway 101. Access issues still need to be addressed; technology has changed significantly since the 2004 EDSP.</p>	AT&T Businesses	Niche manufacturing; Management and innovation services; and Specialty agriculture, food and beverage	West End Road/ Aldergrove Industrial Park	West End Road	
WER-3	<p><b>Commercial Use Strategic Plan.</b> The City shall develop a Commercial Use Strategic Plan for commercial activity on West End Road, beginning from Creative Mathematics to Wes Green Landscape Materials. Emphasis shall be placed on working with business owners in the identified area.</p> <p><b>PROGRESS: New</b></p>	Business Owners	Management and innovation services; and Niche manufacturing	West End Road/ Aldergrove Industrial Park	West End Road	
WER-4	<p><b>Foodworks feasibility study.</b> The City shall conduct a study to determine the best use of the Foodworks building. The study will identify the best uses for this site, and determine the feasibility of expanding existing uses.</p> <p><b>PROGRESS: New</b></p>	CR HSU	Specialty agriculture, food and beverage;	West End Road/ Aldergrove Industrial Park	West End Road	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
WER -5	<p><b>Eco-industrial park development.</b> Develop the eco-industrial park concept.</p> <ul style="list-style-type: none"> <li>a. Define desired land uses that can be incorporated into the City's land use code.</li> <li>b. Research the engineering and economic feasibility of specific industrial ecology configurations that could utilize heat, wood, or other wastes as valuable inputs in a West End/Aldergrove eco-industrial park.</li> <li>c. Determine the infrastructure and marketing strategy for developing West End/Aldergrove eco-industrial park</li> <li>d. Provide City Redevelopment funds for start up costs for new eco-industrial businesses locating on the Britt Lumber log deck site.</li> <li>e. Identify complementary uses that could locate on the Britt Lumber log deck site recently purchased by the City</li> <li>f. Assess local business needs, waste production, and identify compatible uses.</li> </ul> <p><b>PROGRESS:</b> New</p>	Public Works Schatz Energy Research Center Arcata Chamber	Niche manufacturing; and Management and innovation services	West End Road/ Aldergrove Industrial Park	West End Road	2 – 3
WER -6	<p><b>Condominium-style small businesses.</b> The City shall explore the potential of developing a condominium style small business facility on one of the city-owned vacant parcels in Aldergrove. Provide business loan assistance to small businesses to purchase each 1,000 – 1,500 square foot condo space.</p> <p><b>PROGRESS:</b> New</p>	Economic Fuel Chamber Prosperity AEDC HSU Business start-ups	All Target Industries	West End Road/ Aldergrove Industrial Park	West End Road	2 – 3
WER -7	<p><b>Happy Valley Property.</b> Complete a development plan for the newly acquired Happy Valley property off of West End Road (Britt Lumber log deck). Determine the best use and complete an infrastructure plan to begin development similar to the Aldergrove Industrial Park. Part of this development plan should investigate the potential for child care and 'Head Start' facilities in this area to provide support for entrepreneurs and employees.</p> <p><b>PROGRESS:</b> New</p>	Community Development Department	Niche manufacturing; and Management and innovation services	West End Road/ Aldergrove Industrial Park	West End Road	2 – 3
WER -8	<p><b>Arcata Pedestrian and Bike Master Plan.</b> Incorporate the West End Road neighborhood into the Arcata Pedestrian and Bike Master Plan. This should include connectivity to the Community Forest, LK Wood Boulevard, and Valley West. Investigate expanding bus service into the Aldergrove Industrial park. Develop a ridership program similar to the Jack</p>	Environmental Services		West End Road/ Aldergrove Industrial	West End Road	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>Pass at HSU. Consider using Proposition 84 funds to improve bicycle and pedestrian facilities at the Linear Park and Valley West Boulevard.</p> <p><b>PROGRESS:</b> New</p>			Park		

## Westwood/Vassaide Neighborhood [WV]

### Strategy:

Strategy WV – A Revitalize the Westwood/Vassaide neighborhood commercial center along Alliance Road.

Strategy WV – B Develop the underutilized parcels adjacent to the St. Louis Road cul-de-sac.

Strategy WV – C Establish the Westwood Westwood/Vassaide Neighborhood as a key pedestrian linkage between the Valley West Neighborhood and other Arcata Neighborhoods.

Strategy WV – D Establish pedestrian access along the existing railroad corridor from Sunset Avenue to Spear Avenue.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
WV – 1	<p><b>Commercial Center Development Plan.</b> Create a development plan to enhance the Westwood/Vassaide neighborhood commercial center along Alliance Road. Including:</p> <ul style="list-style-type: none"> <li>a. Prepare a retail business strategy focusing on community retail needs that incorporates site design, identification of retail niche, and preparation of a marketing strategy.</li> <li>b. Evaluate pedestrian access to the Westwood shopping center and along Alliance Road.</li> </ul> <p>Consider establishing a façade grant/loan program for Westwood/Vassaide (may require inclusion within Redevelopment area see WV-3).</p> <p><b>PROGRESS:</b> Note that Westwood Market is now vacant, implying that deterioration is ongoing in this area.</p>	Property owners		Mad River Hospital/UI HS	Westwood/Vassaide	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
WV -2	<b>Westwood Corners Revitalization Plan.</b> Create a development and revitalization plan for the parcels on the corners of Alliance Road and Spear Avenue.  <b>PROGRESS: No action</b>	Property owners			Westwood/Vassaide	
WV -3	<b>Redevelopment.</b> Consider (i) extension of the existing Redevelopment boundary to include the Westwood/Vassaide neighborhood commercial center along Alliance Road, or (ii) creation of a new redevelopment agency that could include this area.  <b>PROGRESS: On hold.</b> Not being considered at this time.				Westwood/Vassaide	
WV -4	<b>St. Louis Road.</b> Create a development plan for the underutilized parcels adjacent to the St. Louis Road cul-de-sac. Consider land acquisition by the Redevelopment Agency. Consider appropriateness of parcels adjacent to Eye Street for development as residential housing, and appropriateness of using underutilized industrial parcels for development as an industrial park or not-for-profit work center. Possible soil contamination issues and compatibility with adjacent residential development are among the issues to be addressed.  <b>PROGRESS: Ongoing.</b> Staff have been investigating this property and possible acquisition	Property owners  Environmental services			Westwood/Vassaide	2 – 3
WV -5	<b>Pedestrian Plan.</b> Prepare a pedestrian and bicycle plan to improve linkages between Westwood-Vassaide and the rest of the City.  <b>PROGRESS:</b> The City received a planning grant to develop trail along old railroad right of way that would connect Annie and Mary line to the north with possible Arcata/Eureka trail to the south. HCAOG is lead agency.	Public Works			Westwood/Vassaide	2 – 3
WV -6	<b>Drainage.</b> Address drainage problems that effect travel through this area.  <b>PROGRESS: No action</b>	Public Works			Westwood/Vassaide	

## Arcata Heights/Northtown Neighborhood [AHN]

### Strategy:

- Strategy AHN – A Develop a north G street corridor plan.
- Strategy AHN – B Develop a gateway plan for north G and H streets.
- Strategy AHN – C Develop a Northtown retail strategy.
- Strategy AHN - D Improve circulation for all transportation modes.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
AHN - 1	<p><b>North G. Street corridor plan.</b> Develop North G and H Streets in the Northtown area to create a “University Avenue” type corridor plan, drawing students to shopping and entertainment opportunities in the Northtown commercial center.</p> <p>a. Encourage multi-storied mixed use development of north G Street.</p> <p>b. Work with HSU to plan a new Hwy 101 pedestrian overpass between 16<sup>th</sup> Street and Laurel, to improve access to Northtown.</p> <p>c. Coordinate special events holiday marketing with Main Street, Chamber of Commerce, HSU</p> <p>d. Prepare a retail business strategy focusing on student and community retail needs (with an emphasis on retail, restaurants, and live music venues)</p> <p>e. Work with the owner of the Fairwinds Motel to develop a more intensive use to serve campus visitors, speakers, conference attendees, and tourists.</p> <p>f. Develop G St. north of the pedestrian overpass for mixed retail/commercial/residential uses.</p> <p>g. Evaluate and address options for alleviating parking issues, such as waiving or reducing requirements for parking for new high density development in this neighborhood, due to the pedestrian-oriented nature of improvements.</p> <p>h. Apply for a CDBG PTA grant to hire design professionals to recommend unifying concepts for this plan, with other financing options intended for maintenance, repairs, and other improvements in this area.</p> <p>i. Seek funding to assist businesses that are outside of the Redevelopment area.</p>	HSU community  Local residents  Businesses  Property owners  Public Works	Specialty agriculture food, and beverages;	HSU/ North-town	Arcata Heights/ Northtown	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<b>PROGRESS: Ongoing:</b> The City would like to provide assistance for façade and other business improvements, however, this stretch of G Street lies outside of the Redevelopment Area, and is therefore ineligible for Redevelopment funds. .					
AHN - 2	<b>Environmental Motel.</b> Explore the potential for expanding the Fairwinds Motel based on an environmental or similar theme, possibly for use as both a motel and a conference center.  <b>PROGRESS: No action.</b> Possibly terminate.	Property owner		HSU/ Northtown	Arcata Heights/ Northtown	
AHN - 3	<b>Gateway Plan.</b> Develop a gateway plan for north G and H streets. This will likely include signage, wayfinding resources, landscaping, and monuments.  <b>PROGRESS: In Progress.</b> A Gateway Plan is being developed which includes goals, objectives, and recommendations for Sunset Avenue at G and H streets. Expected completion is December 2009.	Public Works		HSU/ Northtown	Arcata Heights/ Northtown	1 – 2
AHN - 4	<b>Downtown Linkages.</b> Encourage strong linkages with Downtown.(See DU-1)  <b>PROGRESS: Ongoing:</b> The City has made substantial investments in “bulb-outs” and other streetscape elements in the downtown area. K Street underwent major recent improvements; rehabilitation, elevated intersections, high visibility cross-walks, ADA ramps and sharrows. There have been improvements to 8th and 9th streets; widening sidewalks and meeting ADA compliance, adding landscaped areas and diagonal parking. Currently, the Transportation Safety Committee is reviewing sidewalk widening options for G and H Streets between 9th and 11th Streets.	Public Works		HSU/ Northtown	Arcata Heights/ Northtown Downtown/ Uniontown	
AHN - 5	<b>Business Improvement District.</b> Reevaluate Business Improvement District (BID) feasibility formation including AHN businesses south of 18 <sup>th</sup> St.  <b>PROGRESS: New .</b>	Main Street	All Target Industries	HSU/ Northtown	Arcata Heights/Northtown	1 – 2
AHN - 6	<b>Circulation.</b>  a. Improve East-West connectivity by encouraging infrastructure improvements that connect LK Wood Blvd. and the new College Creek housing with the north G St. commercial district.  b. Work collaboratively with Caltrans, Public Works and HSU to connect D St. to 14 <sup>th</sup> St.  <b>PROGRESS: New</b>	HSU Public Work  Caltranss		HSU/ Northtown	Arcata Heights/ Northtown	

## Greenvie/Windsong Neighborhood [GW]

### Strategy:

- Strategy GW – A As commercial and industrial development increases, consider increasing roadway connectivity north and south in the O street area to relieve congestion on the K street corridor.
- Strategy GW – B Strengthen existing neighborhood commercial in the Greenvie/Windsong Neighborhood.
- Strategy GW – C Maximize the use of existing commercial, industrial, and planned development land in the Greenvie/Windsong Neighborhood.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
GV -1	<p><b>“O” Street Extension.</b> City staff should initiate discussions with the neighborhood members and affected property owners to investigate extending O street to connect Alliance Road with Samoa Boulevard, if it is determined that the proposed development of Los Harbors, Reid and Wright, and other area parcels add significant traffic congestion or overwhelm existing neighborhoods, and there is no other feasible congestion management method available.</p> <p><b>PROGRESS:</b> The City negotiated emergency access along old Slaughterhouse Road from Samoa Boulevard to Los Harbors. The City also focused on connecting Los Harbors development to 8th or 9th Street. This would provide possible future traffic relief for K Street as industrial-commercial development continues West of K Street.</p>	Public Works			Greenvie/ Windsong;  Downtown/ Uniontown;  Samoa Blvd.	
GV - 2	<p><b>Neighborhood Commercial</b> Work with property owner(s) to strengthen and revitalize the Greenvie Market.</p> <p><b>PROGRESS: No action</b></p>	Property owners			Greenvie/ Windsong;	
GV - 3	<p><b>Vacant land.</b> Evaluate opportunities for alternative use of the vacant Saint Mary’s Church nunnery building, which is currently zoned Planned Development. Consistent with BSR-27, consider promoting co-location of comparable office and professional services.</p> <p><b>PROGRESS: No action</b></p>	Property owner	Management and innovation services		Greenvie/ Windsong	
GV - 4	<p><b>Fire Training Facility.</b> Work with Arcata Fire Protection District, the Humboldt County Fire Chiefs Association, Humboldt County Office of Education, HSU, USFS, CDF, and CR to establish a regional fire training center on Fire District land in Greenvie/Windsong.</p> <p><b>PROGRESS: Ongoing.</b> The firehouse is currently planned to locate to a parcel off of Sunset Avenue near the Arcata skatepark.</p>	AFPD HCFCA HSU, CR			Greenvie/ Windsong	

## Humboldt State University Neighborhood [HSU]

### Strategy:

- Strategy HSU – A Identifying HSU/Arcata collaborations that have economic development potential, partner on the development of a new business incubator.
- Strategy HSU – B Resolving parking and transportation difficulties and plan for increased future demand.
- Strategy HSU – C Work collaboratively to accommodate the local housing needs of the additional 4,000 to 5,000 HSU students as well as new faculty over the next 30 to 40 years.
- Strategy HSU – D Work collaboratively to accommodate the local retail shopping, recreational, and other needs of the additional 4,000 to 5,000 HSU students as well as new faculty over the next 30 to 40 years.
- Strategy HSU – E Improve the connectivity between HSU and the Arcata Height/Northtown Neighborhood and the Downtown/Uniontown Neighborhood shopping area.
- Strategy HSU - F Support increased part time student employment in local businesses.
- Strategy HSU - G Consider adding an addition to the existing D Street Community Center.
- Strategy HSU - H Promote HSU faculty and student entrepreneurship in the management and innovation services industry.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
HSU - 1	<p><b>Formalize Relationship Between HSU and City of Arcata.</b> Execute a Memorandum of Agreement (or other similar agreement) with HSU to establish a framework for both entities to work collaboratively to realize joint Arcata/HSU economic development potential and to resolve common issues.</p> <ul style="list-style-type: none"><li>• Restart regional economic development meetings with HSU, RREDC, AEDC, the County, and the incorporated cities. A formal relationship will foster increased communication and will allow for proper planning for and execution of economic development strategies and measures. The City's Economic Development Committee (EDC) should be included in these meetings. The EDC should hold regular meetings with other Arcata committees, such as the Committee on</li></ul>	HSU City Manager City Committees	Management and innovation services	HSU/ Northtown	HSU	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>Democracy and Corporations, Energy Committee and others. Among others, one topic that could be discussed between the EDC and Energy Committee would focus on opportunities for job creation in the 'green' economy.</p> <p><b>PROGRESS: No action.</b> City staff has prioritized this and anticipates proceeding in 09/10 fiscal year.</p>					
HSU - 2	<p><b>Research Cluster Coordination.</b> Collaborate on expanding activity within the education and research industry cluster.</p> <ul style="list-style-type: none"> <li>a. Work jointly to identify space for HSU faculty and students to develop research and technology enterprises; this could be multi-tenant office space.</li> <li>b. Explore the possibility of multi-tenant research space operating as an education and research business incubator.</li> <li>c. Per Prosperity Arts/Culture Workplan, identify a site in Arcata that could be the location of the Art/Media incubator in order to capitalize on HSU graphic design/video design/film enterprises.</li> </ul> <p><b>PROGRESS:</b> The City is preparing an RFP for an "incubator without walls" that would specifically enhance development of management/technical/scientific services business spinoffs from HSU faculty and students.</p>	HSU Prosperity!	Management and innovation services; Niche manufacturing.	HSU/ Northtown	HSU	2 – 3
HSU - 3	<p><b>Child Care.</b> Provide better childcare facilities for HSU faculty, staff, students, and entrepreneurs.</p> <p><b>PROGRESS:</b> A child care survey completed by the North Coast Small Business Development Center was recently completed. It is titled "HSU Employees and Child Care", and calls for additional research to resolve this issue.</p>	HSU		HSU/ Northtown	HSU	2 – 3
HSU - 4	<p><b>Event Collaboration.</b> Collaborate on hosting sports, cultural, and other events such as commencement/graduation, Humboldt Preview and Parents' Weekend. Bridge the "town/gown" divide by coordinating mutual involvement in City and HSU annual festival events.</p> <p><b>PROGRESS:</b> The City continues to work on all-weather field development at Arcata schools and parks in order for Arcata to host more regional sports tournaments and playoff events.</p>	HSU, Main Street, Chamber		HSU/ Northtown	HSU	2 – 3
HSU - 5	<p><b>Joint Use of Facilities.</b> Collaborate on investment in event facilities.</p> <ul style="list-style-type: none"> <li>a. HSU, the City, and the Northern Humboldt Unified High School District could discuss</li> </ul>	HSU		HSU/ Northtown	HSU	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>joint use of playing fields, which could bring physical improvements to Arcata High School's playing fields and strengthen event attendance. The New Hampton Inn can accommodate collegiate sports teams. The City should work with HSU to attract events that will fill vacancies in Valley West hotels.</p> <p>b. HSU Master Plan anticipates investment in a large performing arts center and a large sports arena. The CSU system provides 2/3 of the funding for 1200+ seat facilities, but require that the remaining 1/3 come from a local match. Arcata and HSU could collaborate on identifying local funding sources for these venues.</p> <p>c. Investigate joint use of the Natural History Museum.</p> <p><b>PROGRESS:</b> See HSU-4 above. Also, the City is interested in the possibility of joint use of a facility for a business incubator. One potential site is The Annex (old Trinity Hospital building).</p>	NHUHSD				
HSU - 6	<p><b>Pedestrian and Bicycle Connectivity.</b> Collaborate on improving pedestrian and bicycle connectivity between HSU and Arcata. One long-term possibility consistent with HSU's Master Plan would be to construct a broad pedestrian causeway across U.S. Highway 101 that would connect HSU's planned development of Laurel Street across 101 to North G Street.</p> <p><b>PROGRESS:</b> May be included in the 2009 Bicycle and Pedestrian Master Plan for the City.</p>	HSU Public Works Cal-Trans	HSU/ Northtown	HSU; and Arcata Heights/ Northtown.	HSU; and Arcata Heights/ Northtown.	2 – 3
HSU - 7	<p><b>Grant Writing Coordination.</b> Collaborate with HSU's Office for Economic and Community Development in grant proposals to fund collaborative economic development projects.</p> <p><b>PROGRESS:</b> None.</p>	HSU	All Target Industries	HSU/ Northtown	HSU	
HSU - 8	<p><b>Parking and Transportation.</b> Resolving parking and transportation difficulties.</p> <p>a. Early drafts of the HSU Master Plan call for parking garages to be built on scarce HSU land. Explore HSU collaboration with the City of Arcata to build park and ride facilities to the south (e.g., Samoa Blvd/Hwy 101) and north (e.g., Giuntoli Lane/Hwy 101).</p> <p>b. Continued and expanded partnership on public transit.</p> <p>c. Improve parking and road access near the East Gym and Redwood Bowl to better accommodate athletic event patrons.</p> <p>d. Consider the development of parking along L.K. Wood Boulevard.</p> <p>e. Improve traffic flow through the L.K. Wood Boulevard/Sunset/101 and the 14th Street/101 cloverleaf and make these crossings more pedestrian and bicycle friendly.</p>	Public Works HSU	HSU/ Northtown	HSU; Downtown/ Uniontown		

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>f. Evaluate potential for development of a downtown Arcata joint City of Arcata/HSU parking structure with the Arcata Ball Park above. (See DU -2)</p> <p><b>PROGRESS: Ongoing:</b> HSU paid for a professional parking and mobility study in 2005. The document included a needs assessment chapter with analysis of financing schemes to build a 4-story, 1000-space structure along LK Wood. In 2006/07 prices, the structure would have cost \$1.5 million per year for 25 years, which was not feasible for the University. HSU Facilities Management continues to treat the Master Plan as a living, dynamic document, and they are keeping in mind some alternative sites for a future garage(s).</p>					
HSU - 9	<p><b>Planning for HSU growth.</b> Work collaboratively to accommodate an additional 4,000 to 5,000 HSU students, as well as increased faculty and staff, over the next 30 to 40 years.</p> <p><b>PROGRESS: Ongoing:</b> The City recognizes that the new residence hall development on L.K. Wood Boulevard on campus will facilitate integration with Northtown.</p>	HSU		HSU/ Northtown	HSU; and Arcata Heights/ Northtown.	
HSU 10	<p><b>Increase part-time student employment within the City.</b> Collaborate with HSU, Main Street, and the Arcata Chamber to support part-time HSU student employment in local businesses, especially related to target industries. This will provide necessary experience for permanent employment and entrepreneurship. Coordinate with HSU Career Center to hire student interns to assist with polls and surveys of local businesses.</p> <p><b>PROGRESS: New</b></p>	Arcata Main Street Arcata Chamber HSU	All Target Industries	HSU/ Northtown	HSU	
HSU 11	<p><b>Student and faculty entrepreneurship.</b> Coordinate economic development partnerships with HSU and Economic Fuel to support faculty and student/recent graduate business startups in the management and innovation services industry and other target industries.</p> <p><b>PROGRESS: New</b></p>	Arcata Chamber	Management and innovation services	HSU/ Northtown	HSU	
HSU 12	<p><b>D Street Community Center.</b> Consider alternative uses for this site.</p> <ul style="list-style-type: none"> <li>a. <b>Sustainable living center.</b> Assess how the sustainable living center concept planned for Humboldt Bay could be adapted to the D Street site.</li> <li>b. <b>Business incubator.</b> Develop a short term and long term program for adapting HSU and City sites to incubator use. HSU's Trinity Hospital and the City's D Street Community Center have potential for additional/alternative uses that should be investigated.</li> <li>c. <b>Vacant portion of site.</b> Investigate the potential for buildout of the vacant of the D</li> </ul>	HSU Schatz Energy Research Center	Management and innovation services Niche manufacturing	HSU/ Northtown	HSU	

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>Street parcel.</p> <p>d. <b>Bike library.</b> Consider this site as a possible location for a new bike library.</p> <p><b>PROGRESS:</b> New</p>					

## Downtown/Uniontown Neighborhood [DU]

### Strategy:

- Strategy DU – A Improve automobile, bicycle, and pedestrian flows.
- Strategy DU – B Improve parking in the Downtown core in and around the Plaza.
- Strategy DU – C Expand Farmers’ Market and festival activities, and include areas outside the Plaza.
- Strategy DU – D Continue to work cooperatively with advocates and others to limit Plaza user conflicts.
- Strategy DU – E Investigate the feasibility of creating a Business Improvement District.
- Strategy DU – F Revitalize the Creamery building complex.
- Strategy DU – G Provide gateway-style information (maps, signage, wayfinding) for visitors on how to access key natural resource and cultural amenities.
- Strategy DU – H Encourage mixed-use development in Downtown.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
DU - 1	<p><b>Improve Circulation.</b> Improve automobile, bicycle, and pedestrian flows especially from U.S. 101 southbound to Downtown.</p> <p>a. Improve north/south roadway connectivity in the western portion of the neighborhood,</p>	Public Works	Management and innovation	Samoa Blvd Revitali-	Downtown/ Uniontown	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<ul style="list-style-type: none"> <li>limit truck traffic congestion on the K street corridor</li> <li>b. Continue developing the Downtown roadway and sidewalk plan to relieve automobile congestion in the Downtown core in and around the Plaza, and to improve pedestrian and bicycle access.</li> <li>c. Investigate the potential for rail banking the rail line through Arcata and creating a walking and biking trail connected to the Marsh</li> <li>d. Establish a pedestrian corridor between Downtown and Samoa Boulevard along “G” and “H” Streets that includes landscaping such as street trees. (Coordinate with the corridor plans AHN and SB)</li> </ul> <p><b>PROGRESS:</b> The City has made substantial investments in “bulb-outs” and other streetscape elements in the downtown area. K Street underwent major improvements a couple years ago; rehabilitation, elevated intersections, high visibility cross-walks, ADA ramps and sharrows. There have been improvements to 8th and 9th streets; widening sidewalks and meeting ADA compliance, adding landscaped areas and diagonal parking. Currently, the Transportation Safety Committee is reviewing sidewalk widening options for G and H Streets between 9th and 11th Streets.</p>		services	zation Area	Samoa Blvd.	
DU - 2	<p><b>Parking.</b> The City has conducted a parking inventory for the downtown and found that more spaces may be provided by redesign and marking of spaces. Parking redesign, as well as Implementation of the Downtown Street Master Plan would improve parking supply while also adding pedestrian and bicycle facilities</p> <ul style="list-style-type: none"> <li>a. Improve Downtown core parking and traffic flow around Plaza.</li> <li>b. Improve parking on the west side of the Plaza.</li> <li>c. Consider working with property owners to use vacant parcels on the corners of 9<sup>th</sup> and I and 8<sup>th</sup> and I Streets for temporary public parking until new structures are developed.</li> <li>d. Evaluate development potential for joint City of Arcata/HSU parking structure below elevated Arcata Ball Park.</li> </ul> <p><b>PROGRESS:</b></p>	Public Works	Management and innovation services		Downtown/ Uniontown	
DU - 3	<p><b>Events.</b></p> <ul style="list-style-type: none"> <li>a. Expansion/Extension: As appropriate, expand the size and/or scope of existing events on the Plaza/Downtown. Conduct public meetings to discuss ways to expand festival and Farmers' Market zones beyond the Plaza.</li> <li>b. Addition: Encourage the development of additional festivals and cultural events. Explore partnerships with HSU on events. Explore adding festivals to neighborhoods other than</li> </ul>	HSU Main Street NCGA Chamber	Specialty agriculture food, and beverages;		Downtown/ Uniontown	1 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>the downtown.</p> <p>c. Perform studies to gauge the economic impact of key annual festivals and events.</p> <p><b>PROGRESS:</b> City continues to work collaboratively with event organizers to enhance the economic development potential of festivals and events. With the new “all weather” City Ballpark field, the City is interested in using the facility (which is fully enclosed in fencing) for fee events/concerts as well as for events that include alcohol.</p>					
DU -4	<p><b>Public Restrooms.</b> Develop durable restroom facilities near Plaza.</p> <p><b>PROGRESS: No action</b></p>	Public Works			Downtown/ Uniontown	
DU -5	<p><b>Work Cooperatively on Plaza Use.</b> Continue to work cooperatively with advocates and others to limit Plaza user conflicts.</p> <p><b>PROGRESS:</b></p>	Main Street Businesses			Downtown/ Uniontown	1 – 3
DU -6	<p><b>Business Improvement District.</b> Reevaluate Downtown Business Improvement District (BID) formation feasibility. Reassess BID area and subareas. Compile a current list of businesses and make initial contact to assess interest.</p> <p><b>PROGRESS: New.</b></p>	Main Street Businesses	Management and innovation services		Downtown/ Uniontown	1 – 2
DU -7	<p><b>Creamery Building Complex.</b> Enhance the Creamery building existing commercial operations and available space.</p> <p>a. Evaluate the brownfield status of the Creamery.</p> <p>b. Develop one or more design concepts for the Creamery building complex and adjacent areas, with a focus on maintaining the architectural integrity of the building and providing multi-tenant commercial space and possible market/retail space.</p> <p>c. Hold public meetings to get public feedback on design concepts.</p> <p>d. Identify public and private resources available to support the revitalization project.</p> <p>e. Explore converting the mini-storage space and outbuildings to be architecturally compatible with the building.</p> <p>f. Enhance the 9<sup>th</sup> Street side of the building by improving parking.</p> <p><b>PROGRESS: new</b></p>	Property Owner Environmental Services	Management and innovation services		Downtown/ Uniontown	
DU -8	<p><b>Gateway Improvements.</b> Provide gateway-style information (maps, signage, wayfinding) for visitors on how to access key natural resource and cultural amenities.</p> <p>a. Identify the elements needed to link existing assets and attract more travelers to stop</p>	Main Street	Management and innovation		Downtown/ Uniontown	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>Downtown and access commercial services in conjunction with adjacent natural resource amenities (e.g., Arcata Marsh, Community Forest, etc).</p> <p>b. Work with key stakeholder groups and volunteers to develop maps, signage, and wayfinding to help visitors access key natural resource and cultural amenities.</p> <p>c. Plan, design, and construct Highway 101.signage/maps/information resources, wayfinding resources, landscaping, and monuments.</p> <p>d. Link pedestrian and bicycle corridors in this neighborhood, with a specific goal of linking Downtown to Valley West through an overall urban trail network.</p> <p><b>PROGRESS:</b> The City has contracted for plans and designs for the Gateway project. Implementation of the Gateway Plan will focus on Samoa Boulevard and Valley West. Samoa gateway features will direct visitors Downtown and to the Plaza</p>	Chamber Tourism stakeholders	services			
DU - 9	<p><b>Marketing Plan.</b> Prepare Downtown area marketing plan. Marketing should be aimed at attracting both local and out of town shoppers, as well as businesses, into Downtown. This may include marketing local retail businesses, collective marketing, and/or posters that list Downtown area businesses and what they sell.</p> <p><b>PROGRESS:</b> New</p>	Main Street	Management and innovation services		Downtown/ Uniontown	1 – 3
DU - 10	<p><b>Mixed Use Infill Development.</b> Consistent with ID-2 and ID-3, priority parcels for infill development in the downtown are:</p> <p>a. Former Issacson auto dealership site</p> <p>b. The North Coast Environmental Center and Arcata Paint properties on 9<sup>th</sup> Street</p> <p>c. Former P.C. Sachi auto dealership sites</p> <p>d. Humboldt Machine Works site\</p> <p>e. Alibi vacant parcel on the Plaza</p> <p>f. Vacant space on 9<sup>th</sup> Street between F and G Streets</p> <p>g. Main Street will provide potential businesses with information on vacant and underutilized parcels</p> <p><b>PROGRESS:</b> Plans pending for Sachi Motors and Alibi parcels; Humboldt Machine Works under construction.</p>	Property owners Developers Main Street	Management and innovation services		Downtown/ Uniontown	
DU - 11	<p><b>Retail Diversification and Expansion.</b> Encourage retail expansion to include especially, retailers that provide merchandise not already offered in this neighborhood, including mens/womens/childrens apparel; house ware; furniture; and appliances. Consistent with the General Plan Design Element policies (LU-3a), the City shall promote retail diversity</p>	Main Street	Niche manufacturing;		Downtown/ Uniontown	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	exclusive of big box retailers.  <b>PROGRESS:</b> No action					
DU - 12	<b>Tourism.</b> Establish strong linkages between the Downtown and the Arcata Marsh and the north coast railway; and by featuring the Hotel Arcata.  <b>PROGRESS:</b> Incorporated into Gateway/ signage planning.	Main Street Property owners			Downtown/ Uniontown; Samoa Blvd.	
DU - 13	<b>Uniontown Shopping Center.</b> Connect Downtown and Uniontown Shopping Center by highlighting Uniontown Shopping Center as an “Anchor Tenant “for the Downtown area.  <b>PROGRESS:</b> No action	Main Street Prop. owners			Downtown/ Uniontown	
DU - 14	<b>Arcata Theater.</b> Prepare reuse plan for the Arcata Theater that focuses on creating an anchor venue for the Downtown.  <b>PROGRESS:</b> City has used new Business Loan Program to assist in rebuilding and redesigning the Arcata Theater building into a viable new commercial operation.	Prop. owners CA CDBG program			Downtown/ Uniontown	
DU - 15	<b>Underground Utility District.</b> Expand existing underground utility district boundary up G and H Streets from 11 <sup>th</sup> Street to 14 <sup>th</sup> Street.  <b>PROGRESS:</b> The City successfully moved overhead power lines underground in the downtown area.	Public Works	Management and innovation services		Downtown/ Uniontown	
DU -16	<b>Tippler Tax.</b> The City of Arcata should consider imposing a "tippler tax". This would be a tax on all alcoholic drinks served at Plaza bars. Investigate a tippler tax ordinance modeled after the City of Los Angeles.  <b>PROGRESS:</b> New	City Finance Director			Downtown/ Uniontown	

## Sunny Brae Neighborhood [SU]

### Strategy:

Strategy SU – A      Revitalize the Sunny Brae neighborhood commercial center.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
SU -1	<p><b>Revitalize Sunny Brae Shopping Center.</b></p> <p>a. Identify goals and objectives for revitalization of the neighborhood commercial center to i) Better connect the commercial/retail elements (e.g., Murphy's market, underutilized parcel on Buttermilk, Samoa Boulevard) ii) Make the center more pedestrian friendly and iii) Include a small public park nested within the commercial center, and/or daylighting of portions of creek under the parking lot.</p> <p>b. Develop a transportation plan for the revitalization project. Investigate potential for limiting thru travel by automobiles on Bayside Road between Crescent Way and Buttermilk Lane, and routing traffic onto Samoa Boulevard. Address access issues for businesses in the complex, and access and parking issues for customers and visitors.</p> <p>c. Consider (i) extending the Redevelopment Zone boundary to include the Sunny Brae neighborhood commercial center, or (ii) creating a new Redevelopment agency to include these areas in need of economic development but currently excluded from redevelopment resources.</p> <p>d. Integrate the neighborhood commercial center revitalization and transportation plan with a secondary gateway plan, including signage, monuments, and wayfinding on Samoa Boulevard.</p> <p><b>PROGRESS:</b> Murphy's Market has successfully completed an extensive remodel and renovation of its site. Need to expand this across Bayside Road to the rest of the shopping center.</p>	Public works Property owners Residents	Management and innovation services		Sunny Brae	
SU -2	<p><b>Strengthen Sunny Brae Neighborhood Commercial.</b> Establish an outreach program to strengthen Sunny Brae Neighborhood retailers.</p> <p><b>PROGRESS:</b> No action</p>	Property owners			Sunny Brae	

## Samoa Boulevard Neighborhood [SB]

### Strategy:

Strategy SB – A Develop a gateway plan for Samoa Boulevard.

Strategy SB – B Develop a corridor plan for Samoa Boulevard.

Strategy SB – C Support the development and completion of a Samoa Boulevard Revitalization Plan.

Strategy SB - D Attract management and innovation services industry businesses and niche manufacturing industry businesses and facilitate the development of specialty agriculture, food, and beverage processing operations.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
SB - 1	<p><b>Gateway Plan.</b> Develop a gateway plan for Samoa Boulevard.</p> <p>a. Identify missing elements needed to link existing assets and attract more travelers to exit at Samoa Boulevard and access commercial services and adjacent natural resource amenities. This will likely include wayfinding signage, landscaping, and monuments.</p> <p>b. Important gateway informational and wayfinding elements include natural resource amenities (Marsh, Community Forest, Bay trails, Bottoms bicycling routes, peninsula beach access), commercial amenities primarily in the Downtown/Uniontown neighborhood, and cultural resources such as the historical homes tour.</p> <p>c. Consider extending City's Facade grant program to the commercial/retail segment of Samoa Blvd East of K St to Hwy101.</p> <p>d. In conjunction with the gateway plan, develop a corridor plan for Samoa Boulevard that addresses (i) Visitor and resident automobile flow along Samoa Boulevard and into the Downtown/Uniontown neighborhood and into the Marsh, (ii) Pedestrian and bicycle-friendly transportation routes, especially north and south from the Downtown/Uniontown neighborhood to the Marsh, and (iii) Truck and other transport serving mills and industrial operations west of K street, along the south G street corridor, and into the industrial areas of Greenvew/Windsong, Downtown/Uniontown.</p> <p>e. In the event that a tourist train is developed, reserve a site on Samoa Boulevard at the track crossing for a train station.</p>	Property owners  Main Street  Chamber  Cal-Trans	All Target Industries	Samoa Boulevard Revitalization Area	Samoa Blvd	1 – 2

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>f. Consider developing a hydrogen fueling station near the Samoa Blvd. propane facility.</p> <p><b>PROGRESS: In progress:</b> A Gateway Plan is being developed which includes goals, objectives, and recommendations for Samoa Boulevard. Expected completion is December 2009.</p>					
SB - 2	<p><b>Samoa Boulevard Corridor Plan.</b> Develop a corridor plan for Samoa Boulevard that includes:</p> <p>a. Assess converting frontage parcels into commercial property, with industrial uses in the rear.</p> <p>b. Assess and plan for service roads to industrial parcels that are under consideration for development. Access to the rear of industrial parcels may be needed with commercial development in front.</p> <p>Marketing and development strategies for the former North Coast Hardwoods site; Winzler and Slack/Industrial Electric site; and properties from U.S. 101 to the railroad tracks.</p> <p><b>PROGRESS: Ongoing:</b> This has been consolidated under the Samoa Boulevard Revitalization Strategy that the City plans to develop.</p>	Public Works	<p>Niche manufacturing; and</p> <p>Management and innovation Services;</p>	Samoa Boulevard Revitalization Area	Samoa Blvd	1 – 2
SB - 3	<p><b>Little Lake and South G Areas.</b></p> <p>a. Develop a Redevelopment Master Plan for the Samoa neighborhood that has an increased level of detail for the Little Lake Industries site.</p> <ul style="list-style-type: none"> <li>• Use public comment and other input to develop a scope of work and request for proposals to develop a specific plan for this parcel. Elements should focus on a pedestrian friendly commercial and office campus that may make use of "smart infill" strategies such as live/work. Use the plan to streamline permitting, ease regulatory burden on developers and limit user conflicts within and adjacent to the plan area.</li> <li>• Integrate the design with the Samoa Boulevard corridor plan, with adjacent residential development, and Marsh trails network.</li> <li>• Consider co-locating arts, manufacturing, and technology space.</li> <li>• Determine the adaptability of eco-industrial or mixed use commercial office redevelopment at the Little Lake Site</li> </ul> <p>b. Investigate the possibility of developing Little Lake as an HSU and/or CR satellite campus. This would allow an open layout to this parcel which would facilitate public access to the Marsh (i.e. pedestrian access from Samoa Boulevard). This would also be</p>	<p>Neighborhood residents</p> <p>Public Works</p> <p>HSU</p> <p>CR</p>	<p>Management and innovation services</p>	Samoa Boulevard Revitalization Area	Samoa Blvd	2 – 3

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
	<p>a good future location for a larger business incubator.</p> <p>c. Revitalize the south G street corridor.</p> <ul style="list-style-type: none"> <li>• Identify priorities for use of the parcel near the intersection of U.S. 101 and south G Street.</li> <li>• Improve drainage along south G Street.</li> <li>• Identify new site for the Trading Post and other blighted industrial areas; identify development alternatives that complement the Marsh complex. Consider a research/ tourist/natural history facility focused on Humboldt Bay aquatic and terrestrial ecosystems.</li> <li>• Consider relocating the City corporation yard to an underutilized parcel to the East side of south G Street to expand marsh area.</li> </ul> <p><b>PROGRESS: Ongoing:</b> This has been consolidated under the Samoa Boulevard Revitalization Strategy that the City plans to develop.</p>					
SB - 4	<p><b>Support target industries.</b></p> <ol style="list-style-type: none"> <li>The City shall identify and plan necessary infrastructure improvements that encourage development of underutilized/vacant parcels.</li> <li>Encourage development of the specialty agriculture, food and beverage industry at or near existing agricultural processing infrastructure. The City shall offer Redevelopment funding mechanisms for interested developers.</li> <li>Encourage niche manufacturing and management and innovation services businesses along the Samoa Boulevard corridor.</li> </ol> <p><b>PROGRESS: New</b></p>	Arcata Chamber CAFF	Niche manufacturing; Management and innovation services; Specialty agriculture food, and beverages;	Samoa Boulevard Revitalization Area	Samoa Boulevard	
SB - 5	<p><b>Child Care.</b> Investigate the development of child care and 'Head Start' facilities in the Samoa Area to provide support for entrepreneurs and employees.</p> <p><b>PROGRESS: New</b></p>	NCCS, Humboldt Child Care Council, Private providers	All Target Industries	Samoa Boulevard Revitalization Area	Samoa Boulevard	

## Bayside Neighborhood [B]

### Strategy:

Strategy B – A

Cooperate with residents of Bayside Corners in revitalizing this historical area.

#	IMPLEMENTATION MEASURE DESCRIPTION	Partner Agencies	Target Industry	EDSP Target Area	NHBHD Name	Year
B – 1	<b>Gateway Plan.</b> Work collaboratively with Bayside Corners residents in developing a gateway plan for Old Arcata Road. <b>PROGRESS: Note:</b> Issues with Rodger's Garage site contamination.	Residents and Businesses	Management and innovation services		Bayside	
B – 2	<b>Underground Pump Station.</b> Investigate the potential for undergrounding the pump station at Bayside Corners.  <b>PROGRESS: Unknown</b>	Public Works	Management and innovation services		Bayside	
B-3	<b>Bayside Schoolhouse Sewage.</b> Work with the property owner(s) to enable this facility to access sewer services in order to facilitate optimal economic development of the parcel.  <b>PROGRESS: Unknown</b>	Property owner			Bayside	

# Chapter 6

## Budget Plan

### Introduction

While this Economic Development Strategic Plan (EDSP) addresses strategies and implementation measures for the period 2010 to 2014, the actual revenues that may be available to implement activities and projects in the future beyond FY 2009-10 can only be estimated. The City prepares its annual budget with projections for fund balances through the end of the proposed fiscal year only. Estimating revenues two to three years in the future can be approximated based on historical revenues and known grant and other pending opportunities. Beyond three years, revenues are highly uncertain. This is especially true in the current context of the tenuous state budget situation. Costs also are subject to dramatic changes over a period of years, as labor costs, new regulations, or other factors change the business climate.

### Revenues and Expenditures

The City's FY 2009/10 budget has been adopted with a total of \$36,474,546 allocated. The Redevelopment Agency portion of this budget is \$6,412,511. Certain funds within the City of Arcata budget are available to assist with Economic Development activities.

In addition to the amounts appropriated in the FY 2009/10 budget the following fund balances for the next 5 years are available to assist with the implementation of this plan.

**Table 6.1 Fund Balance**

<b>Fund</b>	<b>Estimated Fiscal Year End Fund Balances</b>					
	<b>FY 09/10</b>	<b>FY 10/11</b>	<b>FY 11/12</b>	<b>FY 12/13</b>	<b>FY 13/14</b>	<b>FY 14/15</b>
212-Industrial Park	471,382	400,000	375,000	350,000	350,000	350,000
216-Parking In-lieu	239,046	0	0	0	0	0
250-Revolving Loan/Basic	502,242	102,242	102,242	102,242	0	0
255-Revolving Loan/CDBG	413,960	250,000	200,000	200,000	200,000	200,000
885-Renewal Project	2,447,512	2,444,000	2,111,000	1,899,000	1,908,000	2,326,000
101-General Fund Activity 1	75,000	75,000	75,000	75,000	75,000	75,000
219-ISTEA	177	0	0	0	0	0
<b>Total</b>	<b>4,149,319</b>	<b>3,271,242</b>	<b>2,863,242</b>	<b>2,626,242</b>	<b>2,533,000</b>	<b>2,951,000</b>

The amounts included in the FY 2009/10 column are those which have been appropriated by the City Council for the current fiscal year. The amounts budgeted in the columns 2010/11 through 2014/15 will be re-evaluated by City Staff, the City's Economic Development Committee, general public, and the City Council annually from March through June during the normal City budget process. This re-evaluation and reprioritization will ensure that the Plan is flexible enough to meet the community's needs, grant funding programs and business opportunities. The City Council will ultimately determine implementation and funding priorities. The City Council will actively assess and assign priority funding to measures in this Plan over the next five years, as outlined in the next section, Monitoring Summary.

**Table 6.2:** Estimated Funds Available for Economic Development Activities

<b>Activity</b>	<b>Estimated Expenditures by Year</b>					<b>Total</b>
	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	
1	65,000	65,000	65,000	65,000	65,000	325,000
11	471,382	0	0	0	0	471,382
12- Project Fund	2,265,000	763,000	902,000	902,000	880,000	5,712,000
13 & 14	500,000	200,000	200,000	200,000	200,000	1,300,000
<b>Total</b>	<b>3,301,382</b>	<b>1,028,000</b>	<b>1,167,000</b>	<b>1,167,000</b>	<b>1,145,000</b>	<b>7,808,382</b>

Activity 13 is the City's grant funded programs and projects. The City can expect to apply for up to \$300,000 every other year for CDBG Enterprise Fund grants and up to \$70,000 every other year for Planning and Technical Assistance grants. This could provide up to an additional \$370,000 - \$740,000 of economic development funding sources over the next 5 years. In addition to these funds, the City may also apply for approximately \$800,000 annually for specific projects, such as infrastructure to support economic development.

## Monitoring Summary

The Arcata Economic Development Strategic Plan (EDSP) contains a range of economic development strategies and implementation measures for the City of Arcata. Strategies and priority implementation measures will be carried out over a five-year period, and all activities related to the Plan will be continuously monitored during that period.

Monitoring will assist the City to determine the completion of tasks, the effectiveness of various programs, and will assist the City Council with evaluating and establishing budget priorities based on monitoring progress each year. The monitoring will be done to track conditions at three levels:

- Changes in traditional economic indicators;
- Completion of measures; and
- Changes in quality of life indicators.

These levels of monitoring are described in more detail below.

## Measuring changes using traditional economic indicators

### Transient Occupancy Tax

Transient Occupancy Tax (TOT) constitutes a per-night transient debt, owed to the City for the privilege of occupying lodging. Each transient is subject to a tax in the amount of ten percent on the amount charged by the lodging operator. (Title VI - Business, Professions and Trades, Chapter 3 - Transient Occupancy Tax). The City collects TOT from the operator on the last day of each calendar quarter. TOT funds are deposited in the City General Fund. TOT revenue is a strong indicator of the level of tourism visitation to Arcata, and TOT can provide a good measure of overnight visitor expenditures.

Quarterly or annual TOT revenue is a useful indicator of tourism related ED strategies. For instance, increases in Arcata visitation resulting from Gateway Improvements (T-1) may draw more tourists to the Valley West area where most of Arcata's transient lodging is located. Additional visitation attracted through the development of an Arcata Marketing Image (T-3) would be apparent by comparing current annual or seasonal TOT revenue to future levels of TOT. It may be useful to use quarterly TOT totals to gauge the impact of specific events or promotions.

*Monitoring Recommendation:* The City currently receives TOT revenue data. The City should use TOT as a measure of the effectiveness of tourism related strategies and implementation measures, and should expand the distribution of non-confidential TOT information to key economic development stakeholders, including the City's Economic Development Committee.

Proposed Quantitative Measures include (quarterly):

- Average rate of Arcata hotel/motel occupancy and TOT, by month
- Arcata occupancy and TOT rates compared to Humboldt County rates
- Arcata downtown occupancy and TOT compared to Giuntoli occupancy and TOT
- City TOT income trends per quarter
- Average TOT per visitor
- Visitors information: i.e., average length of stay
- Project TOT generated per project, where possible.

In addition, Measure T-10 calls for the establishment of a mechanism to more specifically track tourist visits to Arcata. An additional requirement should be added to the Arcata TOT reporting and remitting procedures so that the operator indicates the number of occupants of rooms rented during the period. This could provide a portion of the information sought in Measure T-10 without creating a new program.

An annual report to the Council will show whether the tourist lodging strategies noted above are meeting their major purpose of increasing TOT revenue.

## **Sales Tax Revenue**

California sales and use tax is imposed on the retail sale or the use of tangible personal property in this state. The current sales and use tax rate is 9.00 percent of the purchase amount. One percent of the purchase amount paid in tax (often referred to as the “local tax”) is returned by the state to the city or county where the transaction took place. Although most items are taxable, sales of items such as food for human consumption and most candy and snack items are exempt from sales and use tax.

Sales tax revenue is a good indicator of retail activity within a jurisdiction. However, because certain items are non-taxable, sales and use tax does not perfectly capture all local retail activity. This is notable because five of Arcata’s top sales and use tax generators are food stores which likely sell considerably more non-taxable items than they do taxable items.

Sales and use tax revenue can serve as a gauge to measure the success of a variety of ED strategies and implementation measures. However, sales and use tax is best used as an indicator of retail activity. Therefore, sales and use tax is a good measure of the success of Citywide and Neighborhood Strategies relating to shopping centers (ID-3, SP-4, VW-4, WV-1, WV-2, AHN-1, GV-2, DU-11, DU-13, and SU-1). Sales and use tax can also be used as an indicator of the success of broader city business improvement strategies such as an Arcata Marketing Image (BSR-1 and T-3) and the various Gateway strategies. Sales and use tax is reported quarterly by the Board of Equalization and can therefore be tracked seasonally.

*Monitoring Recommendation:* The City has a contract with HDL to receive detailed quarterly revenue reports showing sales tax revenue trends. City staff meet quarterly to review the sales tax revenue data overall as well as individual business gains and losses. The City should maintain this contract and expand the distribution of non-confidential sales tax information to various economic development stakeholders, including the City’s Economic Development Committee.

The City should use sales and use tax revenue as a measure of the effectiveness of the Citywide and Neighborhood strategies relating to shopping centers and as an overall measure of the effectiveness of the EDSP. An annual report to the Council will show whether these strategies are meeting their purposes of increasing sales tax revenue.

Proposed Quantitative Measures include (quarterly):

- Sales tax revenue in Arcata, by month
- Sales tax per capita, Arcata compared to other municipalities
- Sales tax by major neighborhood commercial centers
- Sales tax revenue impact of individual projects, where feasible.
- Sales tax comparison across Arcata business sectors (if enough data to be feasible)

## **Workforce Employment**

Monthly and annual employment data for small cities in California such as Arcata are estimates of the total number of local jobs based on a share of countywide employment derived from the decennial census, rather than the results of local surveys. Data specific to Arcata is available

from the California Employment Development Department; however, gathering such data requires costly and time consuming computer data runs. Other sources of local employment data include the City of Arcata Business License Tax program operated by the City of Arcata Finance Department and the less reliable private business marketing data services such as Dun & Bradstreet. Employment data would provide a good measure of the overall EDSP's impact.

Most of the ED strategies and implementation measures are intended to strengthen local businesses and expand employment. Annual or monthly increases or reductions in local employment are an indication of the effectiveness of the entire EDSP rather than specific implementation measures. The city should consistently use the same source of employment data to measure the success of ED programs.

*Monitoring Recommendation:* The City has business license software that can track changes in business numbers, types, locations, numbers of employees and other data. The City should use this software on a quarterly basis to track changes in total local employment and employment by industry.

The City should make efforts to assist businesses in properly categorizing the industry they are within according to the appropriate NAICS code designation. In addition, the City should take appropriate measures to keep business information confidential pursuant to section 6019 of the Arcata Municipal Code. The City should expand the distribution of non-confidential business and employment information to key economic development stakeholders, including the City's Economic Development Committee.

Proposed Quantitative Measures Include (annual):

- Employment by Industry breakdown, Arcata, Humboldt County and California
- Business number and type
- Businesses by neighborhood
- HSU graduates by major

## Property Tax

Property tax is levied on real and personal property and collected on behalf of taxing entities such as the City of Arcata and the Arcata Community Development Agency by the Humboldt County Treasurer/Tax Collector. Proposition 13, passed in 1978, established assessed value as the market value at the time of the last sale and limited the growth in assessed value of property that has not been recently sold to a maximum of two percent per year. Therefore, increases in property tax are a strong indicator of recent property sales as well as improvements to property such as new construction and the purchase of taxable business equipment and machinery.

Property tax, like employment, can be used to measure the effectiveness of the Economic Development Strategic Plan in general. Property tax, measured on the neighborhood level, can also be used to gauge the effectiveness of implementation measures such as Infill Development measures (ID-2 through ID-4), many of the Business Support and Revitalization measurers, and certain Neighborhood measures such as the Business Improvement District measures (AHN-6 and DU-6) and Redevelopment (AHN—4 as well as the Citywide Redevelopment measure R-2). It will be important to compare the resulting increase in assessed value to city program related

expenditures such as private infrastructure improvements funded through Redevelopment to ensure that true benefit exceeds cost.

*Monitoring Recommendation:* The City has a contract with HDL to provide quarterly property tax data. The City should work further with HDL and City GIS staff to develop procedures to generate more detailed redevelopment zone, neighborhood and sub-neighborhood property tax/assessed value data in order to track the effectiveness of Citywide and Neighborhood strategies and implementation measures.

The City should monitor and compare Assessor's receipts with property taxes received to ensure it is receiving the appropriate allocation.

To project future revenue and help plan for City-financed public infrastructure investments, the City should regularly monitor the current and potential property tax value of vacant and underutilized parcels identified in the Plan, as well as project property taxes that will be generated based on pending land and building permits. This will assist with revenue projection and annual goal setting and will contribute to full completion of the Implementation Measures in the Plan.

Proposed Quantitative Measures Include (quarterly):

- Assessor's receipts versus property tax revenue received by the City of Arcata
- Potential tax value of current vacant and underutilized parcels
- Ratio and recommended amount of public investment to tax revenue generation for undeveloped parcels

## **Business assistance activities**

Business assistance consists largely of two types of activities. The first type of business assistance activity includes efforts by city staff to utilize city programs such as Redevelopment to assist local businesses that are struggling or to provide assistance to businesses so that they can expand. The second type includes efforts by city staff to attract businesses from outside the area to Arcata. Intervention and attraction activities can also include referrals by city staff of business to other economic development service providers.

Most of the performance measures described above can capture to some degree the success of the city's efforts to assist businesses. However, it will be useful to track the interventions by city economic development staff and outcomes of those interventions (especially relating to the business diversification measures BSR-2 through BSR-7 and at risk business assistance BSR-9). The City also tracks the number and amount of business loans, façade grants, and public infrastructure improvements to support private development.

It will also be helpful to track the city's efforts to cooperate on a regional level to implement the *Prosperity!* Plan (BSR-2 through BSR-7, BSR-11, BSR-16, BSR-17, BSR-18, BSR-19-23 and BSR-26).

*Monitoring Recommendation:* The City should track business assistance activities in a manner similar to current business loan and owner participation agreement tracking.

Additional detail should be included, such as referrals to *Prosperity!* partners, contacts with businesses outside the area, the number of jobs retained as a result of city efforts (efforts could also include referrals), meetings held with businesses seeking assistance with city (or other government) regulations, and notes or illustrative information to help the public and the City Council understand the impact of these efforts.

Proposed Quantitative Measures Include (annual):

- Number and amount of business loans given
- Loans by business type and business size
- Number of jobs added per business loan
- Number and amount of façade grants given
- Façade grants by neighborhood
- Sales or TOT tax change (increase) per loan or grant given, if feasible.
- Number of residential, commercial and industrial permits processed and approved
- Other general data on services provided by the business assistance program.

### **New business start-ups**

The City of Arcata Business License Tax is a tax on business for the privilege of operating within the City of Arcata. Licenses are renewed annually and include information regarding the type of business based on the North American Industry Classification System (NAICS) system. The business license tax systems could be used to track new businesses in Arcata. The EDSP encourages the creation of new businesses through business incubation, simplified development regulations and permitting, fostering entrepreneurship, business loans, and encouraging home occupation related businesses (BSR-8, BSR-10, BSR-11, BSR-13, BSR-23 and BSR-27).

*Monitoring Recommendation:* The businesses license tax program should be used to track business start-ups by industry by adding a question that asks when the business was formed or other questions that would help the city determine whether or not this is a new business start up. Additional questions on the license form could help determine whether or not the new business benefited from targeted city or *Prosperity!* programs.

Proposed Quantitative Measures include (annual):

- New business licenses by type, year formed, and employee size.
- Percent of new businesses receiving the various types of City assistance.

## **Completion of measures**

The City should use the Five-Year Budget Plan or other matrix to monitor the EDSP implementation measures. Tracking items to add to the matrix might include the following:

- Projected start/completion date
- Actual start/completion date
- Proposed cost and amount budgeted
- Actual cost and amount spent
- Loss/Gain on project
- Return on Investment (e.g., jobs per amount invested; jobs per square foot developed, tax revenue increase pre- and post- implementation of strategies)

Additional monitoring that the City will conduct will be to evaluate annual activity budget accomplishments against the EDSP and to develop new goals each year, with the additional input of all of the above specific indicators. Lastly, a measure of whether the City is devoting funds to its program priorities will be accomplished through tracking proposed versus actual expenditures based on the five-year budget plan.

The Economic Development Committee should annually review progress to determine whether activities are completed, whether the timeline for completion needs to be adjusted, or whether they slated to be completed in the forthcoming year and should be budgeted accordingly. The Committee can then provide the Council with budget and program recommendations for the coming budget year.

## Changes in quality of life indicators

Table 6.3 provides a very general example of five forms of “Community Capital” that help define the general welfare of Arcata citizens. Each indicator is a measure of the community’s possession of that form of capital. While these indicators do not define Arcata’s quality of life, they do help monitor important social, cultural, environmental, and economic trends. The City has the goal of developing and refining quality of life indicators and creating a tool to monitor these annually.

One way to achieve this goal would be to implement measure HSU – 1 (see Chapter 5). The Economic Development Committee (EDC) would meet with various City of Arcata committees to develop metrics to quantify the effects of the quality of life indicators. For example, the EDC and Open Space and Agriculture Committee would meet to develop a way to quantify the “Agriculture- local acres in production” indicator listed below to aid in measuring Arcata’s “Natural Capital”. Measurable results from these efforts should be included in each committee’s annual report to the City Council. The City may also find it beneficial to investigate participating in Cittaslow International. This organization appoints cities world-wide with a “Cittaslow” (meaning ‘Slow City’) designation, based on their ability to meet specific requirements. Quality of life issues and thoughtful attention to economy, lifestyle, and sustainable methods are all considered for designation as a Slow City.

**Table 6.3 Quality of Life Indicators**

Description	Sources of Information
<b>Social Capital</b>	
Participation in City Rec. Programs	City Rec. Dept.
Volunteerism: i.e. City Committees	City Manager’s Office
Bike Ownership/ Sales/ Loans	Bike Shop / Library Bikes
Crime statistics, Plaza related crime	Arcata Police Department
<b>Cultural Capital</b>	
Community Events	City Manager’s Office/Arcata Main Street.
<b>Human Capital</b>	
Living Wage – analysis of local wages by business	EDD
Locally owned businesses	City Business Licenses
Nonprofit activity/ sector viability	(HAF)
Housing Affordability	Humboldt Bay Housing Development Corporation
Education: High school graduation rates, participation in community events.	School District
<b>Natural Capital</b>	
Agriculture – local acres in production	Humboldt Co. Farm Bureau.
Conservation of Natural Resources	Environmental Services
Bike Ownership/ Sales	Local Bike Shops / Library Bikes
Greenhouse Gas Emissions	City Environmental Services Department
<b>Constructed Capital</b>	
Infrastructure conditions: roads, sewer	City Public Works Dept.