

Economic Development Summit 2012

Hosted by



**Economic Development
& Financing Corporation**

631 South Orchard Avenue
Ukiah, CA 95482
www.edfc.org

MENDOCIN *Futures*

MISSION



“Connecting money and ideas with entrepreneurs to create sustainable prosperity in Mendocino County”



“Making local resources work for Mendocino County”

SUMMIT PURPOSE

“Identify opportunities and collaboratively implement projects/programs that will provide short-term business assistance and support. ”

PRE-SUMMIT FOCUSES

- Access to capital through localizing investment (moving long term assets from Wall Street to Main Street)
- Coordinating Economic Development Czar (or entity)
- Workforce (and entrepreneur) Development
-

MENDOCINOS Futures

PARTNERSHIP

- Outcome-oriented facilitation
- “One-off” meetings (or summits) don’t work
- Humboldt County’s “Targets of Opportunity”

SUMMIT OUTCOMES

1. Learn about the Targets of Opportunity for economic development
2. Create focused teams, committed to areas of work around projects/programs that will provide short-term business assistance and support
3. Create a sense of how economic development efforts will be coordinated



TARGETS OF OPPORTUNITY

As presented by

Jaqueline Debets

Economic Development Coordinator

Executive Director, Workforce Investment Board

County of Humboldt

Prosperity Center



TARGETS OF OPPORTUNITY

Our Old Story:

- “The timber and fishing industries are dead.”
- “There are no jobs here.”
- “Our children are leaving.”
- “We’re becoming a retirement community.”

*But data and anecdotal evidence
contradict this story...*



TARGETS OF OPPORTUNITY

Important Indicators:

- Innovation
- Entrepreneurship

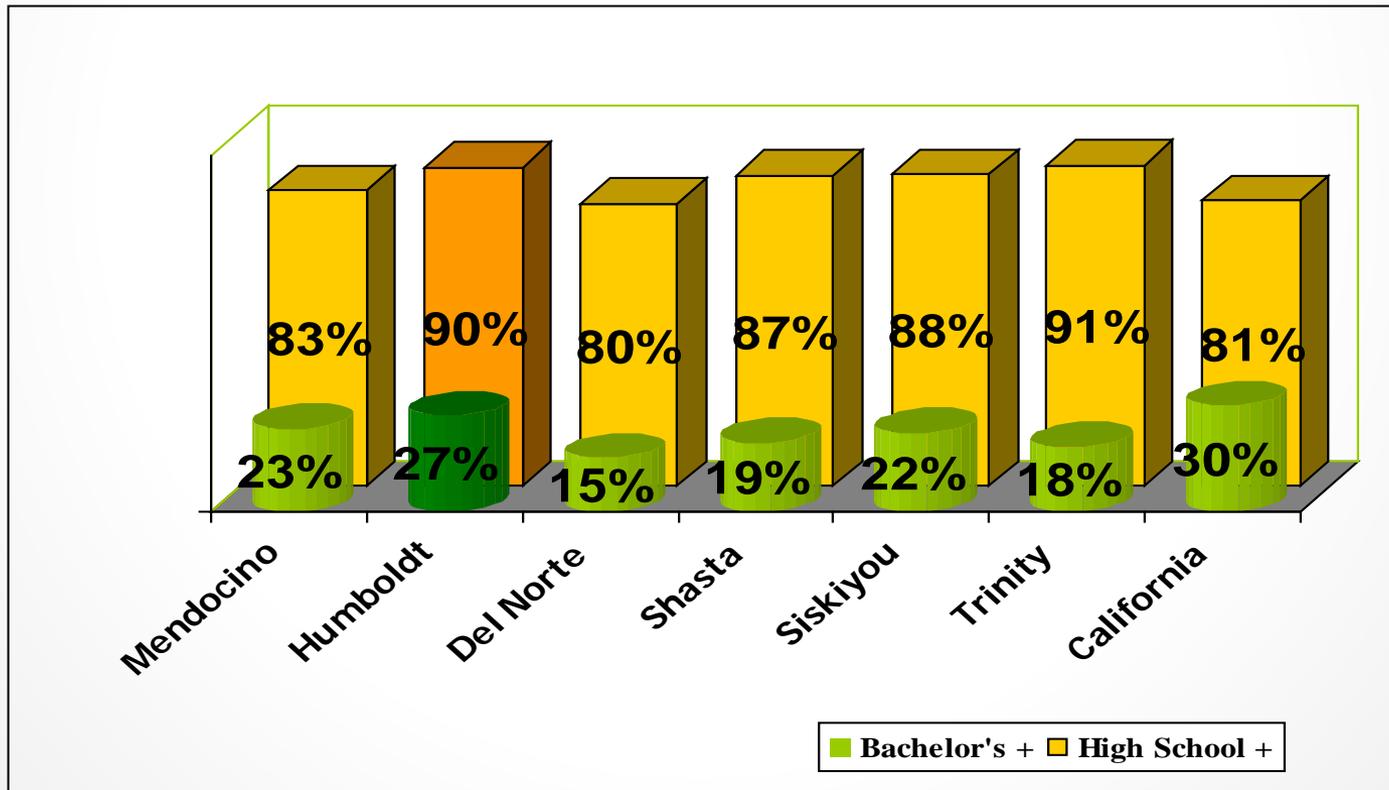
*But data and anecdotal evidence
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TARGETS OF OPPORTUNITY

Indicator of Innovation

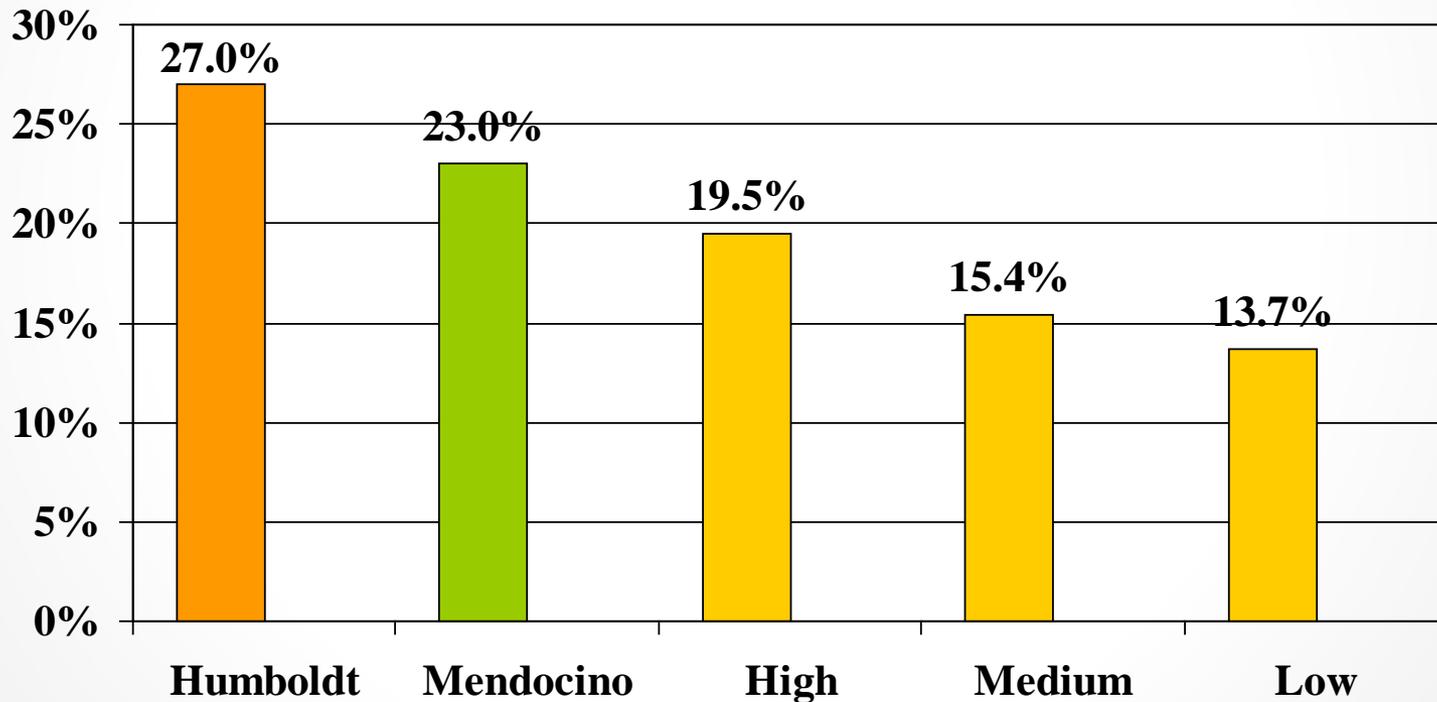
Educational Attainment of a BA or higher



Source: US Census ACS 2005 – 2009, Census 2000, Humboldt: 85%, 23%

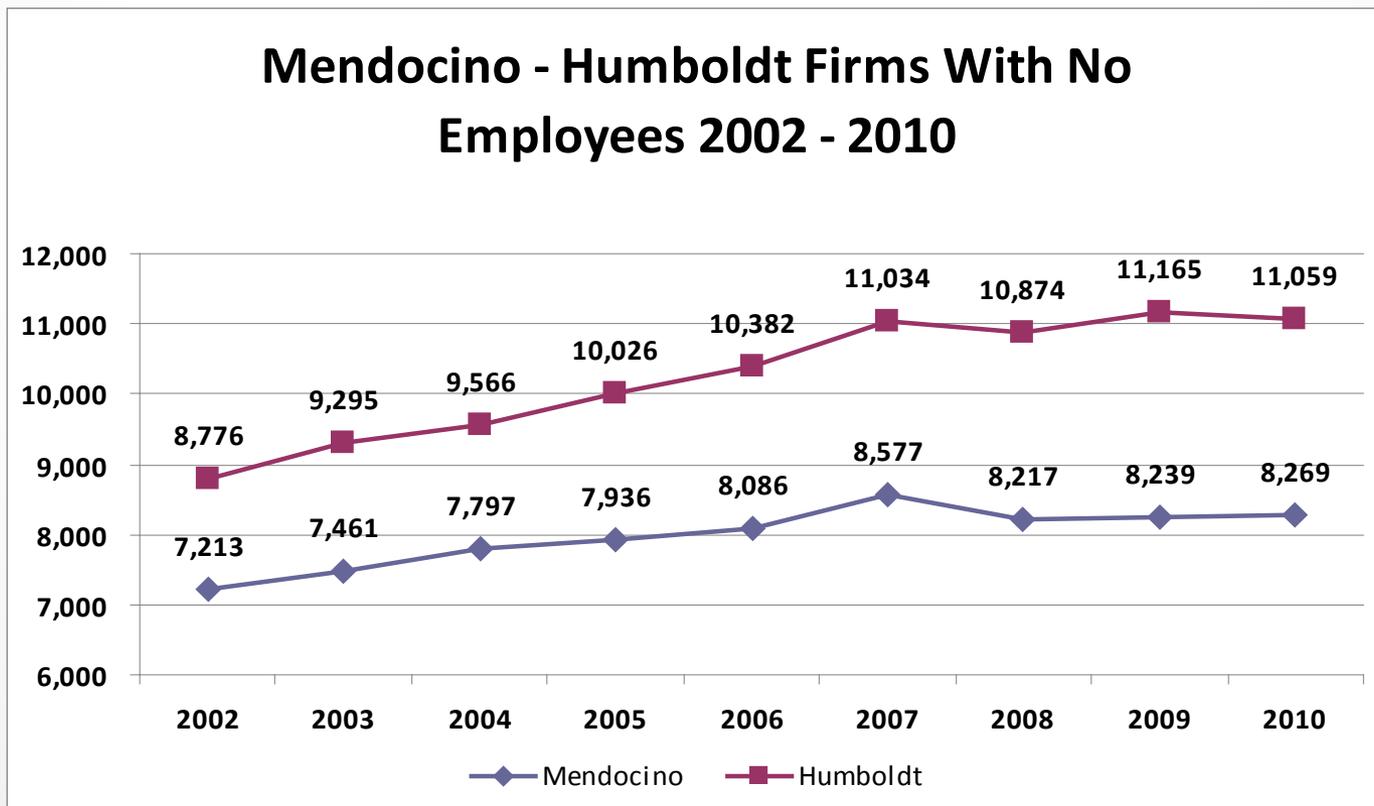
TARGETS OF OPPORTUNITY

Mendocino-Humboldt “innovation capacity”
higher than the US average high



TARGETS OF OPPORTUNITY

An Economy with High Entrepreneurship & High Innovation



TARGETS OF OPPORTUNITY

5 Criteria

CRITERIA	INTERPRETATION
Expanding Opportunity	Job Growth Firm Growth
Growing Quality	Job Quality...higher and increasing wages
Improving Competitiveness	Strong and/or growing regional specialization
Career Potential	Occupational dynamics and distribution
Key Linkages	Important relationships and common needs

TARGETS OF OPPORTUNITY

**Six Industries qualified as
Targets of Opportunity**

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

TARGETS OF OPPORTUNITY

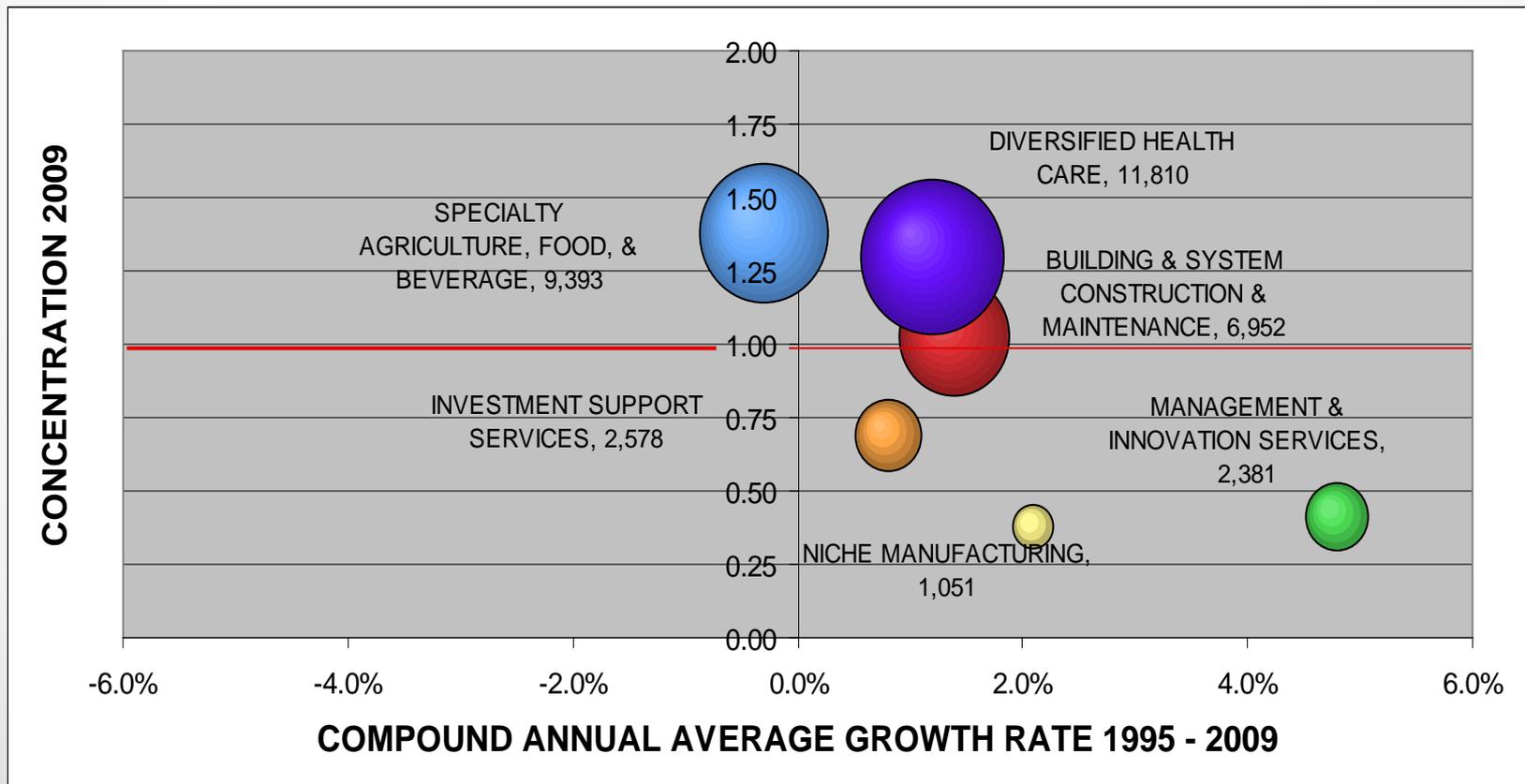
2007 Targets Report
1990-2004

Criteria	Region	Targets
Job growth	4%	37%
Firm growth	1.5%	23%
Wage growth	6%	10-26%

Together, the Targets of Opportunity Industries contributed 39% of the jobs and 53% of the wages in the region's private sector over the last 15 years.

TARGETS OF OPPORTUNITY

Targets continued to grow despite the recession



TARGETS OF OPPORTUNITY

Compare Targets Report 1990-2004 and 1995-2009

Together, the Target of Opportunity reports cover three economic growth trends and meltdowns:

- The Early 1990's savings and loan financial crisis
- The Early 2000's dotcom crash
- The 2008-2009 housing bust and stock market crash

A sustained, structural shift in our economy.

TARGETS OF OPPORTUNITY

Compare Targets Report 1990-2004 and 1995-2009

Criteria	Region	Targets
Job growth 1990-2004	4%	37%
Update 1995-2009	-6.1%	13.7%
Firm growth 1990-2004	1.5%	23%
Update 1995-2009	-15.5%	-8.8%
Wage growth 1990-2004	6%	20%
Update 1995-2009	.3%	36%

- Target Industries now 42% of private sector jobs. •

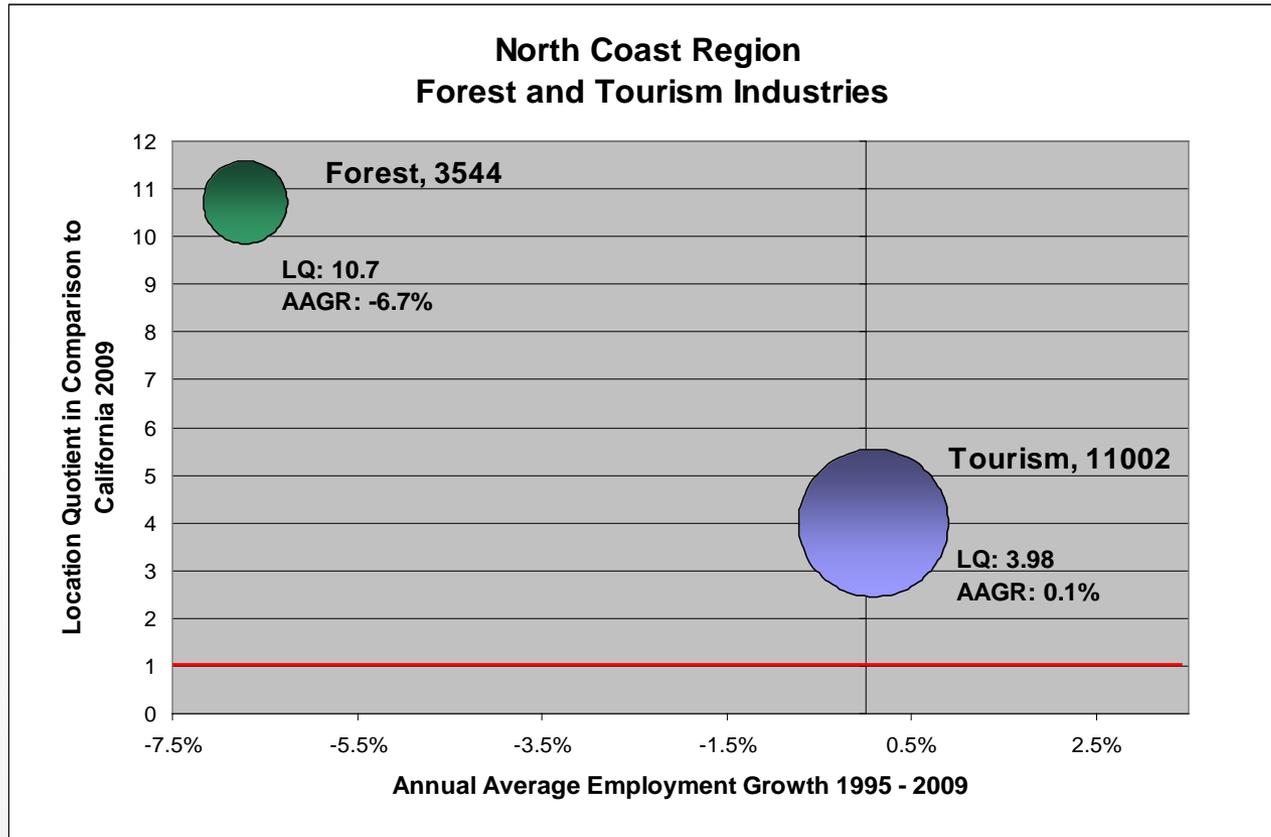
TARGETS OF OPPORTUNITY

Forest Products and Tourism

- Don't meet all the criteria of Targets
- Still, two industries that are very important to our economy
- Substantial portion of our exports
- Fundamentally tied to our region's natural resources
- Opportunities for our residents

TARGETS OF OPPORTUNITY

Forest Products and Tourism Redwood Coast Region

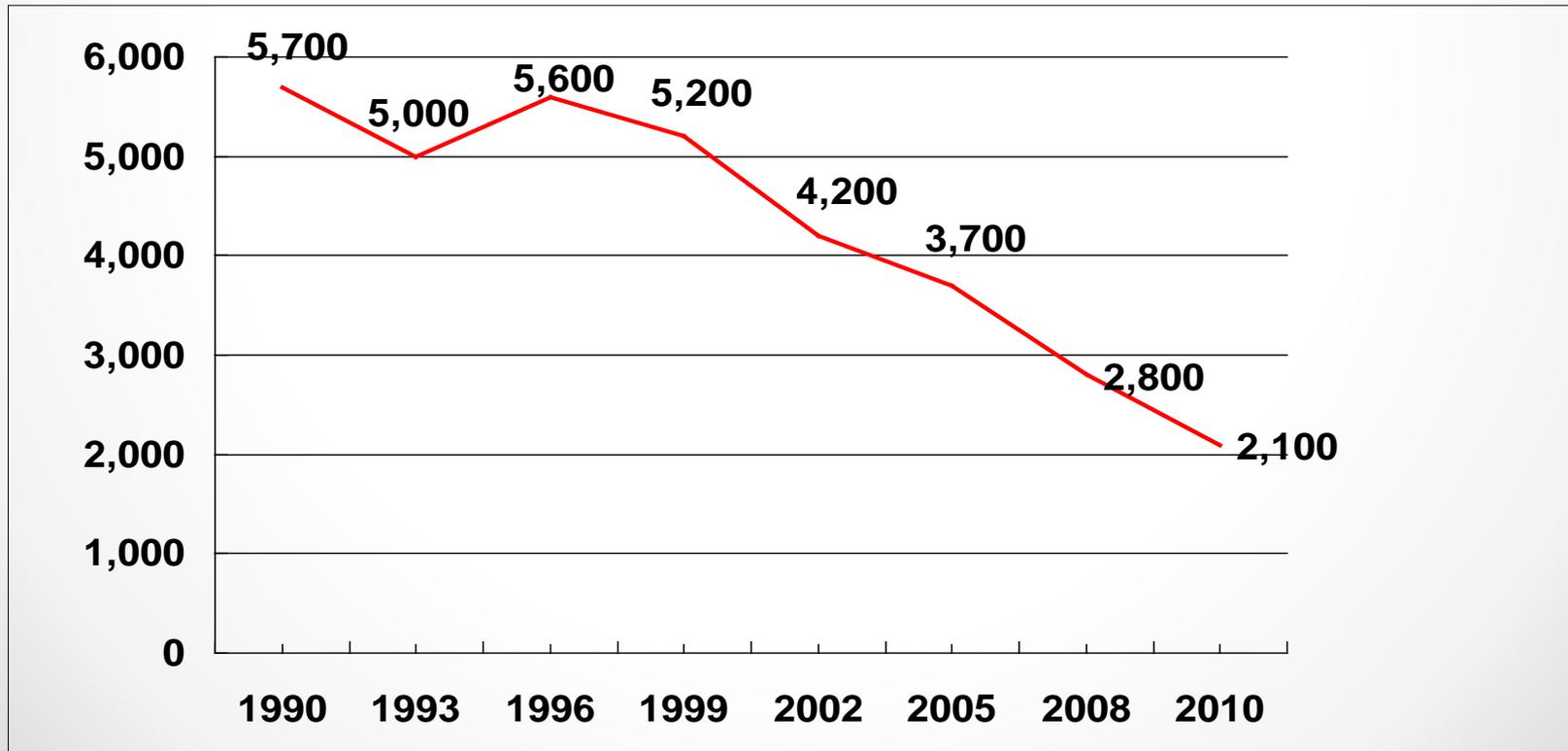


TARGETS OF OPPORTUNITY

Timber Industry been a long, painful slide

Shedding jobs at rate of 6.7% annually.

Down from 10.6% of jobs to 4.3% of region's jobs.



TARGETS OF OPPORTUNITY

But not DEAD

In fact, very important to our economy...

- Still, a large exporter
- Average pay 30% higher than region
- Regional jobs: 4,604 (1,060 self-employed)
- 2/3rds of all jobs will be “replacement jobs”
so 2,363 job opportunities by 2018

TARGETS OF OPPORTUNITY

Tourism

- 2nd largest industry overall (# of jobs)
- Highly concentrated and growing share
- Grew jobs and wages slowly
- Lots of part-time jobs and self-employment
- Opportunity for entry-level, customer service training

TARGETS OF OPPORTUNITY

People come for the beauty
and our lifestyle



TARGETS OF OPPORTUNITY

Multi-Cluster Needs

- Infrastructure of Connectivity
- Plug leaks in capital flow
- Proactively address regulatory complexity without sacrificing environment or quality of life
- Generate and conserve energy & materials
- Ready land for high value uses

TARGETS OF OPPORTUNITY

Multi-Cluster Needs

- Incubate businesses & entrepreneurs
- Cooperatively & strategically market region
- Increase regional capacity to attract, train & retain quality workforce
 - Physicians, Nurses, and more
 - Computer programmers
 - Engineers
 - General managers
 - Sales professionals
 - Accountants, fiscal managers
 - Skilled trades

TARGETS OF OPPORTUNITY

Average Wages by Industry

Industry Cluster	Average Wages		Difference		Size Order
	Industry	Region	\$	%	
Management & Innovation Services	\$ 43,940	\$ 29,794	\$ 14,146	47%	7
Niche Manufacturing	\$ 42,366	\$ 29,794	\$ 12,572	42%	8
Investment Support Services	\$ 38,886	\$ 29,794	\$ 9,092	31%	6
Forest Products	\$ 38,591	\$ 29,794	\$ 8,797	30%	5
Diversified Health Care	\$ 38,402	\$ 29,794	\$ 8,608	29%	1
Building & Systems Construction	\$ 38,393	\$ 29,794	\$ 8,599	29%	3
Specialty Food, Flowers & Beverages	\$ 27,929	\$ 29,794	\$ (1,865)	-6%	4
Tourism	\$ 13,685	\$ 29,794	\$ (16,109)	-54%	2

STRATEGIES

“What projects/programs that will provide short-term business assistance and support.”

From Pre-Summit Meeting
May 22nd, 2012



- Localizing Investment
- Centralizing Economic Development Entity
- Workforce Development

COORDINATING

- COORDINATING EFFORTS IN HUMBOLDT
 - Presentation by Jacqueline Debets
- IDEAS FOR COORDINATING EFFORTS IN MENDOCINO



THANK YOU!

CONTACT INFORMATION

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