

# Economic Development Strategic Plan

2004 - 2009



**ARCATA** *Redwoods, Ocean, Fields and Town*



## City of Arcata

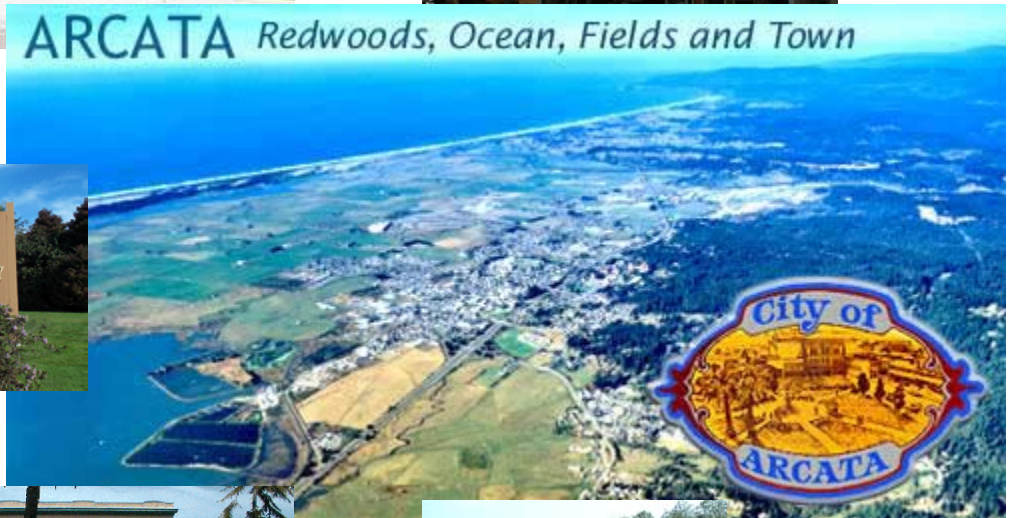
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# City of Arcata

# Economic Development Strategic Plan

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# **CITY OF ARCATA**

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Dave Meserve  
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**RESOLUTION NO. 04-10**

**A RESOLUTION OF THE ARCATA COMMUNITY DEVELOPMENT AGENCY  
ADOPTING THE ECONOMIC DEVELOPMENT STRATEGIC PLAN**

**WHEREAS**, the vision, guiding principles, goals, and policies of the Arcata General Plan 2020 are the guiding principals for the Economic Development Strategic Plan (Plan); and

**WHEREAS**, the Arcata Community Development Agency (Agency) desires to support the City's efforts to create jobs and infill vacant and underutilized parcels; and

**WHEREAS**, providing living wage jobs are essential to meet the needs of Arcata's highly educated, well trained, and hard working households; and

**WHEREAS**, THE City's strong commitment to advanced education, entrepreneurship, social and environmental consciousness and sustainability are at the forefront of the Plan; and

**WHEREAS**, the Plan has a strong focus on developing and supporting neighborhoods, infill development, business diversification, and quality of life.

**NOW, THEREFORE, BE IT RESOLVED** that the Arcata Community Development Agency hereby adopts the Economic Development Strategic Plan.

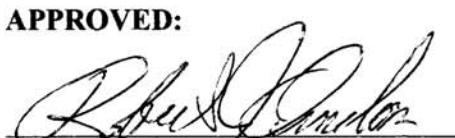
**DATED:** September 1, 2004

**ATTEST:**



Secretary, Arcata Community  
Development Agency

**APPROVED:**



Chair, Arcata Community  
Development Agency

**SECRETARY'S CERTIFICATE**

I hereby certify that the foregoing is a true and correct copy of Resolution No. 04-10, passed and adopted at a regular meeting of the Arcata Community Development Agency, Humboldt County, California, held on September 1, 2004, by the following vote:

**AYES:** Conner, Machi, Meserve, Stewart, Ornelas.

**NOES:** None.

**ABSENT:** None.

**ABSTAIN:** None.



Secretary, Arcata Community Development  
Agency



# Executive Summary

## ***Summary of Economic Development Baseline Conditions***

The City's Economic Development Strategic Plan 2004 update is rooted in the key characteristics, trends, and values of our unique Arcata community. To create a Plan that is matched to both current and anticipated future circumstances in Arcata, a variety of indicators for Arcata were identified and analyzed to compile a community profile. The baseline profile and the future trends shown by these indicators will serve as key working assumptions to guide which specific economic development strategies for should be chosen for Arcata's future.

### ***Key indicator - People: demographic trends related to both future consumers and labor force:***

**Overview:** Arcata is expected to experience modest population growth through 2025. If planned expansion at Humboldt State University (HSU) occurs, then a disproportionately large share of Arcata's population growth will be made up of college-age students. These students are expected to be increasingly ethnically and racially diverse. The aging of the large "baby boomer" population segment implies that another disproportionately large share of Arcata's population growth through 2025 will be made up of predominantly white retirement age people. Consequently, children are likely to represent a disproportionately small share of Arcata's population growth through 2025, which may require consolidation and retrenchment in Arcata's public schools. In addition, these trends imply that "non-family" households will likely continue to be a majority of all households in Arcata. A number of factors will likely result in Arcata's future citizens continuing to have a higher average educational attainment compared to Humboldt County and California. These factors include General Plan 2020 commitments to preserving environmental and cultural quality of life attributes in Arcata that serve to attract and retain highly educated people, high housing costs that will limit affordability for less-educated people, and the planned expansion of HSU. The potential for underemployment of relatively well-educated Arcata citizens unable to afford adequate housing presents a significant economic development challenge.

### **Conclusions:**

- Arcata's population is growing modestly at a projected 0.50 percent per year. At this rate, a projected population of 17,225 in 2005 would increase to 18,529 in 2020. This is less than General Plan: 2020 projections.
- Arcata is younger than surrounding communities, with more than twice as many people aged 18 to 24 (5,378 or 32.3 percent) as Humboldt County, and three times that of California. This group is expected to grow in the future as HSU expands from about 8,000 students in 2004 to 12,000 in 2040, a growth rate of 50 percent over 36 years or 1.4 percent per year, which is a faster growth rate than the surrounding community.
- There are comparatively fewer children under 18 (1,522, or 21.6 percent of the population) in Arcata than in Humboldt County (31.4 percent) and California (39.7 percent). K-12 schools are experiencing declining enrollment.



- There will be more people of retirement age living in Arcata in the future. Projections show an increase of 0.7 percent per year from 2000 to 2010, which is slightly faster than the overall growth rate but still modest.
- Arcata is more highly educated than surrounding communities, with almost twice (41.6 percent) the Humboldt County average for bachelor's degrees or higher levels of education.

***Key indicator - Jobs, wages, and housing: occupational trends, job creation goals, and characteristics of desirable jobs:***

**Overview:** Housing prices in Arcata have grown considerably faster than the incomes of most Arcata residents. As of 2004 fewer than 20 percent of Arcata households earn incomes sufficient to afford the median-priced Arcata home. Unless significant public resources and creative energies are invested in providing desirable low-cost housing, it is anticipated that Arcata's quality of life attributes and proximity to HSU will contribute to a chronic housing affordability problem in Arcata. Low housing affordability manifests itself by inhibiting new household formation by young families with children. This trend is likely to continue, implying that a majority of Arcata households will continue to rent rather than own their place of residence.

An illustrative "living wage" in Arcata for a family of three with one child and one wage-earner, which covers the cost of rental housing, food, and other living expenses in Arcata, would require hourly pay of between \$10.23 and \$12.27. Yet according to the State Employment Development Department (EDD), four of the five occupations in Humboldt County with the fastest projected growth rates through 2008 are related to tourism and retail, none of which generate average hourly earnings at the living wage level. Moreover, of the 50 fastest growing occupations, only 20 usually require a baccalaureate degree. Therefore economic development strategies need to focus on addressing this imbalance between the educational attainment of its residents, Arcata's cost of living, and the earnings generated by anticipated future jobs by using economic development tools to attract and retain living wage job occupations.

**Conclusions:**

- According to the State Employment Development Department (EDD), four of the five occupations in Humboldt County with the fastest projected 2001 to 2008 growth rates are related to tourism and retail: cashiers; food preparation/serving workers; retail salespersons; and maids and housekeeping.
- More generally, only 20 percent of the top 50 fastest growing occupations forecasted by EDD typically require a bachelor's degree level of education, while 42 percent of residents have attained *at least* this level of education.
- Using EDD job growth forecasts for Humboldt County and Arcata's share of overall county jobs, it is anticipated that 61 jobs per year will be added in Arcata through 2008. This job creation forecast closely matches the 59 jobs per year that will need to be created based on population growth forecasts.

- An illustrative “living wage” for a family of three in Arcata, considering eight different cost-of-living elements and assuming one child and one adult wage-earner, is \$10.23 per hour without a car (using public transportation), or \$12.27 with a car. Of the top 50 fastest growing occupations forecasted by EDD, 31 generate earnings consistent with the no-car living wage, while 25 generate earnings consistent with the living wage for families with an automobile.
- Housing affordability in Arcata, as measured by the percentage of households that could afford the median priced Arcata home, has steadily declined from approximately 40 percent in 1999 to 17 percent in May 2004.
- Due to the high cost of home ownership and the large HSU student population in Arcata, nearly 2/3 of all households are renter households in Arcata, compared to less than half of all Humboldt County and California households.

***Key indicator - Business, economics, and public finance: – characteristics of public-sector and private-sector employers, and sources of Arcata tax revenues:***

**Overview:** Government represents the largest single type of employer in Arcata’s economy. Nearly a quarter of Arcata’s total employment is generated from federal, state, and local government, with state-funded HSU playing a dominant role. Consequently the ongoing state and local budget crises represent a significant threat to Arcata’s economic development future. As of 2000 six of every ten jobs held by Arcata residents came from the (1) retail trade, (2) education, health, and social services, and (3) arts, entertainment, recreation accommodation and food services sectors of the economy. Moreover, while 12 percent of the jobs provided in Arcata were in the manufacturing sector, only six percent of the jobs held by Arcata residents were in manufacturing. Thus we can see the importance of the arts and culture, education and research, manufacturing, and tourism industry clusters to the Arcata economy. The importance of these commercial and industrial sectors is acknowledged in the assumptions that underlie Arcata’s General Plan: 2020, which state that Arcata will “continue to be a city where HSU, health providers, education facility, small-scale manufacturing, agricultural, and retail trade are the primary employers.”

The per-capita sales tax revenue received by the City is lower than that of Eureka, Fortuna, or the state overall, which reflects that to some degree Arcata residents are shopping outside of the city and/or non-Arcata residents are not coming to Arcata to shop as much as other cities in Humboldt County. Arcata has lost its automobile dealerships, which has impacted retail sales tax revenue growth, and is relatively underrepresented in terms of apparel, home furnishing, and appliance stores. Future development of “big box” retail outlets in the Fortuna area would likely cause a negative impact on Arcata retail sales, and the City’s public finance that depends on retail sales tax.

**Conclusions:**

- HSU is by far Arcata’s biggest employer, with 1,450 employees. The next biggest employer is Mad River Community Hospital, with 500 employees. HSU’s plans to increase enrollment 50 percent by 2040 will bring even more jobs, especially relatively well-paying professional jobs.

- Arcata's largest employment sector is education and health care, with 1,625 or 19 percent of its jobs in this sector. This share is larger than the countywide average of 12 percent of jobs.
- The most numerous businesses in Arcata are home occupation (197), rental-residential (176), retail (155), manufacturing (74), barber/beauty (53), eating place (46), medical (45), and personal services (44).
- Tourism is growing, as evidenced by rising transient occupancy tax ("bed tax") revenue, which has increased every year since 1996.
- Compared to California, Arcata is under-represented in apparel stores, home furnishings, appliances, and auto dealers and supplies.
- Arcata exceeds the California average for taxable transactions per capita in several business type categories, including food stores and eating and drinking places.
- For the last ten years, property taxes have been growing, while sales taxes have been flat, and other revenues collected by the City have been increasing.

### ***Key indicator - Infrastructure and land use trends and demands:***

**Overview:** Arcata's infrastructure is generally sufficient to accommodate anticipated population growth and the economic development implementation measures outlined in this strategic plan. Exceptions include growing deferred maintenance on Arcata's network of roads, the need for transportation corridor and gateway improvements, neighborhoods with significant economic development potential that lack access to broadband telecommunications, and the need for access improvements to some vacant and underutilized parcels within the urban services boundary. Many vacant and underutilized parcels with economic development potential are former mill sites that require significant site improvements to address contamination problems, deteriorating structures, and access and infrastructure deficiencies. Brownfield redevelopment resources may be necessary to facilitate economic development on contaminated former mill sites. Arcata has a number of neighborhood commercial centers that are important to the goal of promoting pedestrian and bicycle access to shopping. By and large these neighborhood commercial centers are in need of revitalization, but most fall outside of the redevelopment zone boundary, thereby necessitating other tools to promote economic development.

### **Conclusions:**

- The predominant urban land use designation in Arcata is residential (32 percent). Agriculture makes up 25 percent of the non-urban land use, while 20 percent is in natural resource areas. Commercial areas are 3 percent of the land use, industrial areas are 10 percent, and public facilities (e.g., HSU) are 10 percent.
- Commercial uses are found in nine of the 15 Arcata neighborhoods, with most concentrated in three neighborhoods. The neighborhood with the largest share of land area for all commercial uses is Valley West, followed by Downtown/Uniontown, with Arcata Heights/Norhtown a distant third.

- While eight of the 15 neighborhoods have some industrial zoning, this land use is highly concentrated in the West End Road neighborhood, where over 75 percent of its 293 acres carry an industrial zoning designation. Other neighborhoods with significant industrially zoned land include Samoa Boulevard (about 112 acres), Valley West (40 acres), and Downtown/Uniontown (50 acres).
- Arcata has adequate water, wastewater and storm water systems, with water supply exceeding demand, to accommodate its growth through 2020. Arcata's Urban Water Management Plan and Drainage Master Plan make specific water delivery and storage recommendations.
- Arcata's street grid is almost fully established, with improvements slated to promote system performance without creating major new roads. A few roads integral to enable accessing vacant or underutilized parcels are needed. There are also plans to improve the city's gateways signage and landscaping.
- Arcata's electric service is fully established. The City is in the process of removing telephone poles and putting utilities underground in the Downtown Underground Utility District. Formation of another District will be considered this year.
- Some neighborhoods in Arcata need high-speed telecommunications access (DSL and fiber optic), particularly for development of telecommunications and other businesses in the West End Road neighborhood. Installation is slated to occur there, while areas such as Bayside are currently cost prohibitive.

## ***Five-Year Economic Development Outlook***

The overview of key indicators above identified a number of likely near-term trends affecting economic development in Arcata. These and others are summarized below.

- **State Fiscal Condition.** Fiscal challenges in state government will likely delay and/or slow the planned expansion of full-time equivalent student enrollment at HSU over the next few years. As a consequence HSU expansion is likely to be more of a long-term rather than a short-term engine for economic development in Arcata. Near-term economic development opportunities are more likely to arise from collaborative partnerships with HSU that promote student and faculty entrepreneurship, expanded arts, culture, and sports events, and funded research and technology.
- **Housing Affordability.** Barring unforeseen economic, social, or natural disasters, housing affordability is likely to be a chronic problem in Arcata for reasons outlined in section I.A. above. Economic development will need to focus resources on creating living-wage jobs in Arcata.
- **Relationship Between Tourism and Retail.** The North Coast region's unique natural and cultural assets will likely serve as an engine for growth in the tourism economy. Tourism-related service jobs are less likely to provide living wages for Arcata. Nevertheless it is unlikely that owner-resident small businesses in the downtown Central Arcata business district (which serves as an important quality of life asset for many Arcata residents) could thrive without the income injected by tourists and other visitors. Moreover, with "big box" retail, appliance, and automobile dealerships elsewhere in the county absorbing retail sales to "locals," Arcata's retail strategy is somewhat more dependent on sales

to tourists. As a final point, retail jobs serve as a critical “bottom rung” in the job ladder for high school and HSU students.

- **Tourism Market Sensitivity to Oil Prices.** Terrorism concerns will likely continue, raising the cost of air transportation and dampening the flow of foreign tourists into Arcata. Moderate terrorism concerns may cause residents of Northern California metropolitan areas to substitute automobile-based visits to the North Coast for air travel to more distant locations. Oil production and distribution will likely continue to be a target for terrorist activity, which in combination with volatile market conditions and U.S. reliance on foreign oil will cause gasoline price spikes that will have a negative impact on North Coast tourism.
- **Increasing Retirement Population.** Arcata’s desirable quality of life and near-term demographic trends will likely continue to result in “baby boomers” moving from California’s urban centers into Arcata. Many of these people will be asset-rich due to sales of appreciated real estate, which will enable them to afford expensive Arcata housing. Some of these people will be semi-retired, but will continue to generate self-employed consulting income. Others will be adequately employed, but have a spouse that is significantly underemployed. While these people contribute to the housing affordability problem in Arcata, they are also a significant source of out-of-area pension and consulting income being injected into the Arcata economy. Economic development that focuses on providing small office space (either “live-work” or co-located with provision for shared office equipment and meeting space) will help Arcata attract and retain these people.
- **Retain Young People by Encouraging Entrepreneurship.** Arcata’s desirable quality of life will continue to cause local high school and HSU graduates to seek out local work opportunities to allow them to stay in Arcata. With limited opportunities for good-paying wage and salary employment, economic development will need to fill the gap by helping some of these people become entrepreneurs and start their own business. Moreover, the natural “lifecycle” of many local manufacturing businesses is such that they either fail or outgrow the small local economy and move, which implies that economic development resources should be focused on promoting new business startups to replace those that are lost.

### ***Longer Term (post five-year) Outlook***

- **Increasing Oil Prices.** Rapidly increasing world demand for oil, combined with few prospects for meaningful increases in supply, is likely to result in a general trend of rising oil prices. Rising oil prices will have a direct negative impact on vehicle dependent tourism and on the export of local manufactured goods. Rising oil prices will also add higher shipping costs to all imported goods, and will tend to trigger more rapid inflation that will in turn result in higher interest rates and slowed economic growth. These trends may serve to stimulate local small-scale agriculture and the production of other import-substituting local goods and services.
- **Increasing Energy Prices.** Demand for natural gas is also growing more rapidly than supply. To some extent this can be offset through LNG imports, but rising natural gas prices should be expected in future years. Since California’s electricity generation portfolio is disproportionately dependent upon natural gas, rising natural gas prices will lead to higher electricity prices on California’s electricity grid. Higher grid-based electricity prices will in turn improve the economic prospects for regional renewable energy production.

- **Increasing Ethnic Diversity.** Broad demographic trends will cause Arcata to become increasingly ethnically and racially diverse. Part of this will be driven by growth in full-time equivalent student enrollment at HSU. Economic development decision-making will need to take into account their special needs and interests.
- **Tradeoff: Housing Development/Housing Affordability.** While California's population will likely grow more rapidly than that of Arcata and Humboldt County due primarily to our remote location from major transportation corridors, Arcata will feel the pressure to accommodate growth or face worsening housing affordability. The quality of life attributes of Arcata will become even more distinct as other areas of California urbanize.

## ***Economic Development Strategic Plan Recommendations***

- **Focus on Living Wage Occupations.** Focus economic development resources on businesses and occupations that provide living wage jobs. Declining housing affordability reduces the effectiveness of promoting businesses and occupations that only provide minimum wage jobs. Consider the inclusion of living wage jobs in scoring criteria for job credits, redevelopment and CDBG funds, and other economic development resources.
- **Focus on Environmentally Conscious Businesses.** Focus on attracting and retaining businesses that enhance Arcata's image as an environmentally and socially responsible community. Examples include the fisheries, watershed, and engineering consulting firms that work in the restoration industry complex, as well as arts and culture, education and research, value-added manufacturing, organic agriculture, and alternative energy design and construction.
- **Little Lake Industries Site Master Plan.** Develop a master plan for the Little Lake Industries site. This master plan should address public input regarding desirable uses for this site. Master plan uses should serve as a transitional commercial area between Downtown and the Marsh Wildlife Sanctuary. The master plan should consider inclusion of smart infill concepts that could be a model for other parts of Arcata, and design features consistent with its proximity to the Arcata Marsh.
- **Gateway Plans.** Develop gateway plans for Valley West, Samoa Boulevard, Northtown, and Bayside Corners. These gateway plans should include a standardized design format for signage, monuments, and wayfinding resources to assist tourists in accessing Arcata's commercial, environmental, and cultural amenities. The identification and directional signs should be specifically designed to attract visitors to major Arcata destinations including the Plaza, HSU, Arcata Marsh and Wildlife Sanctuary, Community Forest, and the California Welcome Center.
- **Corridor Plans.** Develop corridor plans for Samoa Boulevard, North G. Street, and Giuntoli Lane. The corridor plan for Samoa Boulevard should address pedestrian and bicycle connectivity between the Arcata Marsh and Downtown/Uniontown and provide design improvements through the use of façade grants and other economic development tools. The corridor plan for North G. Street should address improved pedestrian usage of the area by HSU and Arcata High School students as well as the provision of parking. The Giuntoli Lane corridor plan should provide tourists and visitors with easy access to commercial hospitality amenities in Valley West.
- **Smart Infill Strategies.** Develop smart infill plans for appropriate areas of Arcata. Given the General Plan 2020 restriction on expansion beyond Arcata's current urban growth boundary, infill concepts are



essential to Arcata's economic development. The City should consider the feasibility of providing live/work space for artists as a way of promoting economic development in the arts. Careful study should be made of the potential for conflicts between residential and commercial uses.

- **Expand Redevelopment.** Identify new areas for possible inclusion in the Redevelopment Area, or consider the creation of new Redevelopment Areas. The original Redevelopment Area was focused on core areas of Arcata in need of revitalization, and redevelopment in this area has been largely successful. Omitted from the Redevelopment Area are neighborhood commercial centers that are important to the goal of encouraging pedestrian access to shopping in Valley West, Sunny Brae, and Alliance Road in Westwood. These areas are in need of revitalization. Also omitted are important areas of Northtown that are in need of revitalization.
- **Medical Complex Plan.** Develop a medical complex plan with MRCH and UIHS. These facilities are important to the health of Arcata's residents and provide living wage jobs. As Arcata's population becomes older there will be a growing need for senior housing and care, which could be an important element of a medical complex plan.
- **Development Plans for Underutilized Sites.** Create a development plan for the underutilized parcels adjacent to the St. Louis Road cul-de-sac. In addition to possible industrial uses, this area could also be used to provide workspace for non-profits. The development plan should include transportation corridor impacts and improvements on L.K. Wood Boulevard. Similar development plans should be considered for industrial areas on "K" Street between 7<sup>th</sup> and 11<sup>th</sup> and at the Reid & Wright property.
- **Creamery Building Complex.** Create a development plan to revitalize the Creamery building complex. This building is an important historical landmark in Arcata, and provides extensive office space at a moderate cost. The development plan should preserve historical design elements and take into account the need to retain affordable office space as a key element of the design concept.
- **Lumber Products Manufacturers.** Retain existing lumber and wood products manufacturing enterprises and investigate the potential for promoting SmartWood-certification in the industry. While the Arcata Community Forest is SmartWood certified, relatively few of the mills, trucking firms, and retail outlets in Arcata have taken a leadership role as chain-of-custody enterprises in the SmartWood market channel. Investigate the potential for increased use of SmartWood certified lumber in local furniture and other value-added wood products manufacturing industries.
- **Retain Tucking/Distribution Businesses.** Retain and expand shipping and receiving business enterprises on State Route 299. The State Route 299 and U.S. 101 interchanges at Giuntoli Lane are strategic locations for trucking and distribution businesses that have the potential for paying living wages. The City should work with existing firms to identify problems and remove barriers.
- **Building Supply Wholesale/Retail Center.** Study the feasibility of a construction retail and wholesale supplies district in the West End Road neighborhood adjacent to State Route 299. These uses appear to be compatible with existing uses in the area, and could serve as a Northern Humboldt County hub for these products and services.
- **North G Street as University Avenue.** Develop a "University Avenue" concept for Northtown, in conjunction with the North G. Street corridor plan design elements of wider sidewalks and improved pedestrian access, and the possible development of a shuttle service described below. Other design elements should include analyzing the potential for food, music, and entertainment venues for families, students, and youth, usage of the area by Arcata High School students.

- **Cooperative Department Store.** Investigate the potential for a cooperative department store to be located in the Downtown area for clothing and other staples not otherwise available in Arcata.
- **University/Arcata Shuttle Service.** Investigate the potential for a Downtown, Northtown, and HSU shuttle with joint downtown parking structure coordinated with downtown streetscape improvements. HSU faculty and students have argued that the fear of losing scarce parking spots on campus limits their off-campus visits to Arcata food and shopping establishments. A frequent and convenient shuttle service could alleviate these concerns and better connect HSU with Arcata.
- **Broad City of Arcata/Education Collaboration.** Develop an ongoing collaboration with HSU, CR, Arcata High School, and other educational institutions to promote entrepreneurship. As older firms move or close down, it is essential that Arcata foster new business startups. Entities such as the Arcata Arts Institute at Arcata High School and the Office for Economic and Community Development at HSU are valuable partners in identifying future entrepreneurs. The City should help co-sponsor entrepreneurship events and provide startup resources for qualifying entrepreneurs.
- **Permit/Regulatory Streamlining.** Develop a collaborative process to work with the Arcata business and development community in finding ways to simplify regulatory, permitting, and design review processes in Arcata, and make the process less burdensome, time-consuming, and uncertain. Implement a “one stop” permitting process where possible.
- **HSU/CR Expansion.** Work collaboratively with HSU and CR in assisting their expansion plans. In the case of HSU, the City can play a key role in identifying space for housing and in developing complementary development plans. One clear example is coordinating the City’s “University Avenue” concept for G. Street with HSU’s Laurel Street development plan. Also, capitalize on “Art” being the largest major at HSU, and that faculty turnover at HSU will tend to bring in more research-oriented faculty. In the case of CR, the City can collaborate on more fully developing the Arcata Instructional Site, as well as on complementary transportation flow and parking issues.
- **Regional Fire Training Center.** Assist the Arcata Fire District in developing a regional fire training center at their 11th and M. Street site. In collaboration with key players, including the HSU Forestry Department, the California Department of Forestry and Fire Protection, and the Humboldt County Fire Chief’s Association, the City should seek grant funds for a feasibility study.
- **Government Agency Cluster.** Arcata already hosts regional offices and headquarters for federal resource agencies such as the Bureau of Land Management and the U.S. Fish and Wildlife Service on Heindon Road. The City should meet with representatives of the California Department of Fish and Game and with the U.S. Forest Service and explore the possibility of clustering government resource management agencies on Heindon Road. Coordination among agencies may be improved by clustering, and agencies may also benefit from closer proximity to HSU and CR students and faculty.

# CHAPTER 1

## INTRODUCTION

This chapter is organized into the following eight sections:

- 1.1 Plan Purpose
- 1.2 Planning Context
- 1.3 Mission and Goals
- 1.4 Plan Process/Methodology
- 1.5 Summary of Existing Economic Development Conditions
- 1.6 Economic Development Resources
- 1.7 Economic Development Assets
- 1.8 Public Participation Process

### **1.1 Plan Purpose**

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 prior report, *Economic Strategies Report for Arcata*, was prepared in 1997 by the City of Arcata Economic Development Committee. This plan update, called the *Arcata Economic Development Strategic Plan* (Plan) has been prepared 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.

The guiding principles and goals, objectives, and implementation measures contained within this Plan 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.

## 1.2 Planning Context

The Plan 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. In addition, the Plan will provide the basis for the update of the *Arcata Community Development Project Area Implementation Plan*, which will begin later this year.

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.
- *Plan of the Arcata Community Development Project Area, January 1983*, a plan that sets forth the powers, duties, goals, and objectives of the Arcata Community Development Agency (redevelopment agency)/City to foster economic development and affordable housing over a 40-year period.
- *Arcata Community Development Project Area Implementation Plan: 2000-2005*, a plan that identifies programs and projects that will achieve the objectives of the Plan of the Arcata Community Development Project Area between the years 2000 and 2005.
- *Prosperity! The North Coast Strategy*, an economic development strategy that supports business clusters as a means to enhance the region's economic competitive advantage.
- *Economic Strategies Report for Arcata, 1997*, the City's prior economic strategy report.

## 1.3 Mission and Goals

To guide this plan update, the City has carried forward the vision statement and goal statements from the General Plan: 2020. In addition, this Plan builds upon the guiding principles and goals of the 1997 *Economic Strategies Report for Arcata* (ESRA).

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.
- Discourage the conversion of commercial and industrially zoned land to other uses.
- 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.

## 1.4 Planning Process/Methodology

The City of Arcata Community Development Agency served as the lead city agency for the development of the Plan. The City selected Planwest Partners and the Center for Environmental Economic Development to assist in the preparation of the Plan. The Arcata Economic Development Committee 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 information collected is summarized in Sections 1.5 through 1.8 of this chapter and can be found in an appendix to this document.

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 Plan.

Baseline condition information gathered for the Plan 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. Characteristics that affect – either positively or negatively – a neighborhood’s economic development potential include: support infrastructure; zoning; transportation corridors; existing patterns of residential, commercial, industrial, and other development; contaminated (“brownfield”) sites; vacant and underutilized parcels; and inclusion in the redevelopment area. (The 15 neighborhoods are described in greater detail in Section 1.5.2, Land Use Conditions.)
- **Analysis of Baseline Conditions.** A key element of the methodology was a baseline conditions analysis, in terms of production factors (land, labor and capital). The relative abundance or scarcity of these factors has important economic development implications.



- **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 Plan implementation measures.
- **Evaluation of the prior strategy.** The 1997 ESRA (*Economic Strategies Report for Arcata*) was reviewed in order to provide direction regarding the development of new strategies.

**Public and stakeholder input.** The Plan was created through a community-based planning process. The preparation of the Plan involved broad public participation, including interviews with stakeholders, stakeholder group meetings, and public meetings. The public and stakeholder meeting process included:

- Monthly Economic Development Committee (EDC) meetings;
  - 24 stakeholder interviews;
  - Two stakeholder sessions;
  - Two public meetings; and
  - Two City Council public hearings.
- **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.

## **1.5 Summary of Existing Economic Development Conditions**

This section summarizes the following existing conditions as they relate to Arcata's economic development potential: demographics, land use, business and employment, and the City's fiscal conditions.

### **1.5.1 Demographic Conditions**

Arcata is a small City on the California North coast. Its size and relatively remote location are significant factors that affect current economic conditions.

Arcata is growing slowly in relation to the rest of California. Over the next 15 to 20 years, Arcata (and Humboldt County) are expected to grow by about 12 percent, whereas the State population is expected to grow by nearly 35 percent. The Arcata Housing Element (Table HE-5) projects that Arcata will grow from a population of 16,651 in 2000, to 18,529 by the year 2020 – an increase of a little over 11 percent.

The population projection for Humboldt County prepared by the California Department of Finance (DOF) did not incorporate the enrollment growth for Humboldt State University (HSU) that is now planned by the California State University System. Based on HSU Master Planning materials, enrollment is expected to grow by 4,200 full-time-equivalent students over the next 30 to 40 years. If HSU enrollment grows as proposed in the Master Plan, population growth in Arcata over the next 30 years could be twice that projected by the Arcata Housing Element.

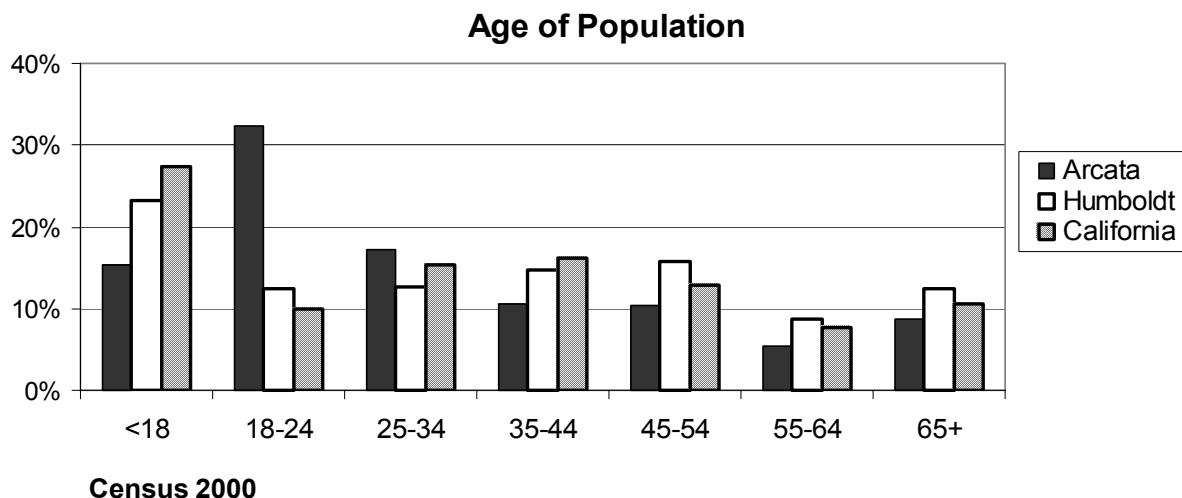
**Age Distribution within Arcata.** When Arcata's population and household demographics are compared to Humboldt County and the State of California, it is obvious that Arcata is a "college town." There are proportionately fewer family households and fewer children under the age of 18 compared to Humboldt County and the State of California. Also, Arcata's population is very young compared to Humboldt County and the State. According to the 2000 Census, approximately 50 percent of Arcata residents are between the age of 18 and 34, compared to 25 percent in both Humboldt County and the State of California (see Figure 1.1 below). Of that 50 percent of Arcata residents, approximately 80 percent were students enrolled at HSU in the fall of 2000.

Although not as numerous, residents over the age of 55 are a significant and growing segment of the Arcata population. Based on the baseline conditions prepared for the ongoing update of the Humboldt County General Plan 2025, Humboldt County's median age is projected to rise from 36 to 41 over the next 25 years. Within Arcata, the age group that experienced the fastest growth between census years 1990 and 2000 was the 45-to-54 age group, which grew by 75 percent. This age group made up 6.6 percent of the population in 1990 and grew to 10.6 percent of the population in 2000. The proportion of the Arcata population that is 45 years and older will likely continue to increase.

The distribution of age within the Arcata population is important for the Plan. Although college students are likely not the wealthiest Arcata residents, they represent a stable demographic to which local businesses can market their services. Based on a rough estimate of off-campus expenditures derived from information available through the HSU Financial Aid Office, each year HSU students spend approximately \$60 million in the area on items such as food and housing (not including on-campus expenditures), transportation, and miscellaneous expenses. A significant portion of these expenditures is likely made in the City of Arcata.

The continued growth of the population of persons 45-years-old and older is also important. Growth in this segment of the population benefits City tax revenue since this age category routinely earns higher income, can make more significant purchases, and occupies higher value housing. The City will need to ensure that community services, such as transportation, recreation facilities, and services, are available to meet future demand. Businesses, especially those that are health care related, will also need to evaluate their competitive position to ensure that they can provide all required services to this demographic.

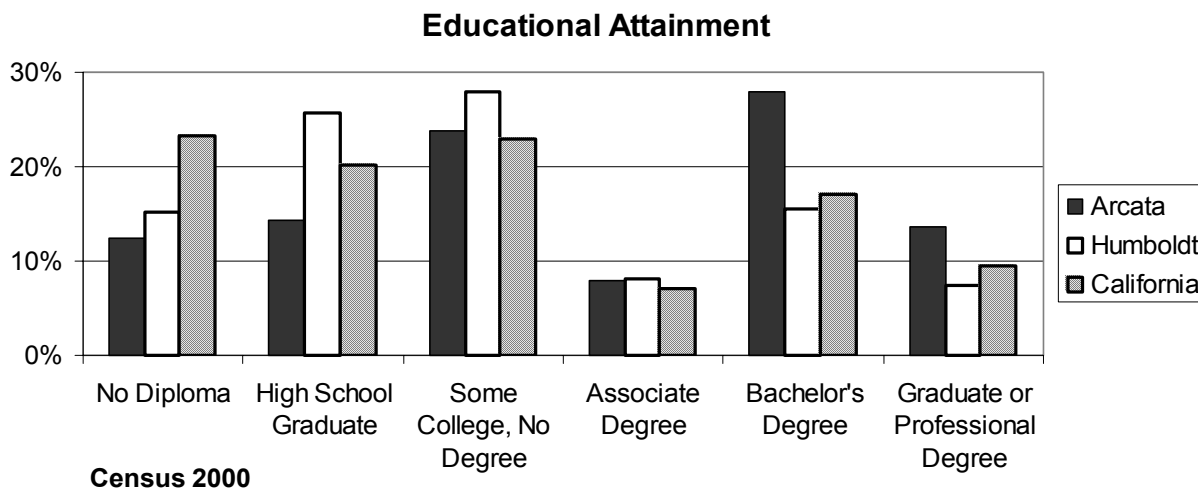
**Figure 1.1. Age Distribution of Arcata, Humboldt County, and California Populations**



**Educational Attainment.** An exceptionally high percentage of Arcata residents have a bachelor's degree or higher degree. Approximately 42 percent of Arcata residents have a bachelor's degree or post-graduate degree, which is nearly twice the percentage of Humboldt County and California residents. Arcata's high percentage can be attributed in large part to the fact that many HSU students choose to remain in Arcata after they graduate, and also that many HSU staff and faculty live in Arcata.

The high educational attainment among Arcata residents is important for several reasons. First and foremost, the relationship between income and educational attainment is direct: income increases as educational attainment increases. The large number of persons with bachelor's degree and higher degree also creates a fertile environment for entrepreneurship. According to the HSU Office for Economic and Community Development, a significant number of HSU students indicate that they would like to start a business after graduation. Entrepreneurship is one of the most important methods of creating local jobs.

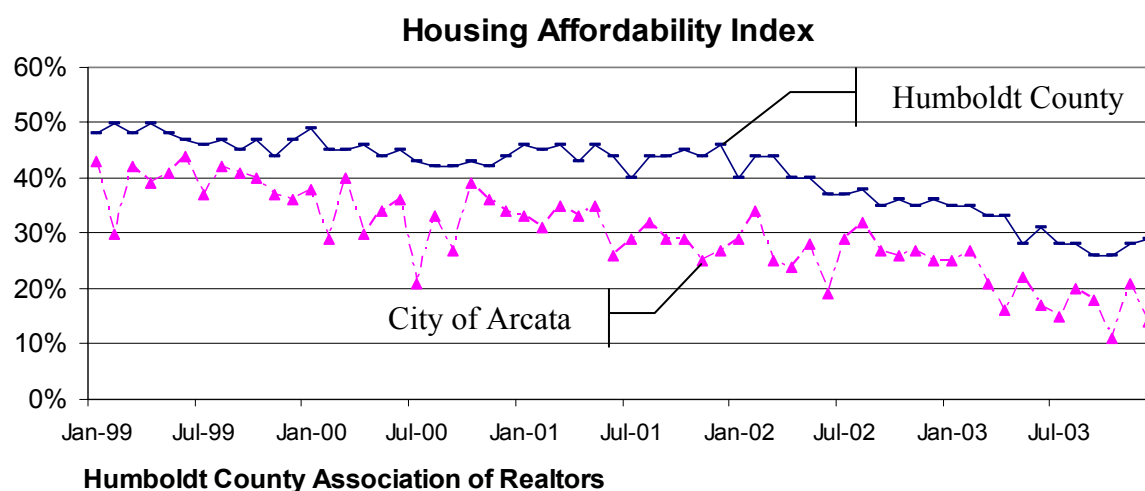
**Figure 1.2: Education Attainment of Arcata, Humboldt County, and California Population**



**Housing Affordability.** Many Arcata residents cannot afford to buy a home in Arcata. Housing affordability in Arcata, as measured by the Humboldt Association of Realtors Housing Affordability Index, is half that of the county as a whole (see Figure 1.3 below). The housing affordability index is expressed as the percentage of Arcata households with incomes sufficient to afford a median-priced Arcata home. While housing affordability deteriorated in both Arcata and Humboldt County between 1999 and 2003, the effect has been more acute in Arcata. In 1999, approximately 40 percent of Arcata households could afford the median-priced home in Arcata. By the end of 2003, only 14 percent of Arcata households could afford the median priced Arcata home, compared to 29 percent County-wide. A household income of approximately \$80,000 is required to purchase a median-priced home in Arcata.

This trend of increasing house prices could significantly impact economic development in the future. According to the City of Arcata Housing Element 2004, the average Arcata home is not affordable (i.e., housing cost is greater than 30 percent of household income) to four-person households in the extremely low, very low, low, or moderate income ranges. Unless local wages significantly increase and/or housing costs decrease, many local residents could be forced to leave the city to find affordable housing. Rising housing values could also eventually have an effect on the value of other (non-residential) land use categories, creating a difficult environment for business start-ups and expansions.

**Figure 1.3: Arcata and Humboldt County Housing Affordability Index**



### 1.5.2 Land Use Conditions

**Neighborhoods.** The following describes the 15 Arcata neighborhoods (see Figure 1.1) and the land use and demographic characteristics of each neighborhood. Neighborhoods are discussed under three main categories: residential, mixed, and commercial/industrial. The Arcata neighborhoods with the greatest economic development potential are described in greater detail (in table format) later in this chapter.



Figure1.1

# Arcata Economic Development Assets - Neighborhood Map

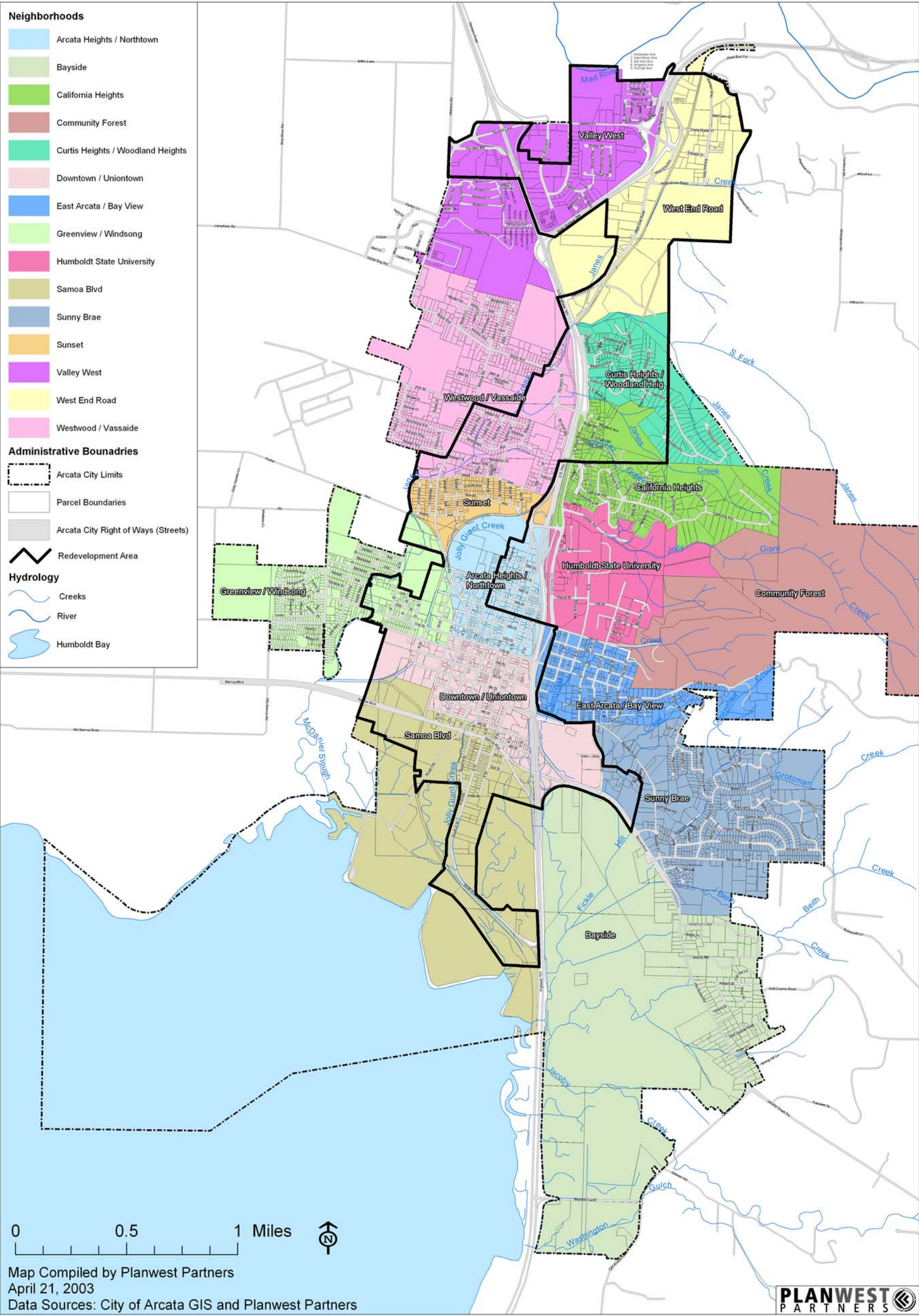






Table 1.1 below summarizes the characteristics of each Arcata neighborhood and identifies the neighborhoods with the greatest economic development potential.

### ECONOMIC DEVELOPMENT STRATEGIES NEIGHBORHOOD PRIORITIZATION MATRIX

NEIGHBORHOOD	Priority Neighborhood <sup>1</sup>	Existing Uses		Possible Vacant		Potential Underutilized		Brownfield Sites	Within RDA	Infrastructure Deficiency	Primarily Residential	Existing Neighborhood Center	City Gateway	Many Businesses	Many Jobs	Revenue Generators
		Industrial	Commercial	Industrial	Commercial	Industrial	Commercial									
Arcata Heights / Northtown	<b>N / C</b>		✓				✓		✓	<b>F</b>		✓	✓	✓✓	✓✓	✓✓
Bayside	<b>R</b>		✓				✓			<b>D</b>	✓					
California Heights	<b>R</b>								✓		✓					
Community Forest	<b>R</b>															✓
Curtis Heights Woodland Heights	<b>R</b>								✓		✓					
Downtown / Uniontown	<b>I / C</b>	✓	✓	✓	✓	✓	✓	✓	✓	<b>F</b>		✓	✓	✓✓✓	✓✓✓	✓✓✓
East Arcata / Bay View	<b>R / HSU</b>								✓		✓					
Greenview / Windsong	<b>I / C</b>	✓	✓	✓	✓	✓		✓	✓	<b>F, T, W</b>		✓		✓	✓	✓
Humboldt State University	<b>R / HSU</b>												✓		✓✓✓	✓✓
Samoa Blvd	<b>I / C</b>	✓	✓	✓	✓	✓	✓	✓	✓	<b>F, T</b>		✓	✓✓	✓✓	✓✓✓	✓✓
Sunny Brae	<b>N / C</b>		✓				✓		✓	<b>D</b>	✓	✓	✓	✓		✓
Sunset	<b>R</b>	✓		✓		✓			✓		✓					
Valley West	<b>I / C</b>	✓	✓	✓	✓	✓	✓		✓	<b>F, D, T</b>		✓	✓✓	✓✓✓	✓✓✓	✓✓✓
West End Road	<b>I / C</b>	✓	✓	✓		✓		✓	✓	<b>F, D, W</b>			✓	✓✓✓	✓✓✓	✓✓
Westwood / Vassaide	<b>R</b>	✓	✓	✓	✓	✓	✓	✓	✓	<b>T</b>	✓	✓				

<sup>1</sup> Priority Neighborhood Economic Development Strategies are divided into four categories:

- 1) Commercial and Industrial (I/C), where strategies are intended to strengthening industrial and commercial neighborhood characteristics.
- 2) Neighborhood Commercial (N/C), where economic development strategies strive to strengthen existing neighborhood commercial businesses.
- 3) Residential (R), where economic development strategies strengthen citywide and neighborhood housing and amenities.

<sup>2</sup> Infrastructure deficiencies are divided into the following categories:

- "F" Optical fiber or other broadband communications infrastructure solutions are required to support current and future commercial and industrial development.
- "D" DSL does not fully serve this Neighborhood and telecommunications upgrades must be made to allow DSL services to be extended to all households and businesses.
- "T" Transportation network improvements are required to improve Neighborhood interconnectivity or to improve the movement of truck traffic.
- "W" City utility (water or wastewater) improvements are required in order to address Neighborhood infrastructure deficiencies or to support buildout of vacant and underutilized parcels.

## ***Residential***

**Bayside.** The Bayside Neighborhood is the largest neighborhood in Arcata in terms of acreage, stretching from the Bayside Cutoff to Samoa Boulevard. This neighborhood contains mostly agricultural lands with residential lands of varying density located at the base of the hills along Old Arcata Road. All of the businesses located in this neighborhood are home-occupation related.

**California Heights.** The California Heights Neighborhood is located in the northeast portion of the city, adjacent to HSU. This neighborhood contains mostly residential uses, with several commercial uses along L.K. Wood Boulevard. This neighborhood is bounded by Janes Creek (north), the Community Forest (east), HSU (south), and U.S. Highway 101 (U.S. 101) (west).

**Community Forest.** The Community Forest Neighborhood is comprised of the 600 acre City Forest and nearby low density residential lands. This neighborhood is bounded by Jolly Giant Creek and the city boundary (north, west, and south), HSU (west), and Fickle Hill Road (south). The Community Forest Neighborhood is the headwaters of many Arcata streams. The Community Forest Neighborhood is also the home of Redwood Park.

**Curtis Heights-Woodland Heights.** The Curtis Heights - Woodland Heights Neighborhood is an all residential neighborhood located in the northeastern hills of Arcata. The boundaries of this neighborhood include U.S. 101 (west), South Fork Janes Creek, (north and south), and the city boundary (east). This neighborhood contains a few apartment buildings along L.K. Wood and is zoned low-density residential throughout the remainder.

**East Arcata-Bayview.** The East Arcata-Bay View Neighborhood is almost entirely residential and contains a traditional street grid, with older Victorian-style houses in the flats and newer homes along Fickle Hill Road above. This neighborhood is bounded by HSU (north), U.S. 101 (west), the city boundary (east), and 7th Street (south).

**Sunset.** The Sunset Neighborhood is located in the north end of central Arcata. This neighborhood's boundaries are U.S. 101 (east); Grant Avenue (north), the city boundary (west) and railroad right-of-way (south). The Sunset Neighborhood is almost entirely residential, but contains some notable vacant residential lands. This neighborhood offers excellent HSU and Northtown access, via Arcata's main east-west connector, Sunset Avenue.

## ***Mixed***

**Arcata Heights-Northtown.** The Arcata Heights-Northtown Neighborhood is located in central Arcata, just north of downtown. This neighborhood is bounded by Jolly Giant Creek (north, west), U.S. 101 (east) and 11th Street (south). This neighborhood contains a wide range of uses, including historic homes, restaurants, cafes, and businesses, and a museum (the Humboldt State University Natural History Museum). High-density residential areas surround the commercial area. This neighborhood is second only to the commercial Downtown-Uniontown Neighborhood in terms of the number of businesses.

**Greenview-Windson.** The Greenview-Windson Neighborhood contains both new and older residential areas on the city's west side, and light industrial and general commercial towards the east. This neighborhood is bounded by the city limits (north and west), Alliance Road and "L" Street (east), and 10th Street and the city boundary (south). Like the other

neighborhoods located on the west side of Arcata, Greenview-Windsong forms an edge between urban development and the agricultural bottom lands.

**Sunny Brae.** The Sunny Brae Neighborhood is located in the southwest portion of central Arcata. This neighborhood's boundaries include the city boundary (east), Fickle Hill (north), Union Street/Samoa Blvd (west) and Anderson Lane (south). The Neighborhood contains a variety of community-level retail establishments ranging from hardware to grocery stores.

**Westwood-Vassaide** The Westwood-Vassaide Neighborhood is located in the northwest portion of Arcata and has the largest population of any Arcata neighborhood. This neighborhood's boundaries are U.S. 101 (east); the Valley West Neighborhood (north), the city boundary (west) and Grant Avenue (south). This neighborhood is characterized by its corner markets, single family residences, and agricultural lands. Most businesses in are located along Alliance Road, which is Arcata's primary north-south arterial.

**Humboldt State University.** The Humboldt State University Neighborhood is located on the west side of the City of Arcata; and bordered by the Community Forest (north), California Avenue (north), U.S. 101 (west), and 14<sup>th</sup> Street (south). This neighborhood includes diverse architecture, open space, and recreational opportunities. Humboldt State University is the largest employer in the city and an important countywide economic engine.

### ***Commercial / Industrial***

**Downtown-Uniontown.** The Downtown-Uniontown Neighborhood is Arcata's core and the heart of the city's central business district. This neighborhood is bounded by 11th Street (north), U.S. 101 (east), city boundary (west), and 5th Street (south). The focal point of the Downtown-Uniontown Neighborhood is the Arcata Plaza and surrounding businesses to the east, and the old creamery building to the west. This neighborhood contains most of the city's businesses and generates the bulk of the of the city's sales tax.

**Samoa Boulevard.** The Samoa Boulevard Neighborhood is located south of downtown Arcata. This neighborhood's boundaries are U.S. 101 (east), 5th Street (north), and the city boundary (west and south). Samoa is one of the prominent gateways to Arcata's downtown from U.S. 101, contains the Arcata Marsh and Wildlife Sanctuary, and is the city's oldest industrial area. This neighborhood also contains substantial opportunities for additional larger scale development.

**Valley West.** The Valley West Neighborhood is located at the northernmost tip of the City of Arcata east and west of U.S 101 and north of State Route 299 (S.R. 299). This neighborhood's boundaries are S.R. 299 (east and south); the city boundary (north and west), and Palomino Lane (south). Valley West is characterized by the Valley West Shopping Center and the highway-commercial related business located nearby, such as formula restaurants and the Arcata Welcome Center. Valley West contains the second highest amount of vacant commercial and industrial land, and the third highest amount of underutilized land in the City of Arcata.

**West End Road.** The West End Road Neighborhood is one of two predominantly industrial Arcata neighborhoods. This neighborhood is located in the far northeastern corner of the city and is bounded by the S.R. 299 (west), city boundary (north and east), and the South Fork of Janes Creek (south). West End Road contains the majority of the vacant and underutilized industrial and commercial land in the city.

**Land Use.** Land designated for residential uses makes up 32 percent of Arcata land, compared to land designated for commercial and industrial uses, which makes up only 13 percent. The remaining Arcata land is designated for agricultural uses (25 percent), natural resources (20 percent), and public facilities (10 percent). Agricultural and natural resource land conservation is a high priority to the citizens of Arcata and will continue to contribute to both quality of life and economic development potential. Given that a relatively small portion of Arcata land is designated for industrial and commercial purposes, it is important that the City maximize the use of these available lands for their designated uses and not encourage conversion to other uses.

Commercial uses are found in nine of the 15 Arcata neighborhoods, with most concentrated in three neighborhoods. Based on the General Plan: 2020, the neighborhood with the largest share of land designated for commercial uses is Valley West, followed by Downtown, with Arcata Heights-Northtown a distant third. Eight of the 15 neighborhoods have some industrial zoning, and this is highly concentrated in West End Road, which has over 75 percent (or 222) of its 293 acres zoned industrial. Samoa Boulevard Neighborhood has about 112 acres zoned industrial. Valley West and Downtown also have approximately 40 and 50 acres of industrial zoning, respectively.

Arcata has 150 acres of vacant commercial and industrial land, most of which is zoned industrial, and over 130 acres of underutilized land. Most of the vacant industrial land is in the West End Road Neighborhood (over 70 acres), with Valley West and Samoa Boulevard Neighborhoods also having significant portions. Most of the city's vacant commercial land is in Valley West, which has less than 10 acres.

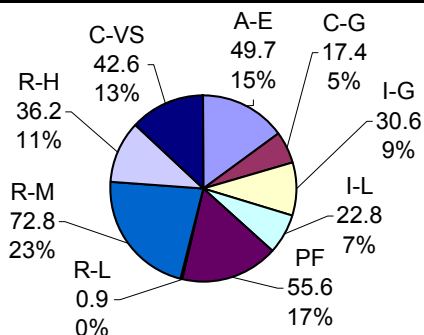
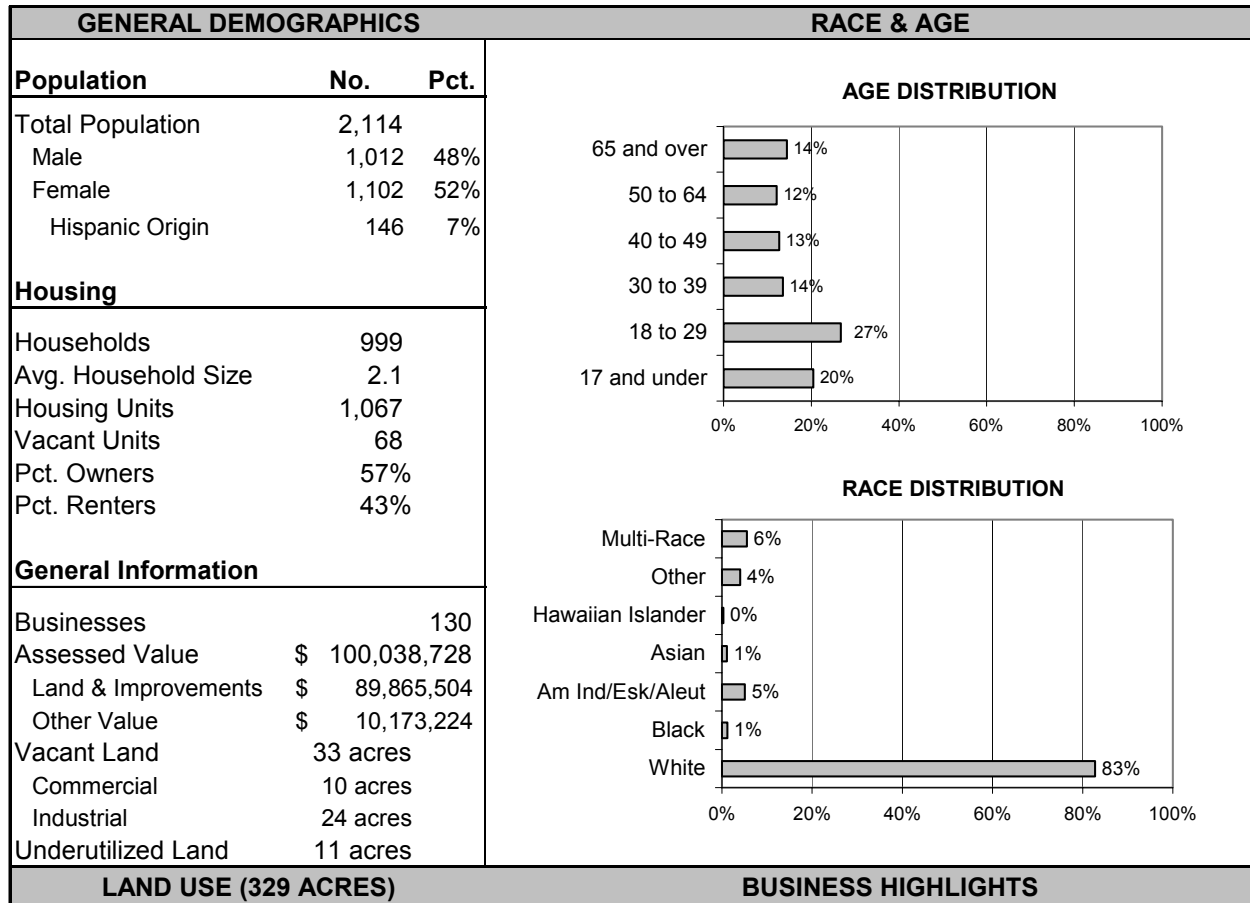
**Public Facilities.** Arcata's infrastructure systems are largely in place. Arcata has adequate water, wastewater and stormwater systems, with water supply projected to exceed demand through 2020. Arcata's street grid is almost fully established, with improvements slated that will improve system performance without creating major new roads. However, certain roads and road segments are needed to enable accessing vacant or underutilized parcels.

Arcata's utility network, including power, phone and cable television, is largely in place. The City is in the process of removing above-ground utility poles and placing them underground in the Downtown Underground Utility District. Formation of another district will be considered this year.

Portions of Arcata lack broadband telecommunications access. The West End Road and Valley West Neighborhoods do not have access to digital subscriber line (DSL – inexpensive high-speed Internet service). The lack of DSL can limit business and job growth in these neighborhoods, as high-speed Internet can improve productivity and increase the ability of local businesses to reach out to customers outside of the area. SBC Communications is planning to extend service to these two neighborhoods, but does not have plans to provide service to Bayside or the city's eastern hills as this is considered cost prohibitive.

## VALLEY WEST NEIGHBORHOOD

The Valley West Neighborhood is located at the northern most tip of the City of Arcata east and west of U.S 101 and north of S.R. 299. This neighborhood's boundaries are S.R. 299 (east and south); and the City boundary (north and west), and Palomino Lane (south). Valley West is characterized by the Valley West Shopping Center and the highway commercial related business located nearby, such as formula restaurants and the Arcata Welcome Center. Valley West contains the second highest amount of vacant commercial and industrial land, and the third highest amount of underutilized land in the City of Arcata.



- The prominent businesses and employers located in the Valley West Neighborhood include Mad River Hospital, the United Indian Health Services Potawat Health Village, and the numerous federal agencies located on Heindon Road.

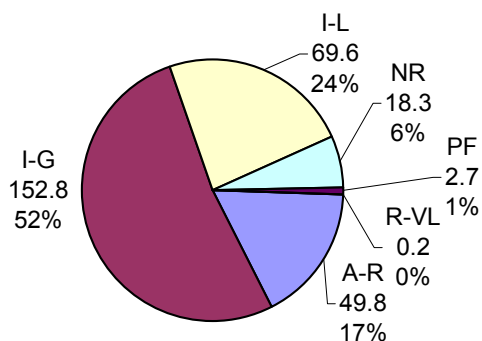
- The Valley West Shopping Center and the Northcoast Inn generate significant sales and use tax and transient occupancy tax for the City of Arcata

- Other notable activities include: the Mad River, Mad River Beach, and the California Welcom Center.

## WEST END ROAD NEIGHBORHOOD

The West End Road Neighborhood is one of two predominantly industrial Arcata neighborhoods. This neighborhood is located in the far northeastern corner of the City and is bounded by the S.R. 299 (west), City boundary (north and east), and the South Fork of Janes Creek (south). West End Road contains the most vacant and underutilized industrial and commercial land in the City.

GENERAL DEMOGRAPHICS			RACE & AGE	
<b>Population</b>	<b>No.</b>	<b>Pct.</b>	<b>AGE DISTRIBUTION</b>	
Total Population	67			
Male	22	33%		
Female	45	67%		
Hispanic Origin	13	19%		
<b>Housing</b>				
Households	5			
Avg. Household Size	13.4			
Housing Units	6			
Vacant Units	1			
Pct. Owners	40%			
Pct. Renters	60%			
<b>General Information</b>			<b>RACE DISTRIBUTION</b>	
Businesses	89			
Assessed Value	\$ 24,324,374			
Land & Improvements	\$ 22,311,474			
Other Value	\$ 2,012,900			
Vacant Land	71 acres			
Commercial	0 acres			
Industrial	71 acres		<b>LAND USE (293 ACRES)</b>	
Underutilized Land	57 acres		<b>BUSINESS HIGHLIGHTS</b>	



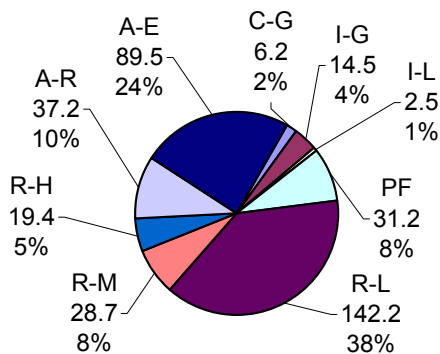
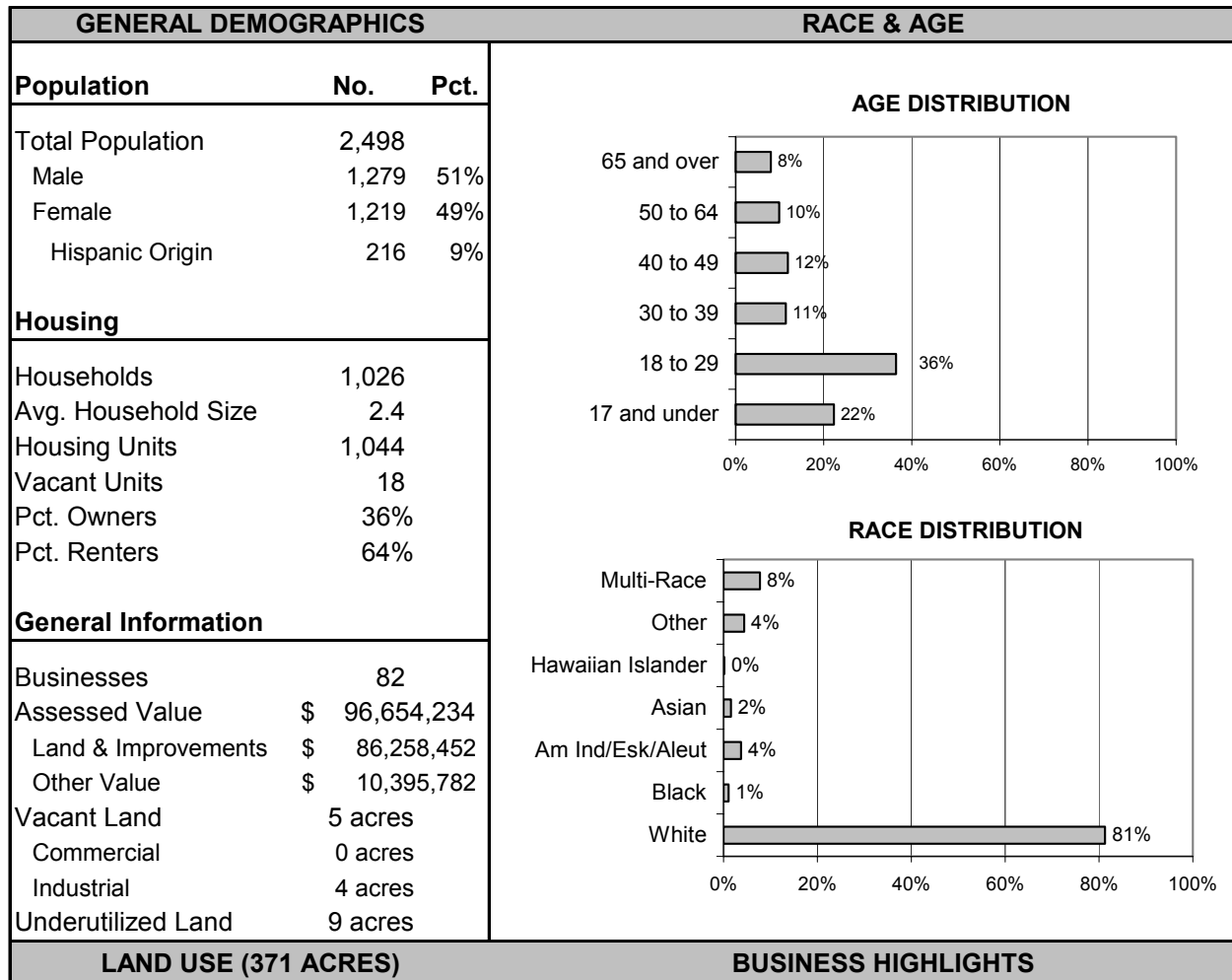
- The West End Road Neighborhood is located adjacent to two major highways (101 and 299), making it ideal for industries that rely on transportation.

- The key industries located in the Aldergrove neighborhood include trucking (Joe Costa and Wayne Bare Trucking), Wood Products (Humboldt Flakeboard), Food Products (Foodworks Incubator, Tofu Shop), and Other Manufacturing (Kokotat, Amulet Industries).



## WESTWOOD - VASSAIDE NEIGHBORHOOD

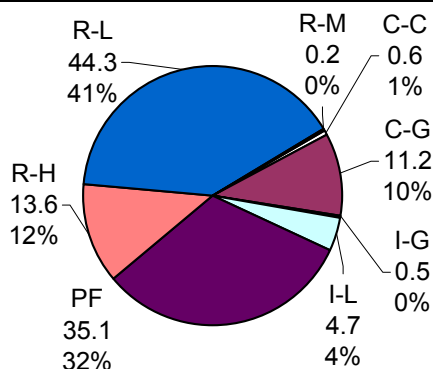
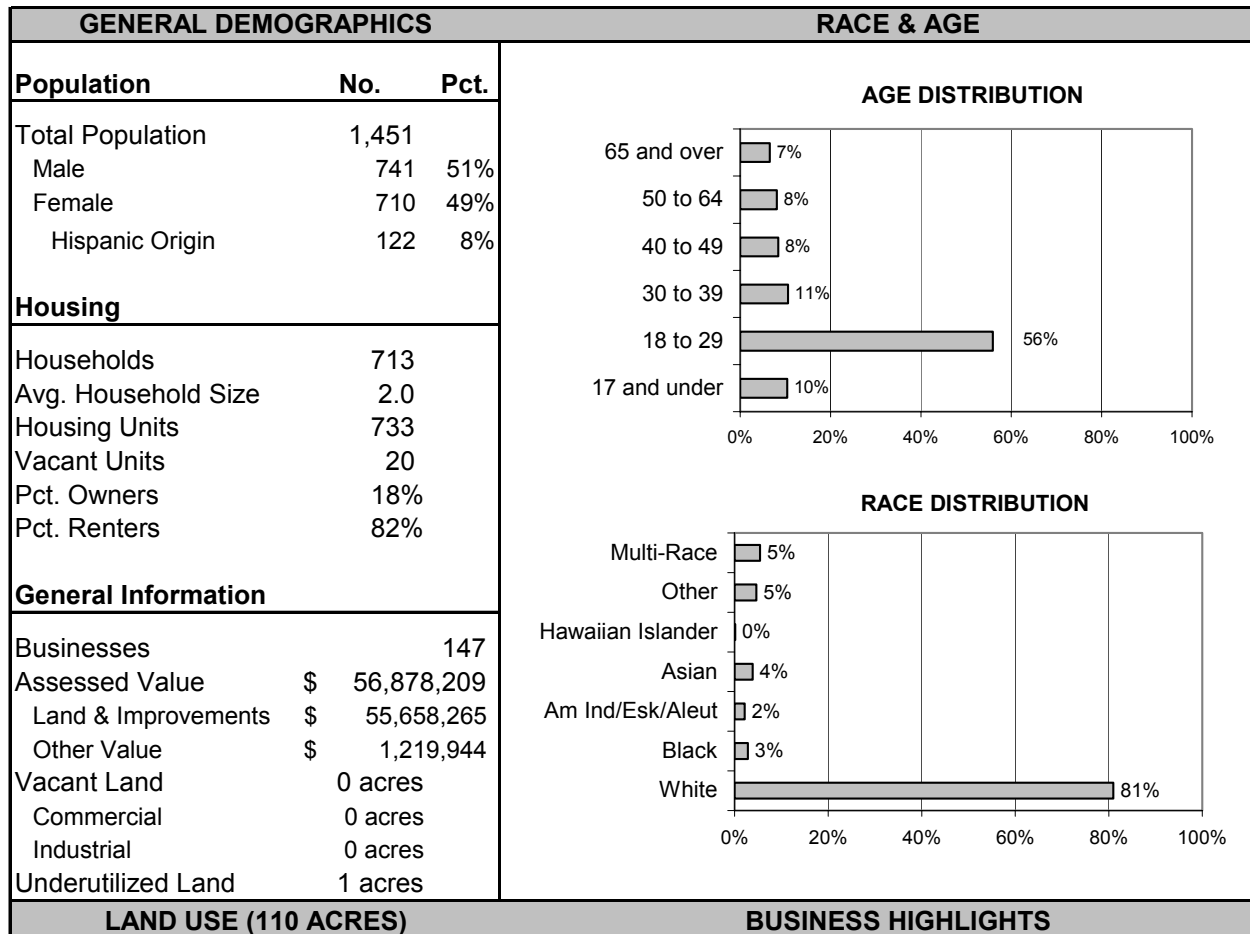
The Westwood-Vassaide Neighborhood is located in the northwest portion of Arcata and has the largest population of any Arcata neighborhood. This neighborhood's boundaries are U.S. 101 (east); the Valley West Neighborhood (north), the city boundary (west) and Grant Avenue (south). This neighborhood is characterized by its corner markets, single family residences, and agricultural lands. Most businesses in this neighborhood are located along Alliance Road, which is the primary north-south arterial in Arcata.



- The prominent businesses and employers located in the Westwood-Vassaide Neighborhood include the Pacific Union and Sunset Schools and the Westwood Market along Alliance Road.

## ARCATA HEIGHTS - NORTHTOWN NEIGHBORHOOD

The Arcata Heights - Northtown Neighborhood is located in central Arcata, just north of downtown. This neighborhood is bounded by Jolly Giant Creek (north, west), U.S. 101 (east) and 11th Street (south). This neighborhood contains a wide range of uses, including historic homes, restaurants and cafes, and businesses as well as the Humboldt State University Natural History Museum. This neighborhood is second only to Downtown - Uniontown in terms of commercial activity

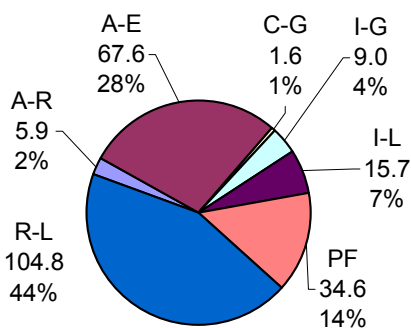


- Notable businesses in the Arcata Heights - Northtown Neighborhood include Wildberries Market Place, Kinkos, Life Cycle and Revolution Bikes, and the many and varied restaurants along "G" Street.
- The Arcata Heights-Northtown Neighborhood is within close walking distance of HSU. As a result, businesses in this neighborhood are regularly frequented by students and staff.

## GREENVIEW - WINDSONG NEIGHBORHOOD

The Greenview-Windsong Neighborhood contains both new and older residential areas on the city's west side, and light industrial and general commercial towards the east. This neighborhood is bounded by the city limits (north and west), Alliance Road and "L" Street (east), and 10th Street and the city boundary (south). Like the other neighborhoods located on the west side of Arcata, Greenview-Windsong forms an edge between urban development and the agricultural bottom lands.

GENERAL DEMOGRAPHICS			RACE & AGE	
<b>Population</b>	<b>No.</b>	<b>Pct.</b>	<b>AGE DISTRIBUTION</b>	
Total Population	1,501			
Male	722	48%		
Female	779	52%		
Hispanic Origin	71	5%		
<b>Housing</b>			<b>RACE DISTRIBUTION</b>	
Households	610			
Avg. Household Size	2.5			
Housing Units	618			
Vacant Units	8			
Pct. Owners	56%			
Pct. Renters	44%			
<b>General Information</b>				
Businesses	72			
Assessed Value	\$ 64,039,941			
Land & Improvements	\$ 63,954,461			
Other Value	\$ 85,480			
Vacant Land	12 acres			
Commercial	1 acres			
Industrial	11 acres			
Underutilized Land	3 acres			
<b>LAND USE (239 ACRES)</b>			<b>BUSINESS HIGHLIGHTS</b>	



- Prominent businesses in this neighborhood include Arcata Do It Best Lumber, Brio Bread Works, and the Greenview Market.

## HUMBOLDT STATE UNIVERSITY NEIGHBORHOOD

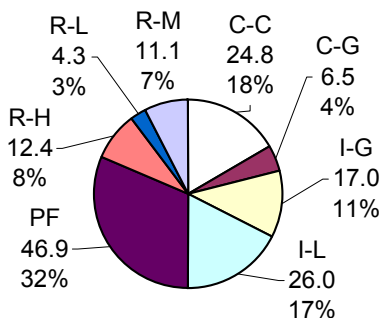
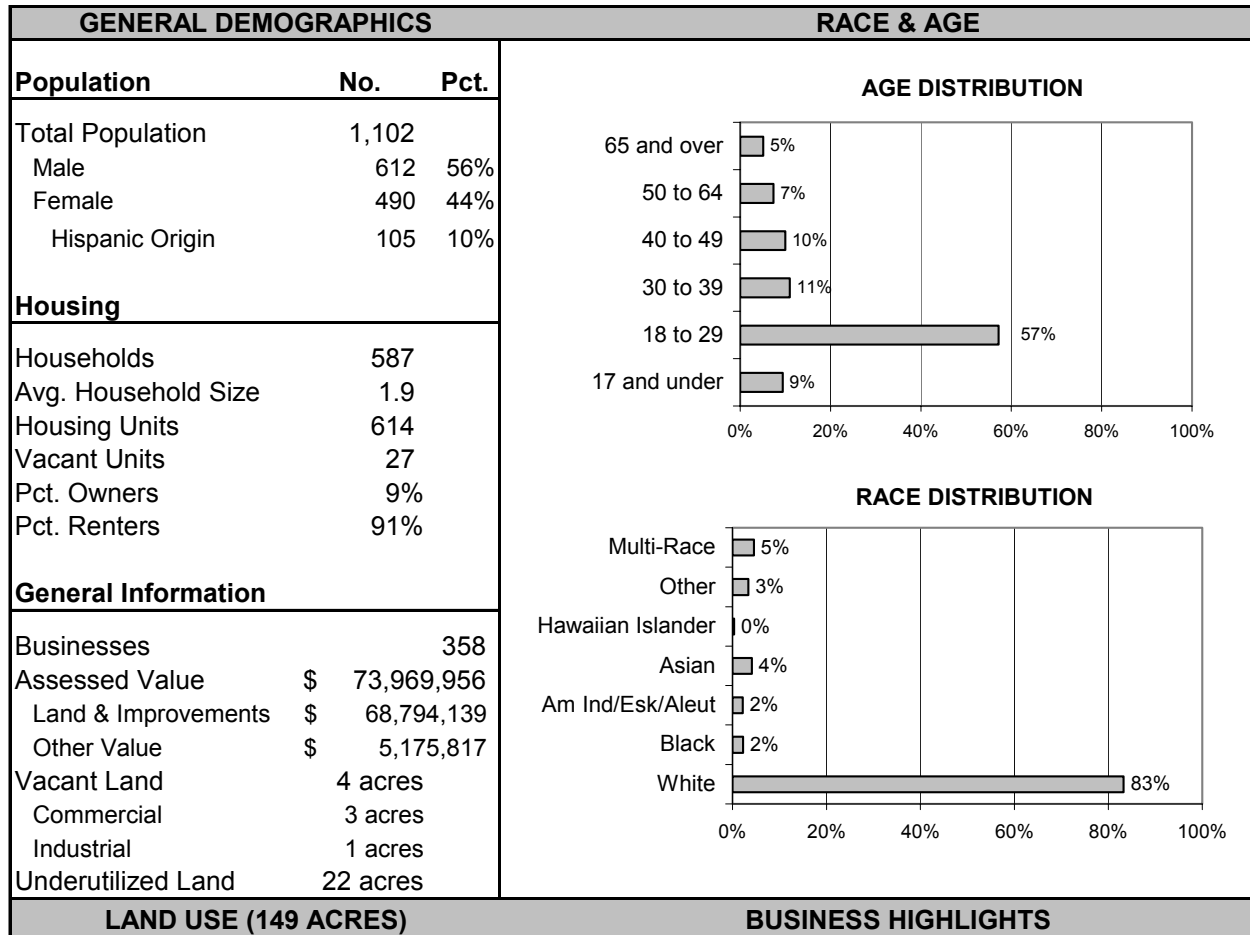
The Humboldt State University Neighborhood is located on the west side of the City of Arcata. This neighborhood's boundaries are the Community Forest (north), California Avenue (north), U.S. 101(west), and 14th Street (south). Humboldt State University is the largest employer in the City and an important County wide economic engine.

GENERAL DEMOGRAPHICS			RACE & AGE		
Population		No.	Pct.	AGE DISTRIBUTION	
Total Population		823		65 and over 2%	
Male		372	45%	50 to 64 1%	
Female		451	55%	40 to 49 2%	
Hispanic Origin		146	18%	30 to 39 2%	
Housing				18 to 29 91%	
Households		154		17 and under 1%	
Avg. Household Size		5.3			
Housing Units		165			
Vacant Units		11			
Pct. Owners		8%			
Pct. Renters		92%			
General Information			RACE DISTRIBUTION		
Businesses		7	Multi-Race 4%		
Assessed Value		\$ 9,353,428	Other 2%		
Land & Improvements		\$ 9,353,428	Hawaiian Islander 0%		
Other Value		\$ -	Asian 4%		
Vacant Land		0 acres	Am Ind/Esk/Aleut 1%		
Commercial		0 acres	Black 4%		
Industrial		0 acres	White 85%		
Underutilized Land		0 acres			
LAND USE (172 ACRES)			BUSINESS HIGHLIGHTS		

- Humboldt State University recently previewed its updated Master Plan. The administration expects that enrollment will grow to 12,000 by 2040.
- HSU also represents an important source of sales tax revenue for the City and a predictable market for retailers and restaurants.

## DOWNTOWN-UNIONTOWN NEIGHBORHOOD

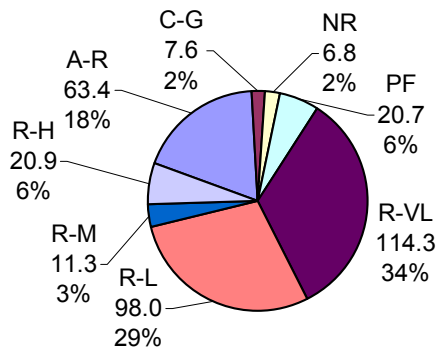
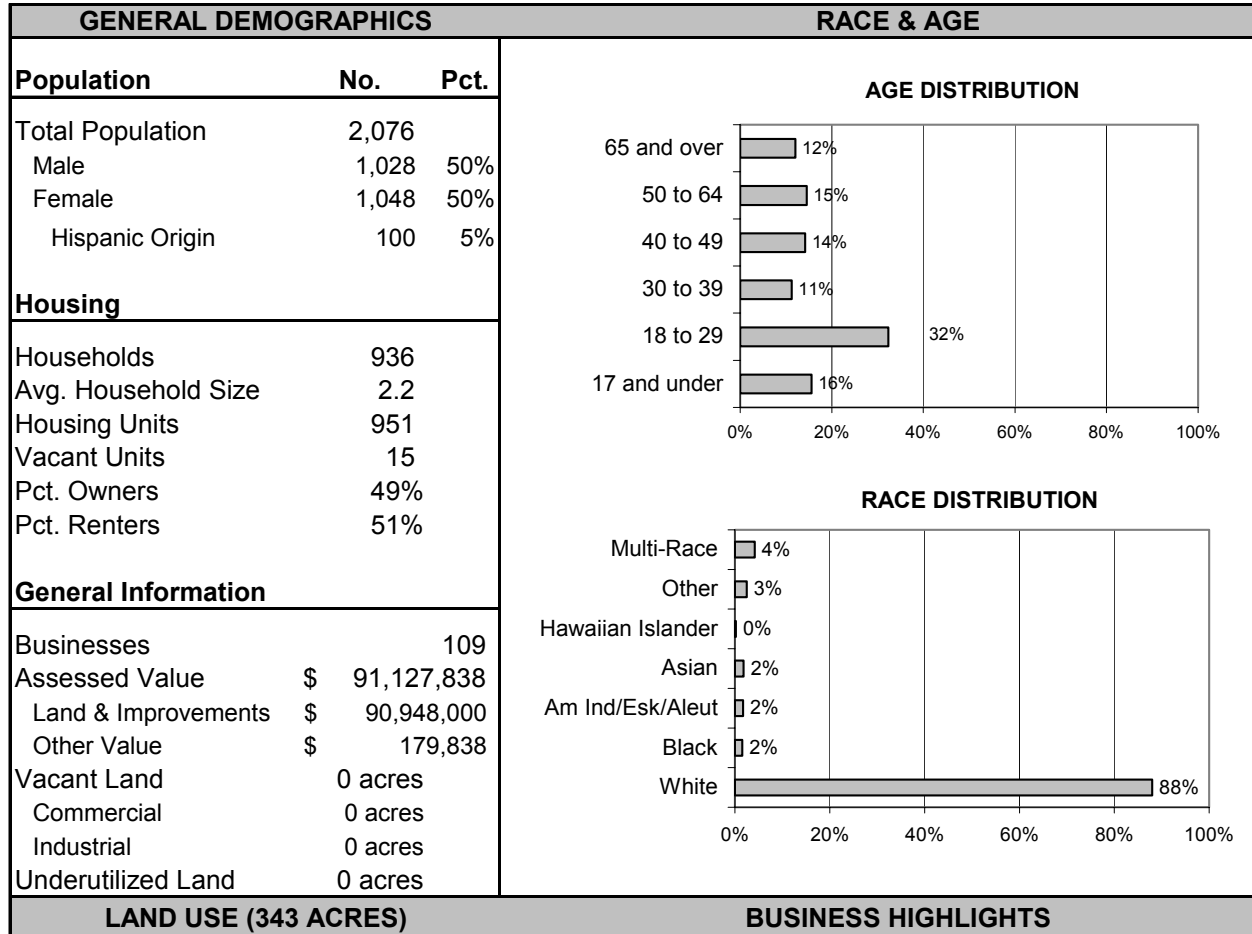
The Downtown - Uniontown Neighborhood is Arcata's core and the heart of the City's central business district. This neighborhood is bounded by 11th Street (north), U.S. 101 (east), City boundary (west), and 5th Street (south). The focal point of the Downtown - Uniontown Neighborhood is the Arcata Plaza and its surrounding businesses. This neighborhood contains most of the City's businesses and generates the bulk of the City's Sales Tax.



- Prominent employers in the Downtown-Uniontown Neighborhood include Internews, the Northcoast Arcata Co-op, the Uniontown Shopping Center, and the Arcata Community Center.
- Important features of this neighborhood include the Plaza and the numerous annual events held there, the intermodal transit facility, Crabs Field, and the many historic buildings of Arcata's downtown.

## SUNNY BRAE NEIGHBORHOOD

The Sunny Brae Neighborhood is located in the southwest portion of central Arcata. This neighborhood's boundaries include the City boundary (east), Fickle Hill (north), Union Street/Samoa Blvd (west) and Anderson Lane (south). The Sunny Brae Neighborhood contains a variety of community level retail establishments ranging from hardware to grocery.



- Sunny Brae Center is the focal point of this neighborhood's business district.

### **1.5.3 Business and Employment Conditions**

Humboldt State University is the major employer in Arcata (see Table 1.3), comprising 16.7 percent of Arcata's total employment. HSU, along with the K-12 school districts, Mad River Hospital and other healthcare employers, make up the "Education and Health Services" category (Employment Development Department employment category), which comprises 19 percent of total employment in Arcata. HSU's 1,450 jobs account for most of the jobs in this category. By comparison, Education and Health Services industry represents only 12 percent of Humboldt County employment (half of the Humboldt County jobs in this industry are in Arcata) and 10 percent statewide.

Arcata also displays strong employment in "Manufacturing" with 12 percent of its total employment in this industry, compared to 8 percent in the County (Arcata claims approximately 25 percent of Countywide manufacturing-related employment) and 11 percent statewide.

Other than Education and Health Services and Manufacturing, Arcata lags behind both the state and the county in jobs in almost all other industry categories. It is notable that Arcata has low retail employment compared to the rest of the county.

Table 1.3 displays the top 20 employers in Arcata. Arcata's largest employers are distributed throughout the city. HSU is the largest on the city's east side. The Mad River Community Hospital, United Indian Health Service, and Joe Costa Trucking are the largest in the north. Watermark and Tomas Jewelry are the largest in the west, and Healthsport is the largest employer in the Downtown and Northtown areas, which are otherwise dominated by small businesses.

The following table lists the number of business establishments in Arcata, sorted by the number of people each business employs. Based on Dunn and Bradstreet data (2003), 93 percent of all businesses in Arcata have less than 20 employees. Approximately 73 percent of Arcata businesses have less than five employees and would therefore be classified as "micro-businesses."

**Table 2.1. Arcata Businesses by Number of Employees**

<b>Number of Employees</b>	<b>Number of Businesses</b>	<b>Percent of All Arcata Businesses</b>
1 to 4	652	73%
5 to 9	116	13%
10 to 19	65	7%
20 to 99	57	6%
100 to 499	6	1%
500 to 1000	2	0.2%

Source: Dunn and Bradstreet, 2003.

Arcata employment, aside from HSU employment, is distributed among small businesses ranging from health and public administration (40 percent of Arcata employment) to small manufacturers (7 percent). Based on the City of Arcata Business License Tax database, the business categories having the most Arcata businesses are home-occupation related (197), rental residential (155), manufacturing (74), barber/beauty (53), eating places (46), medical (45), and personal services (44).

**Table 1.3 Comparison of Employment by Industry (2002)**

Business Type	Arcata		Hum Co		California	
	Emp	% of Total	Emp	% of Total	Emp	% of Total
<b>Total Wage and Salary</b>	<b>8,683</b>	<b>100%</b>	<b>50,200</b>	<b>100%</b>	<b>14,852,600</b>	<b>100%</b>
<b>Total Farm</b>	<b>288</b>	<b>3%</b>	<b>1,100</b>	<b>2%</b>	<b>376,100</b>	<b>3%</b>
<b>Total Nonfarm</b>	<b>8,395</b>	<b>97%</b>	<b>49,000</b>	<b>98%</b>	<b>14,476,500</b>	<b>97%</b>
Total Private	7,943	91%	35,600	71%	12,028,400	81%
Goods Producing	1,358	16%	6,400	13%	2,436,900	16%
<i>Natural Resources &amp; Mining</i>	25	0%	400	1%	23,100	0%
<i>Construction</i>	274	3%	1,900	4%	772,600	5%
<i>Manufacturing</i>	<i>1,059</i>	<i>12%</i>	<i>4,100</i>	<i>8%</i>	<i>1,641,200</i>	<i>11%</i>
Durable Goods	772	9%	3,000	6%	1,055,100	7%
Wood Product Manufacturing	179	2%	2,400	5%	40,700	0%
Residual-Misc Manufacturing	593	7%	600	1%	1,014,400	7%
Nondurable Goods	287	3%	1,100	2%	586,100	4%
Food Man & Beve & Tobacco	105	1%	600	1%	155,600	1%
Residual-Textile Mills	182	2%	500	1%	430,500	3%
Service Providing	7,037	81%	42,600	85%	12,039,600	81%
<i>Trade, Transportation &amp; Utilities</i>	<i>1,332</i>	<i>15%</i>	<i>9,700</i>	<i>19%</i>	<i>2,730,500</i>	<i>18%</i>
Wholesale Trade	368	4%	1,000	2%	651,500	4%
<i>Retail Trade</i>	<i>693</i>	<i>8%</i>	<i>7,400</i>	<i>15%</i>	<i>1,583,200</i>	<i>11%</i>
Food and Beverage Stores	150	2%	1,800	4%	317,400	2%
General Merchandise Stores	40	0%	800	2%	242,200	2%
Residual-Misc Store Retailers	503	6%	4,800	10%	1,023,600	7%
Transport, Warehousing & Utils	271	3%	1,400	3%	495,700	3%
<i>Information</i>	<i>182</i>	<i>2%</i>	<i>600</i>	<i>1%</i>	<i>498,000</i>	<i>3%</i>
<i>Financial Activities</i>	<i>229</i>	<i>3%</i>	<i>2,000</i>	<i>4%</i>	<i>849,900</i>	<i>6%</i>
Finance and Insurance	68	1%	1,300	3%	580,200	4%
Real Est and Rental & Leasing	161	2%	600	1%	269,700	2%
<i>Professional &amp; Business Services</i>	<i>636</i>	<i>7%</i>	<i>3,300</i>	<i>7%</i>	<i>2,126,000</i>	<i>14%</i>
<i>Educational &amp; Health Services</i>	<i>1,625</i>	<i>19%</i>	<i>6,200</i>	<i>12%</i>	<i>1,499,600</i>	<i>10%</i>
<i>Leisure and Hospitality</i>	<i>867</i>	<i>10%</i>	<i>5,400</i>	<i>11%</i>	<i>1,381,800</i>	<i>9%</i>
Food Servs & Drinking Places	536	6%	3,900	8%	961,700	6%
Residual-Arts, Ent, & Rec	331	4%	1,500	3%	420,100	3%
<i>Other Services</i>	<i>264</i>	<i>3%</i>	<i>2,000</i>	<i>4%</i>	<i>505,700</i>	<i>3%</i>
<i>Government</i>	<i>1,902</i>	<i>22%</i>	<i>13,400</i>	<i>27%</i>	<i>2,448,100</i>	<i>16 %</i>
Federal Government	228	3%	900	2%	254,100	2%
State and Local Government	1,674	19%	12,600	25%	2,194,000	15%
State Government	1,494	17%	3,300	7%	472,000	3%
State Government Education	1,450	17%	2,000	4%	208,200	1%
Other State Government	44	1%	1,300	3%	263,800	2%
Local Government	180	2%	9,200	18%	1,722,000	12%

Source: California and Humboldt County employment by industry from California Employment Development Department - Labor Market Division (Annual Averages), Arcata employment by industry from Dunn & Bradstreet. To assist in comparisons between jurisdictions, employment for each industry is displayed as a percent of total employment for that jurisdiction.



**Table 1.4: Major Arcata Employers 2002**

<b>Company Name</b>	<b>Neighborhood</b>	<b>Industry</b>	<b>Jobs</b>	<b>Size*</b>
<b>Public Sector</b>				
Humboldt State University	Humboldt State University	Education	1,450	very large
City of Arcata	Downtown – Uniontown	Government	180	medium
Arcata Elementary School District	Various	Education	131	medium
US Fish & Wildlife	Valley West	Government	58	medium
Pacific Union School District	Westwood – Vassaide	Education	55	medium
<b>Private Sector</b>				
Mad River Community Hospital	Westwood - Vassaide	Health Services	500	Large
Watermark Paddlesports Inc	Downtown - Uniontown	Manufacturing	250	Large
Tomas Jewelry	Downtown - Uniontown	Jewelry Wholesale	165	Medium
Healthsport-Arcata	Downtown – Uniontown	Recreation	110	Medium
Kokatat Inc	West End Road	Manufacturing	100	Medium
Joe Costa Trucking	West End Road	Transportation	81	Medium
Northern Cal Log Scaling	Downtown – Uniontown	Information	77	Medium
Open Door Community Hlth Ctrs	Arcata Heights – Northtown	Health Services	70	Medium
Humboldt Flakeboard Panels	West End Road	Manufacturing	67	Medium
USFS Redwood Sciences	Humboldt State University	Government	65	Medium
Danco Builders	West End Road	Construction	60	Medium
Bettendorf Enterprises Inc	West End Road	Transportation	60	Medium
Abruzzi Catering	Downtown - Uniontown	Food Service	60	Medium
Northcountry Clinic	Arcata Heights – Northtown	Health Services	55	Medium
Holly Yashi	Downtown - Uniontown	Manufacturing	54	Medium
AMG Data Services	West End Road	Information	50	Medium
				Medium

Source: Dunn & Bradstreet, Planwest Partners.

Based on recent announcements by HSU that enrollment will increase by approximately 4,500 students over the next 30 years (150 students per year), HSU employment will likely increase in the future. HSU, which is not immune to the current State fiscal condition, also recently announced that approximately 1.5 percent of total full time staff will be laid off due to budget reductions. The Arcata

economy is reliant on HSU; until the city's economy is sufficiently diversified, it will continue to be subject to HSU's growth fluctuations, both when it expands and contracts.

#### ***1.5.4 City Fiscal Conditions***

Like the rest of California, the City of Arcata is in the midst of a serious fiscal crisis. To deal with its deficit condition, the State has increased the portion of local property tax revenue that is allocated to schools and has decreased the amount of property tax and other aid to cities and counties, such as vehicle license fees and reimbursements for state mandated programs. This reapportionment puts additional pressure on local government and increases the need for local economic development and local tax revenue. The impact of these reductions to the City's 2004-05 budget is approximately \$434,000.

The City of Arcata relies on the following local taxes to fund local services: sales and use tax, property tax, transient occupancy tax, utility users tax, franchise tax, and business license tax. With the exception of the Franchise Tax, which is a tax on utility service providers for the privilege of operating within the City, revenue from all of the other taxes reflects to some degree economic activity within the City of Arcata. The following is a summary of trends regarding the most important local taxes to the City of Arcata.

**Sales Tax.** Retail sales of tangible personal property in California are generally subject to sales tax. Examples of tangible personal property include furniture, giftware, toys, antiques, and clothing. Some service and labor costs are also subject to sales tax if they result in the creation of tangible personal property. Cities and counties receive a portion of the sales and use tax revenue generated within their jurisdiction (one percent of the value of total taxable transactions). As a result, sales tax is one of the most important sources of local revenue for cities.

Arcata's sales tax revenue per resident is significantly below that of Eureka and also significantly below the State of California. Total annual taxable transactions per resident in Arcata were \$8,931, compared to \$26,235 in Eureka, and \$13,158 statewide. The statewide taxable transaction per capita figure is often used as a benchmark from which to gauge the performance of a community. Based on the statewide benchmark, Eureka draws sales from other communities and Arcata less so. Total sales tax revenue for the City of Arcata in 2003, when corrected for inflation, is approximately 12 percent lower than sales tax in 1992.

There are some bright spots with respect to retail sales in Arcata. Food stores in Arcata (whose taxable sales equaled \$1,008 per capita) perform significantly better than the statewide average (\$561 per capita), and almost as well as Eureka (\$1,047 per capita), which has two very large discount food stores). The North Coast Cooperative-Arcata Store (Arcata Co-op) and Wildberries Market are unique establishments that attract customers from outside the city. Arcata eating and drinking establishments also perform better than the State as a whole, but still lag behind the City of Eureka.

**Property Tax.** Proposition 13, passed in 1978, severely limited property tax as a source of revenue for local government. Prior to 1978, property tax was the single largest contributor to General Fund revenue. Now property tax makes up only about eight percent of Arcata General Fund revenue. However, property tax remains the most important revenue source to the Arcata

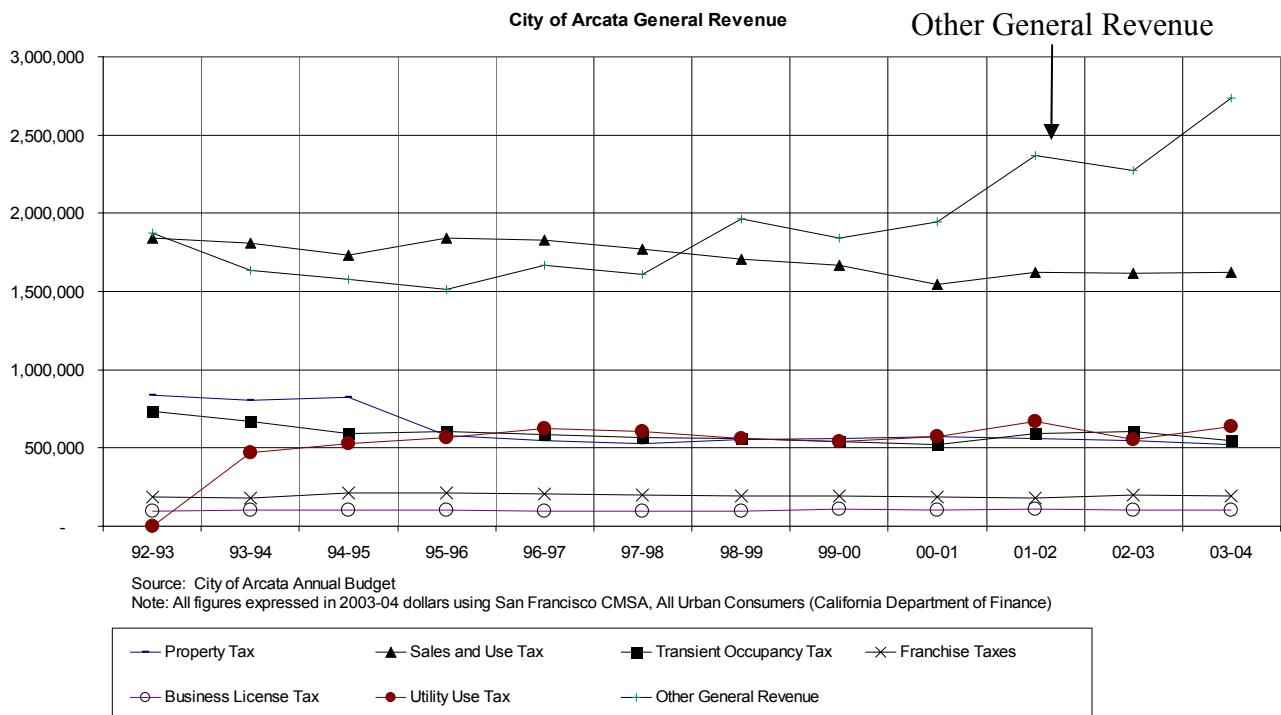
Community Development Agency (redevelopment agency). The agency receives approximately 57.33% of the growth in property tax revenue (“tax increment funds”), which equals the increase in tax revenue beyond the revenue received before the adoption of the Redevelopment Plan in 1982 (base year 1983). These tax increment funds are used to repay bond funds that are used to invest in infrastructure and other City capital improvement projects within the redevelopment project area. By law, 20% of a redevelopment agency’s tax increment revenue must support affordable housing.

**Other Local Taxes.** Other local sources of tax revenue include:

- Transient occupancy tax (TOT), which is a ten percent tax on the price of overnight accommodations in Arcata;
- Utility user tax, which is a three percent tax on the price of utilities (including power, natural gas, phone, cable, water and sewer) consumed in the City of Arcata; and,
- Business license tax, which is a tax imposed on businesses for the privilege of operating within the city.

Revenue from these taxes, when corrected for inflation, has remained relatively constant over the last ten years (see Figure 1.4). Efforts to increase local economic development, and especially tourism, will likely increase City revenue from all of these sources.

**Figure 1.4 City of Arcata General Revenue, 1992-2004**



## **1.6 Economic Development Resources**

This section describes resources that foster economic development, such as public and private organizations, programs, and institutions that provide technical assistance, loan and grant funds, capacity building, and other support directly to local businesses and to the City. For the purposes of the Plan, economic development resources were divided into the following categories:

- Local Economic Development Organizations
- Local Business Organizations
- Education and Employment Agencies
- Lending and Funding Sources
- Banks and Credit Unions
- Other Economic Resources Agencies
- Other Funding Sources

Table 1.5 on the following page summarizes a portion of the economic development resources information reviewed for update of the Plan. (Detail regarding economic development organizations can be found in the Plan Appendices.)

## **1.7 Economic Development Assets**

For the purposes of this Plan, economic development assets include properties and facilities owned by the City of Arcata that directly contribute to, or indirectly support, economic development. The following is a summary of the Arcata economic development assets. (Additional information regarding Economic Development Assets can be found in the Plan Appendices.)

### **Business and Employment Assets**

**Aldergrove Industrial Park.** In 1979 the City of Arcata purchased 50 acres of industrial land near West End Road, including a former lumber mill. The City used tools available through California Community Redevelopment Law to improve the land so that it could be sold and developed. These improvements included site infrastructure (sewer, water, drainage, and roads) totaling approximately \$1.7 million. The City has sold all but three parcels totaling approximately one and a half acres. In 2002, the City purchased the Foodworks Culinary Center building and property located in the Aldergrove Industrial Park (see below).

**Foodworks Culinary Center.** The Foodworks Culinary Center (Foodworks) is a 20,565 square foot building, located on a 2.5-acre parcel in the Aldergrove Industrial Park. Foodworks was created in 1991 as an incubator for food related businesses. In 2002, College of the Redwoods (CR) entered into a five-year lease for the Foodworks Building. Since occupying the building, CR has built new classrooms and a computer lab. CR, along with the Small Business Development Center (SBCD), is currently offering 18 courses at the site, including business-oriented courses. Soon, CR will integrate Foodworks as an important part of its new tourism and hospitality degree program and will use it for culinary arts courses.

**Table 1.5 Arcata Economic Development Resources**

CATEGORY / NAME	SPECIALTY	Funding		Marketing	Technical Assistance	Support Business	Support City
		Grants	Loans				
Local Economic Development Organizations							
Arcata Economic Development Corporation	Business lending		✓		✓	✓	✓
Redwood Region EDC	Business gap funding		✓			✓	
Arcata Community Development Agency	Community dev. funding	✓	✓		✓	✓	✓
Humboldt County Economic Development Div.	Local govt. economic dev	✓	✓		✓	✓	✓
Humboldt County Headwaters Fund	Community dev. funding	✓	✓			✓	✓
Arcata MainStreet	Arcata downtown promot.	✓		✓	✓	✓	✓
North Coast Small Business Devel. Center	Supporting small business		✓		✓	✓	
Arcata Chamber of Commerce	Supporting Arcata business			✓	✓	✓	✓
Humboldt Co. Convention and Visitors Bureau	Tourism marketing			✓	✓		
Redwood Technology Consortium	Technology advocate				✓	✓	✓
Education and Employment Agencies							
HSU, Office for Economic & Community Dev.	Technical assistance				✓	✓	✓
Humboldt Co. Workforce Investment Board	Workforce development					✓	
College of the Redwoods (CR)	Business/skills development				✓	✓	
Hum.Co. Office of Ed.Reg.Occupation Program	Job skills development					✓	
California Employment Development Dep.	Job skills development					✓	
Lending and Funding Sources							
U.S. Dep.of Agriculture - Rural Develeopment	Community dev. funding	✓	✓			✓	✓
U.S. Economic Development Administration	Community dev. funding	✓	✓				✓
U.S. Small Business Administration	Direct loans to business		✓			✓	
Cal. Commerce & Economic Development Prog.	Community dev. funding	✓	✓	✓	✓	✓	✓
Recycling Market Development Zone	Financial & technical assist.	✓	✓	✓	✓	✓	✓
Banks and Credit Unions							
U.S. Bank	Business credit & loans		✓			✓	
Humboldt Bank – Umpqua Bank	Business credit & loans		✓			✓	
Redwood Capital Bank	Business credit & loans		✓			✓	
Wells Fargo	Business credit & loans		✓			✓	
Bank of America	Business credit & loans		✓			✓	
Washington Mutual	Business credit & loans		✓			✓	
Coast Central Credit Union	Business credit & loans		✓			✓	
Other Economic Resource Agencies							
Institute of the North Coast	Regional planning				✓	✓	✓
Eureka Redevelopment Agency	Eureka community dev.				✓		✓
Humboldt Bay Harbor Rec & Conservation Dist.	Hum. Bay dev. & man.						✓
Local Government Commission	Local govt. assistance				✓		✓

The Foodworks Culinary Center has produced some successful local food related business, including Desserts on Us, Pacific Rim Noodle House, Sjaak's Fine Chocolates, and Trinidad Bay Company. At the end of the first quarter of 2004, there were a total of 24 businesses either renting building space, kitchen space, freezer, or locker space at Foodworks. Although the precise number of new jobs created through Foodworks is not known, it was estimated that by 2001, over 130 jobs (including business owners) had been created through Foodworks.

**Little Lake Property.** The Little Lake Property is a former industrial site acquired by the Arcata Community Development Agency (redevelopment agency) in 2001. The three parcels that make up the Little Lake Property comprise approximately 12 acres of potential commercial or industrial land near Samoa Boulevard and Downtown. The City is working with U.S. EPA through the brownfields program to assess and clean up potential contamination resulting from historic industrial uses on the site and will soon prepare a strategy for reuse of the property.

## **Community Assets**

**Arcata Plaza.** The Arcata Plaza is the centerpiece of the City of Arcata. The Arcata Plaza itself covers slightly more than an acre and is the setting for Saturday Farmers Markets and many community events including the North Country, Fourth of July Fair, Oyster Festival, and Pastels on the Plaza. The City is working to fully develop parcels surrounding the Plaza to further bolster downtown economic development.

**City Parks and Natural Resources.** Arcata contains a broad array of natural resource and recreation amenities. The City has approximately 100 acres of developed parklands throughout the City, over 150 acres of bay marshlands, and hundreds of acres of forest lands, all of which contribute to quality of life in the City. In addition, Arcata possesses a rare asset, a semi-professional baseball team that plays in a downtown baseball stadium, the Arcata Ball Park. The Humboldt Crabs baseball team is a source of pride for fans, and offers summer entertainment for all of Humboldt County.

## **1.8 Public Participation Process**

The development of the Plan involves a robust public participation process including one-on-one interviews with local business and community stakeholders, general public workshops, "stakeholder" sessions with a cross-section of local interests represented, and comments and ideas submitted directly from individuals and organizations.

**Interviews.** Twenty-five interviews of individuals representing a cross-section of economic development interests in Arcata were conducted during October and November 2003. The purpose of the interviews was to inform the preparation of the Arcata Economic Development Strategy, and to gather specific input on ways that the City could improve Arcata's economic development "climate."

The list of interviewees was developed by first identifying stakeholder categories. These included the prominent Arcata *Prosperity!* Business clusters (manufacturing, retail, education and

research, arts and culture, hospitality, service, information and technology); property owners, builders, and realtors; business and economic development organizations; and housing, senior, and environmental interests. An initial list of about eight candidates was drafted, based on their affiliation and depth or breadth of experience in Arcata. A combination of referrals and the consultants' local knowledge was used to locate participants for most (but not all) of the stakeholder categories.

Interviewees were all asked the same, open-ended, sixteen questions, and all provided some background information about themselves and their organization as well. The responses were tabulated and compiled. The Stakeholder Interviews Summary of Responses is incorporated as an appendix to this Plan.

**Stakeholder Sessions.** Meetings made up of an invited cross-section of stakeholders as identified above were utilized to obtain input from a small but diverse focus group. The first meeting was held December 4, 2003, early in the process, to identify strengths and issues in the Arcata economy and business environment, and to collect strategy ideas.

After the Draft Plan is released, a second stakeholder meeting (on May 13, 2004) is held to gather additional comments and input. The stakeholder sessions are important to the development of the Plan; they help bring together parts of the community that might not otherwise discuss economic issues face-to-face.

**Public Workshops.** An initial, general public workshop was held April 6, 2004, at the Arcata Community Center. This meeting included a presentation by City staff and consultants describing the plan development process and background information as well as small group discussions that included brainstorming and discussions about economic development strategies. During the meeting, the consultant team presented initial ideas for strategies considered to be appropriate for the City, based on background conditions. Meeting participants confirmed these strategies, as well as suggested interesting new strategies.

The Draft Plan is presented and comments are received at a second public workshop (on May 18, 2004). Comments received about the Draft Plan from the second Stakeholder Session, the Public Workshop, and from individual submissions during the comment period are utilized to prepare the Final Draft Plan.

## **CHAPTER 2**

### **CHALLENGES AND OPPORTUNITIES**

#### **2.1 Introduction**

Economic development by a local government is a significant undertaking that requires the right set of programs that take advantage of economic assets (land, labor, and capital) and address local challenges, plus good timing. However, many challenges, especially those related to national economic conditions or federal and state regulations are beyond the reach of the City to affect change. Other factors can be changed at the local level, such as the lack of investment capital, a mismatch between local job skills and employment opportunities, or burdensome land use regulation. In either case, it is important to identify the challenges faced by the City, local businesses, and the local economy.

Fortunately, 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 in-fill development.

#### **2.2 Challenges**

##### **2.2.1 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, and the September 11 terrorist attack. The economic downturn has resulted in significant job losses and has had severe effects on state and local governments. Although economists have indicated that the recession resulting from these events officially ended in 2001, there has been little job growth since, and substantial consumer and business uncertainty remains.

Based on recent national and California economic indicators, the California Legislative Analyst suggests that California employment will grow moderately in 2004. However, there is no certainty that this economic improvement will soon be felt locally. (For instance, Humboldt State University recently announced the layoff of almost one-quarter of its Plant Operations staff due to the State budget crisis.) The Humboldt State University *Index of Economic Activity for Humboldt County* reports that virtually all local sectors tracked by the index declined during the beginning of 2004. Home sales and construction activity (two of the HSU index indicators) have remained steady or improved throughout the state, but have declined in Humboldt County.



### ***2.2.2 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 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.

### ***2.2.3 Fiscal Environment***

As suggested above in the Economic Environment section (2.2.1 of this chapter), the City of Arcata is struggling to resolve a serious fiscal shortfall, which could culminate in approximately \$1.0 million in additional costs and budget cuts to the 2004-05 budget. Unfortunately, there is little indication that the City of Arcata will emerge from these problems in the near term. 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 received a total of approximately \$2.2 million in tax increment (the growth in property tax revenue within the redevelopment area) funds in 2003. Approximately 10 percent City tax increment funds were shifted by the State of California to schools, and another 40 percent was passed through to other local agencies. The remaining \$1.3 million was available for housing and other community development projects.

Tax increment funds are particularly important to the Community Development Agency as they relates to the repayment of redevelopment bonds. Late last year the Community Development Agency authorized the sale of redevelopment bonds in the amount of \$10,055,000. Bond funds are used to fund the construction of public infrastructure and carry out other redevelopment projects, and tax increment funds are the primary source of bond repayment. Property tax shifts can both jeopardize the Agency's ability to repay the bonds and impact future bond sales.

#### ***2.2.4 Demographic and Employment Environment***

Based on a projected Arcata population of 20,000 in 2020, there would need to be a net increase of approximately 84 jobs annually for Arcata to maintain the same ratio of jobs located in Arcata to Arcata population. Maintaining this ratio would not insure that the jobs located in Arcata would be filled by people who live in Arcata. This depends on what types of jobs are created and whether the people who fill them could afford and would choose to live in Arcata.

According to the Housing Element of the Arcata General Plan: 2020, "the City of Arcata is currently growing at an annual rate of 0.7 percent. Between 2000 and 2010, the city is anticipated to increase in population by 6.8%." Based on Dun & Bradstreet, 2003 there are 8,683 jobs located in Arcata, if jobs located in Arcata were to increase by the same rate as population, there would need to be a net increase of 59 jobs per year, or 295 jobs for the five-year planning period of this Economic Development Strategic Plan.

Other things equal, to the extent that jobs located in Arcata are filled by people who live in Arcata, new jobs located in Arcata would need to be of types that could support housing prices in Arcata. One challenge is how to foster the creation of new jobs that do this. The other side of this challenge is to increase the supply of housing that is affordable to people who would fill newly created jobs. There are also the challenges that arise from changes in the pattern of local employment opportunities, for example, whether there are proportionately more or less new HSU jobs relative to Arcata population increases. In addition, basic economic theory tells us that, if the demand for housing in Arcata increases disproportionately more than the supply, the market price of housing will rise. If this rise is greater than the increase in incomes, then housing affordability in Arcata will continue to decline. The overall challenge is to encourage the right mix of new jobs suited to Arcata residents and which generate income levels sufficient to keep available housing in Arcata from becoming increasingly unaffordable.

## **2.3 Opportunities**

### **2.3.1 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 the beginning of 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.

### **2.3.2 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.

### **2.3.3 Arcata's Neighborhoods**

The strong identity of the 15 Arcata neighborhoods is an important strength of the city. Many of the neighborhoods are almost entirely residential while others are identified as mostly industrial or commercial. Economic development strategies should strengthen neighborhood identity and promote the attributes of specific neighborhoods that will create jobs and improve quality of life. Five of Arcata's neighborhoods contain significant commercial and industrial economic development opportunities: Valley West, West End Road, Downtown/Uniontown, Samoa

Boulevard, and a portion of the Greenview/Windson neighborhood. These neighborhoods already have concentrations of industrial and commercial uses, vacant and underutilized land that will support additional development, and locational attributes (such as freeway access and visibility to customers) that improve their marketability.

Other neighborhoods, such as Sunny Brae, Arcata Heights/Norhtown, and Westwood/Vassaide, present other opportunities to the City. These neighborhoods contain vital neighborhood retail centers that are important to their residents as well as to the surrounding neighborhoods. These neighborhood centers are important to quality of life in Arcata and should be supported.

### **2.3.4 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 2.2 (Arcata Economic Development Assets – Vacant and Underutilized Land), 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 1,450 people; a 50% increase would equal 725 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 360 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 2.1 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	15.78	15.78	687,377	1.00	687,377	350	1,964
Vacant Industrial	141.46	141.46	6,161,998	0.75	4,621,498	700	6,602
Underutilized Commercial	46.46	23.23	1,011,899	1.00	1,011,899	350	2,891
Underutilized Industrial	87.03	43.52	1,895,513	0.75	1,421,635	700	2,031
<b>Total</b>	<b>290.73</b>	<b>223.99</b>	<b>9,756,787</b>		<b>7,742,409</b>		<b>13,488</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 2.1 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 2.1 (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 2.1.

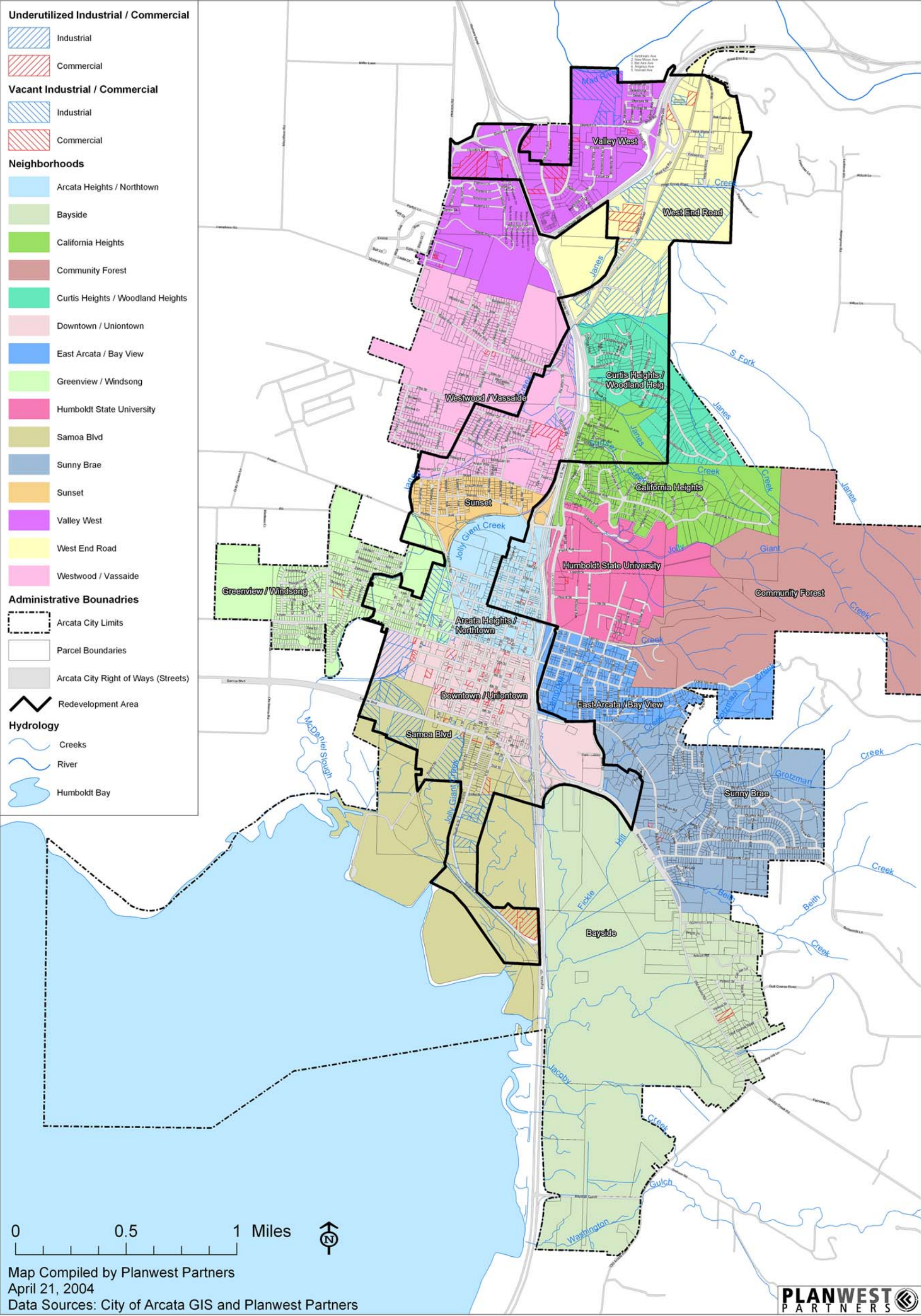
Gross Acres –	Total parcel acres.
Net Parcel Acres –	Removing 50 percent of the acreage from underutilized parcels on the assumption that up to half of the parcel is already developed with structures.
Net Parcel SF –	Conversion of parcel acreage to parcel square feet (SF).
Average FAR –	A conservative 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.

### ***2.3.5 Quality of Life***

Statements such as “I moved my business to Arcata because of the quality of life,” or “I stay in Arcata, even though my business could do better elsewhere” emphasize the importance of quality of life to economic development. Quality of life attributes in Arcata include its natural resource and agricultural lands, which comprise approximately 45 percent of Arcata’s land base, and its vibrant downtown area, which, unlike many other communities, has not been diluted by peripheral commercial development and supports locally-owned businesses. Not only do quality of life attributes directly benefit the residents of Arcata, they also serve as the basis for tourism-based economic development strategies, and can attract and retain businesses to the area. Therefore, the City of Arcata should continue its programs to conserve natural resource lands, encourage more intensive agricultural use of agriculture land, and support business development in the core downtown area.



# Arcata Economic Development Assets - Vacant Commercial Industrial





## **CHAPTER 3**

# **ECONOMIC DEVELOPMENT STRATEGIES & IMPLEMENTATION MEASURES**

### **3.1 Introduction**

Chapter 3 presents a 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; *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.

The economic development plan for Arcata incorporates the following broad elements of the following economic development models:

Business support and revitalization strategies: Existing business enterprises are important to Arcata's economic development. The County's economic development strategy (*Prosperity!*) highlights the importance of base industry enterprises that sell locally produced goods and services to those from outside the County and consequently inject income into the County's economy. Also important are local firms that primarily serve local residents, support the base industry firms, or "plug the leaks" in the local economy by providing local substitutes for goods and services purchased from outside of Arcata or outside of the County. Support strategies include coordination with County-level service providers at the Prosperity Center, streamlining of City regulatory and permitting processes, and identification and assistance for local entrepreneurs starting up owner-resident small businesses.

Economic diversification strategies: Economic diversification limits a community's exposure to the 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. Diversification of a relatively remote rural economy is limited by the small scale of the local market and labor pool, higher transportation costs, and



the importance of large incumbent employers such as HSU. Public comment indicates particular support for the promotion of tourism (particularly eco- and cultural/heritage tourism), arts/culture/entertainment, manufacturing, information and technology, agriculture and horticulture, and education and research.

Gateway community strategies: Due to Arcata's location at the intersection of US Highway 101 and State Highway 299, it possesses some features of a "Gateway Community" to regional natural resource amenities such as various local/state/national parks, area beaches, and Humboldt Bay and adjacent wildlife refuges and sanctuaries. Arcata is also a gateway to the cultural and educational resources of HSU. Gateway communities have the potential for hosting tourists and other visitors attracted to these natural, cultural, and educational resources. Realizing this potential involves an integrated strategy of information (e.g., signage), design, and corridor planning to encourage travelers to access Arcata's commercial hospitality sector as a part of their overall visit to the region.

Infill strategies -- development and increased use of vacant and underutilized commercial and industrial lands: Arcata has a substantial amount of vacant and underutilized commercial and industrial lands within the City limits. Development and increased use of these lands would have several potential benefits, including cleanup of contaminated industrial sites, job and income creation, and tax revenue from increased sales of goods and services. Infill provides positive and constructive alternatives to suburban sprawl development, and can help create compact and vibrant communities with a diverse mixture of land uses. Revitalization of blighted commercial and industrial areas improves Arcata's overall economic development potential. Infill strategies must confront the challenge of limiting conflicts due to adjacent incompatible uses, such as mixed residential/commercial development. We must protect and maintain the existing industrial and commercially zoned lands from conversion to other uses. Because once they are eliminated they will likely never be replaced.

Place-based strategies: Arcata is made up of a heterogeneous mix of neighborhoods that have different economic development potential due to existing conditions such as support infrastructure, transportation corridors, existing patterns of residential, commercial, industrial, and other development, and planning guidelines. This economic development plan identifies priority neighborhoods for economic development and provides strategies and implementation plans for each priority neighborhood.

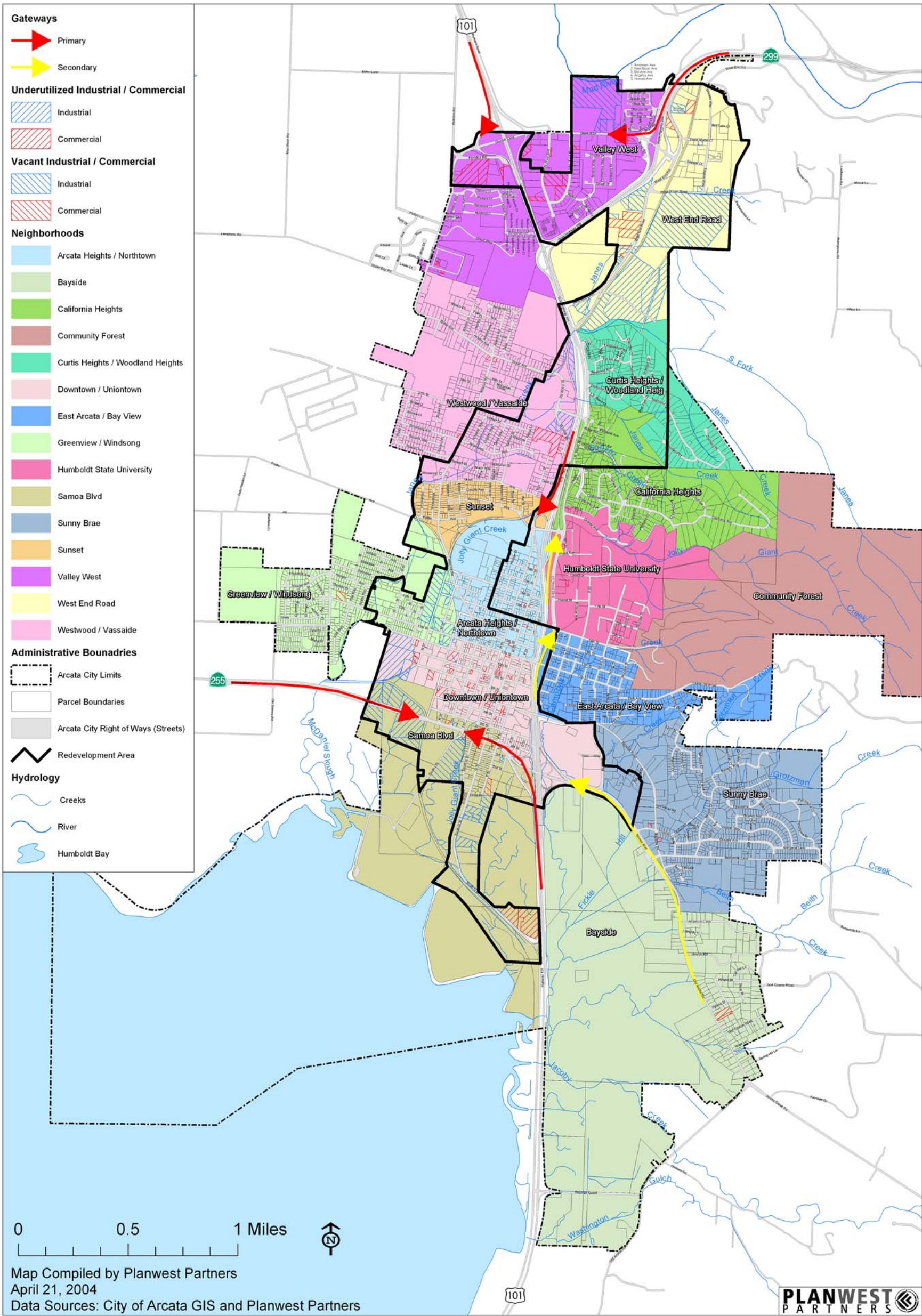
Proposed strategies are subdivided into two broad categories below. The first of these are citywide strategies, and the second are specific Neighborhood-based strategies. Within the broad Citywide and Neighborhood categories, strategies are grouped by topic areas. For each strategy topic area, the primary issues affecting that topic are identified and specific strategies are listed that are intended to address these issues.

Citywide Strategies include:

(ID)	Infill Development	(R)	Redevelopment
(BSR)	Business Support and Revitalization	(BB)	Broadband Telecommunications
(T)	Tourism	(SP)	Sustainability Programs
(H)	Affordable Housing		

Figure 3.2 Arcata Economic Development Assets – Gateways

# Arcata Gateways









Neighborhood Strategies include:

(SB) Samoa Boulevard	(HSU) Humboldt State University
(SU) Sunny Brae	(B) Bayside
(WER) West End Road	(WV) Westwood/Vassaide
(VW) Valley West	(AHN) Arcata Heights/Norhtown
(DU) Downtown / Uniontown	(GW) Greenview/Windsong

## 3.2 City-Wide Strategies

### 3.2.1 Infill Development [ID]

**Issue:**

As mentioned in the introduction to Chapter 3 above, Arcata has a substantial amount of vacant and underutilized commercial and industrial lands within the City limits. Arcata's General Plan 2020 does not provide for extensive growth and annexation beyond the existing urban services boundary. Consequently a Citywide infill strategy is a key element of the economic development plan. "ID" precedes each Infill Development strategy and implementation measure.

**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	BUDGET PLAN REFERENCE
ID - 1	<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 & 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.	Property owners; Developers; Real estate; Chamber of Commerce;	PR-3 PR-8

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<ul style="list-style-type: none"> <li>a. Provide information to landowners regarding gateway, corridor, and other city planning guidelines, as outlined in the EDSP Neighborhood Strategies.</li> <li>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)</li> <li>c. Seek funding to establish a coordinated Internet marketing program.</li> <li>d. Establish an Internet-based property lookup system and build clear and easy web links.</li> <li>e. Coordinate proposed preliminary development plans in cooperation with landowners.</li> <li>f. The City shall develop a request for proposals and a tentative scope of work to relate (i) the anticipated number of new jobs that will be created in Arcata through 2020 (ii) available vacant and underutilized commercial and industrial parcels. The purpose of this study would be to model the rate of absorption of developable land.</li> </ul>	State/Fed. Funding programs	
ID -2	<p><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. Also develop more detailed special plan areas which will facilitate “smart infill” development in the following areas:</p> <ul style="list-style-type: none"> <li>a) Samoa Boulevard;</li> <li>b) Little Lake Industries site;</li> <li>c) South “G” Street;</li> <li>d) West End Road;</li> <li>e) Giuntoli Lane;</li> <li>f) Los Harbors;</li> <li>g) Reid &amp; Wright;</li> <li>h) Mad River Community Hospital/UIHS.</li> </ul>	Property owners; Developers; Real estate; Chamber of Commerce; State/Fed. Funding programs	PL-1 PL-6 PJ-19
ID - 3	<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)		No line item; GA
ID – 4	<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 and Community Development, or other HSU departments could be resources or partners.	Environmental Services  HSU programs/depts.	GA-4



### 3.2.2 Business Support and Revitalization [BSR]

#### **Issue:**

Existing commercial and industrial enterprises are important to Arcata's economic development plan. These include local base industry enterprises that inject income from outside the local economy, and local “support” enterprises that “plug the leaks” in the local economy by reducing the need for goods and services imported from outside the local economy.

Support strategies include coordination with County-level service providers at the Prosperity Center, streamlining of City regulatory and permitting processes, and identification and assistance for local entrepreneurs starting up owner-resident small businesses. Revitalization of blighted commercial and industrial areas improves Arcata's overall economic development potential.

#### **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.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
BSR-1	<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.	Chamber of Commerce MainStreet HCCVB Private sector tourism interests	GA-12
BSR – 2	<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)	Small and large manufacturers	Multiple
BSR – 3	<b>Diversification – Tourism.</b> Encourage the expansion of the tourism industry cluster within	Hotels/motels, tour operators, and other	Multiple

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	Arcata. (See Tourism implementation measures)	stakeholders	
BSR – 4	<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)	Artists, gallery owners, related shops and other stakeholders	Multiple
BSR – 5	<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)	HSU, K-12 schools, R&D and consulting firms and other stakeholders	Multiple
BSR – 6	<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)	Agri and Aqua culture stakeholders, land owners	Multiple
BSR - 7	<b>Diversification – Lumber, Wood Products, and Forestry.</b> a. Explore how the City can assist the lumber and value added wood products industry retain its vitality through business support activities. b. Explore how the City can promote the restoration economy through business support activities with natural resources consulting firms and agencies (see SP-8). 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).	Wood products industry	Multiple
BSR – 8	<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. a. The City shall collaborate with HSU’s Office for Economic and Community Development and HSU’s Career Center in: i) Sponsoring HSU’s annual student entrepreneur events ii) Identifying student entrepreneurs, and iii) Identifying “spinoff” business startup opportunities. b. The City shall also work with CR in identifying student entrepreneurs c. The City shall collaborate with Arcata High School in encouraging student entrepreneurship, such as through the Art Institute d. The City shall work with RTC or other similar technology based organizations to facilitate entrepreneurship (new business ideas, transform hobbies into businesses.). 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)	HSU Office of Econ/Comm Dev.  College of the Redwoods  Prosperity Center,  Redwood Tech. Consortium  Arcata High	PR-2



#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<p>f. The City shall collaborate with the Northcoast Prosperity Center in delivering business startup services to entrepreneurs interested in starting up small businesses.</p> <p>g. The City shall encourage home based and cottage industries to move to commercial and industrial space to facilitate growth.</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>iii) Promote communication among similar small-scale businesses through the City web site and local economic development partners.</p>	<p>Chamber of Commerce</p> <p>Prosperity Network</p>	GA-2
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. Develop a business friendly Land Use Code by collaboratively working with stakeholders.</p> <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. Develop procedures, public information, and application reference materials in handout format that provide a clear roadmap for the permitting process</p>	<p>Residents</p> <p>Businesses</p> <p>Developers</p> <p>Regulatory agencies</p> <p>City Manager</p>	PR-1

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<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 “ombudsperson” 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>(ii) Develop a public information campaign addressing Arcata’s improved business climate.</p> <p>f. 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.</p> <p>g. 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>		
BSR – 11	<p><b>Continue, Replicate, and/or Expand the Business Incubator Program.</b></p> <p>a. Continue the Foodworks incubator facility, support CR’s proposed culinary institute, 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 the possibility of developing the Prosperity arts and media incubator in Arcata</p> <p>d. Implement the artist/live work feasibility study, to identify a site suitable for a common artist gallery, with individual studios and living quarters</p> <p>e. Coordinate with implementation measures HSU-2, and BSR-6, BSR-8</p>	<p>College of the Redwoods</p> <p>Prosperity Network</p> <p>Private Businesses</p>	<p>PL-16</p> <p>PR-4</p> <p>PR-2</p>
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)</p>	<p>MainStree</p> <p>Property owners</p>	<p>PR-10</p>
BSR – 13	<p><b>Business Loan Program.</b> Continue to promote the Business Loan Program, and;</p> <p>a. Reevaluate the Business Loan policy 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</p>	<p>AEDC</p>	<p>PR-11</p> <p>PR-12</p> <p>PR-13</p>

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	more proactive to create economic development.		
BSR – 14	<b>Owner Participation Agreements.</b> Expand the use of owner participation agreements to encourage the elimination of blight within the Redevelopment Area.	Developers/Property owners	PJ-1, 2, 6, 16, 17, 18, 19
BSR – 15	<b>Arts and Culture.</b> Identify older buildings in Arcata that can be easily renovated to create space for art studios.	Developers/Property owners Artists	PL-16
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 trails once abandoned, or multi-use trails if an active railway.	Public Works  Cal-Trans	GA-3
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.	Prosperity! Network	GA-4
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.	N.C. Growers Assn. & Farmers Regional ED organizations	GA-5
BSR – 19	<b>Foreign Trade Zone</b> Explore the advantages and disadvantages of: incorporating of certain Arcata industrial and commercial lands into the Eureka Foreign Trade Zone.	City of Eureka	GA-6
BSR- 20	<b>Enterprise Zone</b> – Explore the advantages and disadvantages of applying for Enterprise Zone Status when and if funds become available.	CA Commerce and ED Dept.	GA-6
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.	CA Commerce and ED Dept. Local RMDZ liaison	GA-7
BSR- 22	<b>HUBZone Promotion:</b> Work to publicize and ensure eligibility of small businesses for the Federal HUBZone contract preference program.	U.S. Small Business Administration	GA
BSR – 23	<b>Micro-Financing.</b> a. Reevaluate and update, as appropriate, to ensure that the City's Business Loan Program	CA CDBG	PR-13 PL-11

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	for loans under \$30,000 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.	AEDC RREDC SBDC	
BSR – 24	<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” program.	City Manager MainStreet Chamber	GA-8
BSR – 25	<b>Business Hours.</b> Work to expand the hours that shops and restaurants are open during the business week, on weekends, and during holidays.	MainStreet Chamber Businesses Shopping Centers	GA-9 PR-6
BSR – 26	<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.	Humboldt County  MCSD City of Eureka	GA-10
BSR – 27	<b>Home Occupation Businesses.</b> Support home occupation related businesses: 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).	Private business	GA

### 3.2.3 Tourism [T]

#### Issue:

Tourism is one industry that appears to have growth potential in Arcata and consequently could help diversify the local economy. Arcata possesses many advantages in terms of the distinctive ecological and environmental and cultural and historical assets which are described and discussed in Appendix E of this Economic Development Strategic Plan.

These assets serve as a basis for Arcata’s having a competitive advantage in tourism; building on these assets is a key part of Arcata’s Tourism strategy for diversifying Arcata’s economy. Tourism is also closely related to the gateway strategies discussed in the Introduction Section which

noted that Arcata's tourism potential "involves an integrated strategy of information (e.g., signage), design, and corridor planning to encourage travelers to access Arcata's commercial hospitality sector as a part of their overall visit to the region." Increases in tourism increase Transient Occupancy Tax and sales tax revenues for the City. A portion of increases in TOT revenue could be used to help stimulate further increases in tourism.

**Strategy:**

- Strategy T-A Work with the Arcata Chamber of Commerce, Arcata MainStreet, 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	BUDGET PLAN REFERENCE
T – 1	<p><b>Gateway Improvements.</b> Focus the improvements at each of the City’s Primary and Secondary Gateway Community locations so that they increase tourism activity through signage, Gateway community design and promotional material or all types.</p> <p><b>Primary Gateways:</b>            South: Samoa Avenue and G Street (see also SB-1)            Central: Sunset Boulevard and southbound Hwy 101 off ramp (see also AHN-3)            West: Samoa Avenue and K Street (see also SB-1)            North: Valley West - Giuntoli Road and southbound Hwy 101 off ramp (see also VW-1)            North Valley West - Giuntoli Road and westbound Hwy 299 off ramp (see also VW-1)</p> <p><b>Secondary Gateways:</b>            Central: 14th Street and Hwy 101 off ramp (coordinate with HSU signage)            Central: Sunset Avenue and northbound Hwy 101 off ramp            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>	Public Works  Chamber  MainStreet  Cal-Trans	PR-6 PR-8 PJ-12 PJ-13

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<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 base tourism</p>		
T – 2	<b>Tourism Development Funding.</b> Develop a stable funding mechanism to support Tourism.	City Manager	GA-11 PR-9
T – 3	<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!</i> Redwood Coast brand program and "Up State".	MainStreet  Chamber  HCCVB	PR-6 PR-8 GA-12
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>	HCCVB MainStreet  Chamber  Private Sector Tourism stakeholders	PR-6 PR-8 PR-9
T – 5	<p><b>Local and Regional Tourism Marketing Coordination.</b></p> <p>a. Produce a regional arts/culture calendar including Arcata arts/culture attractions;</p> <p>b. 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;</p> <p>c. Identify Arcata film and television sites for purposes of marketing to the film industry.</p>	HSU MainStreet Chamber HCCVB  Regional 101 Corridor Project	PR-6 PR-8 PR-9
T – 6	<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.	City Finance Dept. HCCVB Chamber	PR-8 PR-9
T – 7	<p><b>Tourism Coordination- Work with appropriate partners to create more unified local and regional approaches to tourism planning, marketing, and sponsorship:</b></p> <p><b>a. 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</p>	HCCVB  Chamber  MainStreet  Private	PR-6 PR-8 PR-9 GA

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<p>promoting HCCVB's Heritage Trails Program.</p> <p><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).</p> <p><b>c. 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.</p> <p><b>d. Children's Attractions.</b> Inventory and promote attractions for children such as the HSU Natural History Museum.</p> <p><b>e. Arts Arcata!.</b> Strengthen and expand Arts Arcata! beyond the Downtown area.</p> <p><b>f. 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.</p> <p><b>g. 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.</p>	<p>stakeholders</p> <p>HSU Center Arts and other Depts.</p> <p>Museums and Galleries</p> <p>NCGA</p>	
T - 8	<b>Eco-Lodge Feasibility.</b> Use the Community Development Block Grant awarded to the City for Ecolodge Feasibility to investigate unmet potential demand for tourist visitation to Arcata (international, national and from the greater San Francisco Bay).	CA CDBG Program	PL-14
T - 9	<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.	HSU	GA
T - 10	<b>Visitation Tracking.</b> Establish a reporting mechanism in coordination with the Arcata Welcome Center and local hotels to monitor tourist visits to Arcata.	Chamber HCCVB	PR-9
T - 11	<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.	HCCVB Chamber	PR-8 PR-9
T - 12	<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.	CR Chamber	PR-8 PR-9

### ***3.2.4 Affordable Housing [AH]***

#### **Issue:**

State law requires that all cities and counties adopt a housing element to address existing and future housing needs. The City of Arcata recently adopted a Housing Element containing 40 implementation measures that are intended to provide housing for all income levels in Arcata. These measures are compatible with infill development and other strategies contained in this Plan. Notable Housing Element (HE-) implementation measures include the following:

(HE-9) **Residential Site Development Program.** Identification of vacant and underutilized land suitable for residential development; and,

(HE-25) **Housing Market Monitoring.** Monitor the local housing market to evaluate the effectiveness of housing assistance.

#### **Strategy:**

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

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
H - 1	<b>Housing.</b> Implement the Arcata Housing Element.	HBHDC, RCAA, Arcata House, and other	PR-14, 15, 16, 17, 18

### ***3.2.5 Redevelopment [R]***

#### **Issue:**

Redevelopment provides important resources for improving conditions in blighted areas of Arcata. Several important blighted commercial and industrial areas inside the City of Arcata (including areas outside the City and within the urban services boundary) are not included within the Redevelopment Area, and would benefit from redevelopment, such as the Valley West shopping Center, Boyd Road industrial area (if annexed, after consideration); Sunny Brae Shopping Center, and parts of the Northtown area.

#### **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	BUDGET PLAN REFERENCE
R - 1	<b>Implementation Plan.</b> <b>a.</b> Update the Implementation Plan of the Arcata Community Development Plan based on the strategies and implementation measures contained in the Arcata Economic Development Strategic Plan. <b>b.</b> Seek USDA, CDBG and Economic Development Administration funds to carry out Implementation Measures.	City Council  ED Committee  City Manager	PL-15 PL-10, 11
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 to develop a plan for either (i) expansion of the existing Redevelopment Area, or (ii) create one or more new Redevelopment agencies	Property and business owners	PL-15

### 3.2.6 Broadband Telecommunications Services [BB]

#### Issue:

Significant portions of the City of Arcata do not have access to broadband telecommunications services such as digital subscriber lines (DSL) and cable Internet services. Broadband services support small and medium sized businesses as well as home occupation related businesses, and are an important local amenity.

#### Strategy:

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

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
BB -1	<b>Expand Broadband Communications.</b> Work with SBC to locate appropriate sites, and facilitate the construction of fiber hubs to ensure access by Arcata residents to DSL services	SBC	PJ-20
BB -2	<b>Improve Cable Internet Access.</b> Work with Cox Communications to facilitate the extension of their coaxial cable plant to ensure access by Arcata residents to cable Internet services.	Cox	PJ-20

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
BB-3	<b>Determine a Plan for Improving Wireless Communication</b> – Determine how and where to expand wireless services for businesses and residents. <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 other public venues.</li> <li>Evaluate and encourage collocation of wireless infrastructure on existing towers such as PG&amp;E towers.</li> </ol>	Public/residents  Wireless providers  Private business  PGE	GA

### 3.2.7 Sustainability Program [SP]

#### Issue:

According to Arcata’s *General Plan: 2020* vision statement, “sustainability is a way of life” and is defined therein as “community use of natural resources in a way that does not jeopardize the ability of future generations to live and prosper.” From the standpoint of economic development, sustainability involves the integrated enhancement of economic, community, and environmental assets in order to improve the long-term quality of life of Arcata residents. Related elements include affordable housing, encouragement of local organic agriculture and Farmers’ markets, preservation of Arcata’s greenbelt and trail network, promotion of energy conservation and generation from renewable sources, provision of living wage jobs, and preservation and enhancement of historically significant districts.

#### 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	BUDGET PLAN REFERENCE
SP - 1	<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. 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. . b. Encourage the use of the Williamson Act, Farmland Security Zone, or other conservation easements/trust to preserve private farmlands c. Encourage the land use code to allow multiple use of AE zoned land allowing ag production and ag manufacturing d. Encourage use of Rural Residential land including, farming, farm stays. e. Encourage agricultural commerce through promoting local produce/farm commodities and farm activities. f. Encourage aquaculture on Humboldt Bay within the City limits.	Environmental Services  North Coast Growers Assn.  Private ag and ranch owners	GA-13
SP - 2	<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.	Environmental Services	GA-14
SP - 3	<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: a. Encouragement of appropriate energy alternatives. b. Encouragement of energy efficiency and conservation. c. Promotion of energy efficiency in transportation.	Environmental Services	GA-15

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<b>Also,</b> d. Investigate the potential for regional collaborations on renewable energy projects. e. Provide energy conservation education to local businesses and residents, including “green” building design. f. Consider adding free or subsidized parking and a recharging station for zero emission vehicles in the downtown.		
SP - 4	<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.	Property owners Business tenants	PL-23, 28 and multiple GA and PL
SP - 5	<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.	Workforce Investment Bd  EDD	GA-16
SP - 6	<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.	CA Office of Historic Preservation Programs	GA-17
SP - 7	<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.	Prosperity Community leaders HSU	GA-18
SP-8	<b>Sustainable Economic Diversification.</b> <b>a.</b> Explore how the City can promote the restoration economy or an Arcata based 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. <b>b.</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.	Natural Resources consulting firms  Public NR agencies  HSU Depts.	GA-19

### **3.3 Neighborhood Strategies**

#### ***3.3.1 Valley West Neighborhood [VW]***

##### **Issues:**

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. Giuntoli Lane provides westbound travelers on State Highway 299 with easy access to these resources and amenities. A gateway plan would help tie these resources together and increase tourism-related revenues.

Valley West contains Mad River Community Hospital (MRCH), United Indian Health Services (UIHS), and a variety of different medical offices. 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. Senior services are anticipated to be an economic sector that will experience considerable growth in the future as baby boomers retire.

Valley West contains important commercial and industrial activity, and the potential for considerably more such activity due to the existence of many underutilized parcels. A design for commercial development integrates with this neighborhood's gateway plan and with the adjacent West End neighborhood development strategy along the State Highway 299 corridor.

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.

##### **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 collaboratively with MRCH and UIHS to identify economic development opportunities, particularly in regard to senior care services and the viability of neighborhood senior housing. |
| 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.
- 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.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
VW - 1	<p><b>Valley West Gateway Plan.</b> Develop a gateway plan for Valley West:</p> <ol style="list-style-type: none"> <li>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>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> </ol>	<p>Property owners</p> <p>Envir. Services</p> <p>Public Works</p> <p>Chamber</p> <p>Cal-Trans</p>	<p>PJ-13</p> <p>PJ-14</p>
VW - 2	<p><b>Giuntoli Lane Corridor Plan.</b> Develop a Giuntoli Lane corridor plan.</p> <ol style="list-style-type: none"> <li>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>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 access with the City and regional trail and bike path system. Develop new access points on the Mad River to the extent that the City can support additional maintenance.</li> <li>Investigate the potential for improving automobile access to the Welcome Center by way of U.S. Highway 101 and Giuntoli Lane.</li> <li>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.</li> <li>Develop a convenient location for truckers to park in the Valley West area, possibly combined with a commercial refueling and services area for truckers.</li> </ol>	<p>Property owners</p> <p>Public Works</p> <p>Envir. Services</p> <p>Chamber</p> <p>Cal-Trans</p>	<p>PL-4</p> <p>PJ-14</p>
VW - 3	<p><b>Medical Complex Plan.</b></p> <ol style="list-style-type: none"> <li>Foster collaborative relationship with MRCH and UIHS regarding coordinated campus development. Discuss needs, mutually beneficial opportunities, and threats.</li> </ol>	<p>MRCH</p> <p>UIHS</p>	<p>PL-7</p> <p>PL-18</p>

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<ul style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.)</li> <li>e. Work with UIHS to implement their master plan as outlined in their planned development program.</li> </ul>	Private developers	
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. Consider (i) expanding the redevelopment boundary to include the Valley West neighborhood center, (ii) creating a new redevelopment agency for unserved areas of Valley West and adjacent West End, or (iii) creating a business improvement district for Valley West and perhaps adjacent West End.</li> <li>c. Acquire resources (e.g., Economic Development Administration, Community Development Block Grant program, or redevelopment) to support revitalization.</li> <li>d. Prepare a shopping center master plan that includes Valley East commercial buildout.</li> </ul>	Property owners	GA
VW - 5	<b>Commercial-Visitor Serving.</b> Preserve Commercial-Visitor Serving zoned land within the Valley West Neighborhood.		GA-20
VW - 6	<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.		PL-31
VW - 7	<b>Government Services.</b> Assist private property owners to work with local, state, and federal agencies to establish a government services cluster in Arcata.	Property owners	GA-21
VW-8	<b>Child Care Facility Development.</b> Actively encourage development of new child care facility/facilities to serve this neighborhood.	NCCS, Humboldt Child Care Council, Private providers	PJ-19

### 3.3.2 West End Road Neighborhood [WER]

#### Issues:

While the Aldergrove Industrial Park is nearly built out, there are a number of vacant and underutilized parcels in this neighborhood with significant economic development potential. Many of these are between State Highway 299 and West End Road. Enhancing their development will complement the gateway plan efforts in Valley West, as the current view of West End Road from westbound State Highway 299 is of a blighted or industrial zone. Commercial and industrial development in this neighborhood is limited by a lack of access to fiber optic and broadband communications.

#### Strategies:

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.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
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> <ol style="list-style-type: none"> <li>Consistent with ID-1, identify, evaluate, and prioritize specific uses for vacant and underutilized land in WER.</li> <li>Prepare North Fork Janes Creek drainage master plan.</li> <li>Create a development plan that evaluates possible compatible uses such as "home improvement" retail, contractor's supply stores, and industrial services.</li> <li>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.</li> <li>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.</li> <li>Consider zoning West End Road's east side "Commercial"</li> </ol>	<p>Property owners</p> <p>Envir. Services</p> <p>Cal-Trans</p>	<p>PJ-4</p> <p>PJ-19</p>



#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
WER - 2	<b>Broadband Communications.</b> Bring fiber optic and broadband communications to the West End Road neighborhood. a. Meet with West End Road neighborhood commercial and industrial businesses to identify the need for fiber optic and broadband communications to this neighborhood. 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.	SBC  Businesses	PJ-20

### *3.3.3 Westwood/Vassaide Neighborhood [WV]*

#### Issues:

The neighborhood commercial area serving this large area is underutilized and in need of revitalization. The St. Louis Road industrial parcels are underutilized and in need of revitalization. Pedestrian access to the commercial center and to and from the neighborhood is limited.

#### Strategies:

- 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	BUDGET PLAN REFERENCE
WV – 1	<b>Commercial Center Development Plan.</b> Create a development plan for to enhance the Westwood/Vassaide neighborhood commercial center along Alliance Road. Including: 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.	Property owners	PL-20

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	b. evaluate pedestrian access to the Westwood shopping center and along Alliance Road. c. Consider establishing a façade grant/loan program for Westwood/Vassaide (may require inclusion within Redevelopment area see WV-2)		
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.	Property owners	PL-20
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.		PL-15
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.	Property owners  Environmental services	PL-21
WV – 5	<b>Pedestrian Plan.</b> Prepare a pedestrian and bicycle plan to improve linkages between Westwood-Vassaide and the rest of the City.	Public Works	PL-22
WV-6	<b>Drainage.</b> Address drainage problems that effect travel through this area.	Public Works	PJ-15

### 3.3.4 Arcata Heights/Norhtown Neighborhood [AHN]

#### Issues:

This neighborhood is already extensively developed. There is potential, however, for revitalization and redesign of the north G. street 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. The overall design of business fronts along the corridor is disconnected, outdated, and in some cases in need to revitalization. The far northern segment of north G Street is underutilized. This neighborhood serves as a gateway for visitors traveling U.S. Highway 101. While it may not be as critical a gateway as Valley West or Samoa Boulevard, nevertheless the cloverleaf is complicated and the far north G and H streets are a less than ideal gateway to Arcata. In addition, the Fairwinds Motel appears to be underutilized; and this neighborhood is experiencing parking problems.

#### 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.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
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> <ul style="list-style-type: none"> <li>a. Encourage multi-storied mixed use development of north G Street.</li> <li>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.</li> <li>c. Coordinate special events holiday marketing with MainStreet, Chamber of Commerce, HSU</li> <li>d. Prepare a retail business strategy focusing on student and community retail needs (with an emphasis on retail, restaurants, and live music venues)</li> <li>e. Consider partnerships to develop a high density residential village with the intention of preserving stream setbacks and pedestrian access in Northtown.</li> <li>f. Work with the owner of the Fairwinds Motel to develop a more intensive use to serve campus visitors, speakers, conference attendees, and tourists.</li> <li>g. Develop G St. north of the pedestrian overpass for mixed retail/commercial/residential uses.</li> <li>h. 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.</li> </ul>	<p>HSU community</p> <p>Local residents</p> <p>Businesses</p> <p>Property owners</p> <p>Public Works</p>	PL-23
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.	Property owner	GA-22
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.	Public Works	PJ-13
AHN - 4	<b>Expand Redevelopment Area.</b> Both of the above implementation areas fall within the Redevelopment Area, and the City shall consider using redevelopment or other resources (e.g., Economic Development Administration, Community Development Block Grant program) to support development of the corridor plan and gateway plan.		PL-15
AHN - 5	<b>Downtown Linkages.</b> Encourage strong linkages with Downtown.(See DU-1)	Public Works	PJ, PR-6
AHN - 6	<b>Business Improvement District.</b> Evaluate the feasibility of creating a Business Improvement District (BID) to support The AHN Neighborhood or expanding another BID to incorporate this Neighborhood.	MainStreet	PR-6

### 3.3.5 Greenview/Windsong Neighborhood [GW]

#### Issues:

There are a number of vacant and underutilized parcels in this neighborhood. The planned development of a food manufacturing and possible retail/tourism facility by Cypress Grove Chevre will provide an important source of new jobs to Arcata. The proposed residential development of the "paper lot" subdivision at the "Reid and Wright" site (13th and O street) leaves the potential for future commercial or industrial development of the former mill site on that parcel. Together with other planned and proposed developments in adjacent west Downtown/Uniontown, including expansion at Tomas Jewelry (jewelry manufacturing) and the Los Harbors project (light industrial, residential, commercial/retail), these planned and proposed developments will substantially increase truck and automobile congestion on K street due to a lack of roadway connectivity north and south in the O street area.

#### 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 Greenview/Windsong Neighborhood.
- Strategy GW – C                      Maximize the use of existing commercial, industrial, and planned development land in the Greenview/Windsong Neighborhood.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
GV – 1	<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.	Public Works	PJ-21
GV - 2	<b>Neighborhood Commercial</b> Work with property owner(s) to strengthen and revitalize the Greenview Market.	Property owners	PL-29
GV - 3	<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.	Property owner	PL-24
GV - 4	<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 Greenview-Windsong.	AFPD HCFCA HSU, CR	GA-30 PL-10

### 3.3.6 Humboldt State University Neighborhood [HSU]

#### Issues:

HSU is the largest single contributor to the Arcata economy. A key assumption from HSU's Master Plan is enrollment growth up to 12,000 full-time equivalent students over the next 30 to 40 years, from less than 8,000 in 2004. This is substantially more growth than is assumed in General Plan 2020. State budget difficulties may delay the implementation of this growth over the next five years. However, as growth proceeds, the housing, parking, and shopping needs of new students, staff, and faculty will need to be addressed.

#### Strategy:

Strategy HSU – A	Identifying HSU/Arcata collaborations that have economic development potential.
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/Norhtown Neighborhood and the Downtown/Uniontown Neighborhood shopping area.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
HSU - 1	<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	HSU City Manager	GA
HSU - 2	<b>Research Cluster Coordination.</b> Collaborate on expanding activity within the education and research industry cluster. a. Work jointly to identify space for HSU faculty and students to develop research and technology enterprises; this could be multi-tenant office space. b. Explore the possibility of multi-tenant research space operating as an education and research business incubator.	HSU Prosperity!	GA-24

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	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.		
HSU - 3	<b>Child Care.</b> Provide better childcare facilities for HSU faculty, staff, and students.	HSU	GA-25
HSU - 4	<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.	HSU, MainStreet, Chamber	GA-26
HSU - 5	<b>Joint Use of Facilities.</b> Collaborate on investment in event facilities. a. HSU, the City, and the Northern Humboldt Unified High School District could discuss joint use of playing fields, which could bring physical improvements to Arcata High School's playing fields and strengthen event attendance. 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.	HSU NHUHS	GA-27
HSU - 6	<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.	HSU Public Works Cal-Trans	GA-28
HSU - 7	<b>Grant Writing Coordination.</b> Collaborate with HSU's Office for Economic and Community Development in grant proposals to fund collaborative economic development projects.	HSU	PL-11
HSU - 8	<b>Parking and Transportation.</b> Resolving parking and transportation difficulties. 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). b. Continued and expanded partnership on public transit. c. Improve parking and road access near the East Gym and Redwood Bowl to better accommodate athletic event patrons. d. Consider the development of parking along L.K. Wood Boulevard. 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. f. Evaluate potential for development of a downtown Arcata joint City of Arcata/HSU parking	Public Works HSU	PL-25

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	structure with the Arcata Ball Park above. (See DU -2)		
HSU - 9	<b>Planning for HSU growth.</b> Working 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.	HSU	GA

### ***3.3.7 Downtown/Uniontown Neighborhood [DU]***

#### **Issues:**

The downtown portion of this neighborhood East of K street is the most economically developed portion of Arcata, and serves as its vibrant commercial and cultural center. Substantial infill and revitalization has occurred throughout this portion of the neighborhood, and the facade program in the Plaza core area has resulted in visually appealing area for tourists. The Uniontown portion of this neighborhood hosts an important commercial center that serves adjacent neighborhoods and Arcata as a whole. As discussed in the section above, significant development projects planned and proposed for the portion of this neighborhood west of K Street, include the Tomas Jewelry expansion and the Los Harbors project.

Significant development potential exists for the landmark Creamery building complex. Issues confronted by this neighborhood include congested roadways, limited roadway connectivity in the western portion of the neighborhood, parking difficulties in the Plaza area, inadequate space to fully accommodate Farmers' market and certain festival events, and congregations of itinerant travelers, panhandlers, and others that create an uncomfortable environment for some shoppers and tourists.

The scale of commercial enterprise in this neighborhood and adjacent Arcata Heights/Norhtown, together with the continuing need to invest in neighborhood improvements, would make a Business Improvement District (BID) viable. Additional information could be provided to visitors about how to access key natural resource amenities such as the Marsh, bicycling in the Bottoms, and recreational use of the Community Forest, and key cultural amenities such as the historical home tour.

#### **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	BUDGET PLAN REFERENCE
DU - 1	<b>Improve Circulation.</b> Improve automobile, bicycle, and pedestrian flows especially from U.S. 101 southbound to Downtown. a. Improve north/south roadway connectivity in the western portion of the neighborhood, limit truck traffic congestion on the K street corridor 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. c. Investigate the potential for rail banking the rail line through Arcata and creating a walking and biking trail connected to the Marsh 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)	Public Works	PJ-6 PJ-7 PJ-19 GA-31
DU - 2	<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 a. Improve parking and traffic flow in the Downtown core in and around the Plaza. b. Establish parking at the Humboldt Machine Works site. c. Improve parking on the west side of the Plaza. d. 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. e. Evaluate potential for development of a downtown Arcata joint City of Arcata/HSU parking structure with the Arcata Ball Park above. (See DU -2)	Public Works	PJ-6 PJ-7 PL-26 PJ-10
DU - 3	<b>Events.</b> 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	HSU MainStreet	PR-8 PR-6



#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<p>Farmers' Market zones beyond the Plaza.</p> <p>b. Addition: Encourage the development of additional festivals and cultural events. Explore partnerships with HSU on events. Explore adding festivals to neighborhoods other than the downtown.</p> <p>c. Perform studies to gauge the economic impact of key annual festivals and events.</p>	<p>NCGA</p> <p>Chamber</p>	
DU-4	<b>Public Restrooms.</b> Develop highly durable public restroom facilities on or near the Plaza..	MainStreet Public Works	PR-6
DU – 5	<b>Work Cooperatively on Plaza Use.</b> Continue to work cooperatively with advocates and others to limit Plaza user conflicts.	MainStreet Businesses	PL-12
DU – 6	<p><b>Business Improvement District.</b> Investigate the feasibility of creating a Downtown Business Improvement District.</p> <p>a. Identify goals and objectives for a BID in a public process involving neighborhood businesses and residents.</p> <p>b. Identify areas to be covered by the BID. These may extend beyond the Downtown/Uniontown neighborhood.</p> <p>c. Hire a consultant to assess feasibility, and if feasible, form the BID.</p>	MainStreet Businesses	PR-6
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>Property Owner</p> <p>Environmental Services</p>	PL-27
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 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>MainStreet</p> <p>Chamber</p> <p>Tourism stakeholders</p>	<p>PJ-12</p> <p>PJ-13</p>

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<ul style="list-style-type: none"> <li>c. Plan, design, and construct Highway 101.signage/maps/information resources, wayfinding resources, landscaping, and monuments.</li> <li>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.</li> </ul>		
DU – 9	<b>Marketing Plan.</b> Prepare Downtown area marketing plan.	MainStreet	PL
DU – 10	<b>Mixed Use Infill Development.</b> Consistent with ID-2 and ID-3, priority parcels for infill development in the downtown are: <ul style="list-style-type: none"> <li>a. Former Issacson auto dealership site</li> <li>b. The North Coast Environmental Center and Arcata Paint properties on 9<sup>th</sup> Street</li> <li>c. Former P.C. Sachi auto dealership sites</li> <li>d. Humboldt Machine Works site\</li> <li>e. Alibi vacant parcel on the Plaza</li> <li>f. Vacant space on 9<sup>th</sup> Street between F and G Streets</li> </ul>	Property owners  Developers	GA-32
DU – 11	<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 exclusive of big box retailers.	MainStreet	GA-34
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.	MainStreet Property owners	PR-6
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.	MainStreet Prop. owners	PR-6
DU – 14	<b>Arcata Theater.</b> Prepare reuse plan for the Arcata Theater that focuses on creating an anchor venue for the Downtown.	Prop. owners CA CDBG program	PJ-19
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.	Public Works	PJ-22

### 3.3.8 Sunny Brae Neighborhood [SU]

#### Issues:

Most of this neighborhood is primarily residential in character. The Old Arcata Road corridor makes Sunny Brae a type of secondary gateway to Arcata, primarily for residents who live along Old Arcata Road/Myrtle Avenue. Sunny Brae has a significant neighborhood commercial center that is somewhat underutilized and in need of redesign and revitalization. The commercial center could be made more pedestrian friendly and serve as more of an attractive central area for neighborhood residents. If done correctly, this commercial center could serve a gateway function as well as serve the neighborhood. This commercial center is outside of the current Redevelopment Zone, which limits the tools that are available for economic development.

#### Strategy:

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

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
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 the creek that flows 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 resources on Samoa Boulevard.</p>	<p>Public works</p> <p>Property owners</p> <p>Residents</p>	PL-28
SU -2	<p><b>Strengthen Sunny Brae Neighborhood Commercial.</b> Establish an outreach program to strengthen all existing neighborhood retailers in the Sunny Brae Neighborhood.</p>	Property owners	GA-36

### 3.3.9 Samoa Boulevard Neighborhood [SB]

#### Issues:

Along with Valley West and Arcata Heights/Norhtown, the Samoa Boulevard neighborhood serves as a primary gateway for visitors who come to Arcata. A corridor plan is needed that addresses

- (i) Gateway design concepts,
- (ii) Retail/commercial development and facade investment from K Eastward to U.S. Highway 101,
- (iii) Industrial development from K westward to the City boundary, and
- (iv) Improved pedestrian and bicycle connectivity between the Marsh and the Downtown neighborhood. A specific plan is needed to appropriately develop the "Little Lake Industries" site and limit use conflicts. The south G street corridor is underutilized and the visual blight undermines the economic development value of the Arcata Marsh as a tourism magnet.

#### Strategy:

- Strategy SB – A      Develop a gateway plan for Samoa Boulevard.
- Strategy SB – B      Develop a corridor plan for Samoa Boulevard.
- Strategy SB – C      Develop a specific plan for the Little Lake Industries site.
- Strategy SB – D      Revitalize the south G street corridor.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
SB - 1	<p><b>Gateway Plan.</b> Develop a gateway plan for Samoa Boulevard.</p> <ul style="list-style-type: none"><li>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 signage, wayfinding resources, landscaping, and monuments.</li><li>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.</li><li>c. Consider extending or shifting the City's Facade grant program to the commercial/retail segment of Samoa Boulevard East of K street to U.S. Highway 101.</li><li>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</li></ul>	Property owners  MainStreet  Chamber  Cal-Trans	PJ-12

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
	<p>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 Greenview/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> <p>f. Consider developing a hydrogen fueling station near the Samoa Blvd. propane facility.</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>Public Works</p> <p>Chamber</p> <p>MainStreet</p>	<p>PL-3</p> <p>PJ-1</p> <p>PJ-19</p>
SB - 3	<p><b>G and H Streets Transitional Industrial Area Between Marsh and Downtown.</b></p> <p>a. Develop a specific plan 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 with the network of trails in the Marsh.</li> <li>• Consider co-locating arts, manufacturing, and technology space in Little Lake site.</li> </ul> <p>b. 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>Neighborhood residents</p> <p>Public Works</p>	<p>PL-8</p> <p>PJ-3</p> <p>PJ-23</p>

### 3.3.10 Bayside Neighborhood [B]

#### **Issue:**

While this neighborhood lacks significant economic development potential relative to the other Arcata neighborhoods listed above, residents of the historic Bayside Corners area have recently organized themselves to preserve the Bayside Grange and to consider historic district status.

#### **Strategy:**

Strategy B – A      Cooperate with residents of Bayside Corners in revitalizing this historical area.

#	IMPLEMENTATION MEASURE DESCRIPTION	PARTNER AGENCIES	BUDGET PLAN REFERENCE
B – 1	<b>Gateway Plan.</b> Work collaboratively with Bayside Corners residents in developing a gateway plan for Old Arcata Road.	Residents and Businesses	PL-5
B – 2	<b>Underground Pump Station.</b> Investigate the potential for undergrounding the pump station at Bayside Corners.	Public Works	PJ-24 PL-30
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.	Property owner	GA

### 3.4 Base Cluster Analysis

#### 3.4.1 Five Base Clusters

#### Connections between the Arcata EDSP Implementation Measures & Prosperity! The North Coast Strategy

The following section describes the future outlook for the five *Prosperity!* The North Coast Strategy Industry Clusters that are prominent within the Arcata economy: Arts and Culture; Education and Research; Forest Products; Manufacturing; and Tourism (see the Technical Appendix for a listing of the Arcata business within each of the five industry clusters analyzed). This section further relates the *Prosperity!* Industry Cluster Work Plan *Goals* and *Strategies* to specific AEDSP Implementation Measures from Table 3-1. Where appropriate, suggestions are made regarding AEDSP Implementation Measures that should be incorporated into future modifications of *Prosperity!*, as well as Work Plan Strategies represent opportunities for Arcata.

- **Arts and Culture:** Generally positive trends are anticipated. Planned growth at HSU will increase demand for music and student-oriented performing arts. Moreover, as Art is the largest major at HSU, enrollment growth will likely spur an increased supply of student-produced art in Arcata, which may be offset by a decline in resident non-student artists in Arcata due to lack of affordable housing. Anticipated growth in tourism (see below) will increase demand for various forms of art. Demographic trends that will result in a higher proportion of Arcata residents being of retirement age will increase demand for certain segments of the visual and performing arts.

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#### Arts and Culture Cluster in Arcata

Arcata's Arts and Culture Cluster consists primarily of jewelry and pottery producers and a broad range of dance studios and theatrical companies. Implementation Measure BSR-4 (Diversification – Arts and Culture) encourages the expansion this industry.

<b>Prosperity! Work Plan Goal/Strategy</b>	<b>Corresponding AEDSP Measure</b>
<b>Strategy 1A</b> (Piggyback Arts & Culture events around significant events in the greater region)	<b>T-7</b> (Tourism Coordination)
<b>Strategy 1B</b> (Develop arts and culture as a part of a branded image for Hum. Co.)	<b>BSR-1</b> (Arcata Marketing Image)
<b>Strategy 1D</b> (Develop artists ability to be successful in the business of art)	<b>BSR-8</b> (Entrepreneurship Encouragement)
<b>Strategy 2A</b> (Encourage long-term affordable housing & studio space for artists)	<b>BSR-11</b> (Incubator Program); <b>BSR-15</b> (Arts & Culture); <b>SB-3</b> (Little Lake Ind. Site)
<b>Strategy 2B</b> (Develop multiple public venues for music, theatre and arts exhibits)	<b>HSU-4</b> (Event Collaboration), <b>HSU-5</b> (Joint Use of Facilities), <b>DU-14</b> (Arcata Theater)
<b>Strategy 2D</b> (Improve infrastructure for moving transportation of people, data and products)	<b>BB-1 through 3</b> (Broadband Communications), <b>BSR-16</b> (Transportation Infrastructure Improvement)

<b><i>Prosperity! Work Plan Goal/Strategy</i></b>	<b><i>Corresponding AEDSP Measure</i></b>
<b>Strategy 3A</b> (Increase arts and culture education opportunities)	<b>BSR-8</b> (Entrepreneurship Encouragement)
<b><i>Recommended Prosperity! Modifications</i></b>	<b><i>Arcata Prosperity! Work Plan Activities</i></b>

- **Education and Research:** Planned growth at HSU will contribute to an increase in activity in this industry cluster. In addition to enrollment growth, faculty turnover at HSU will tend to bring in more research-oriented faculty. Moreover, the CSU system may provide incentives for faculty to seek out grant and contract funds to offset declines in state funding. These growth aspects may be offset by declining State and local spending on education due to the ongoing budget crisis, and by the possibility of local school district consolidation due to declining K-12 enrollment. Arcata’s reputation for strong k-12 academic achievement and the rising number of charter schools may bring in students from outside Arcata and thus offset declines in school-age children in Arcata.

### **Education and Research Cluster in Arcata**

The Education and Research Cluster within Arcata consists of HSU and the CR Arcata Instructional Site, and numerous engineering, survey, architectural, and environmental science firms. Implementation Measure BSR-5 (Diversification – Research and Education) encourages the expansion of the research and education industry cluster in Arcata.

<b><i>Prosperity! Work Plan Goal/Strategy</i></b>	<b><i>AEDSP Implementation Measure</i></b>
<b>Goal 1</b> (HSU and CR work closely together to deliver applicable education to the local community.)	<b>HSU-2</b> (Research Cluster Coordination), <b>HSU-7</b> (Grant Writing Coordination), <b>BSR-8</b> (Entrepreneurship Encouragement);
<b>Goal 3</b> (Develop broader “knowledge cluster”)	<b>BB-1 through 3</b> (Broadband Communications), <b>HSU-2</b> (Research Cluster Coordination)
<b><i>Recommended Prosperity! Modifications</i></b>	<b><i>Arcata Prosperity! Work Plan Activities</i></b>
	- The AEDSP should implement within Arcata Education & Research Cluster Work Plan Goal 3 (Work with consulting firms and other “knowledge-based” businesses that export the benefits of their research)



- **Forest Products:** In general this sector has been experiencing long-term declines in employment, due both to reduced local log supply, to the substitution of capital for labor in more highly automated lumber mills, and to international competition. While softwood lumber milling (e.g., Douglas-fir) is a mature commodity industry facing fierce international competition (e.g., the tariff “war” with Canada), redwood lumber is more specialized and valuable. While future changes in regulations, market conditions, and redwood lumber substitutes (e.g., recycled composite construction materials) are difficult to forecast, the overall trend for redwood lumber milling is stable to declining employment. Nevertheless Britt Lumber in Arcata is a highly productive redwood mill and is unlikely to face closure in the near future. While there is some potential for growth in Institute for Sustainable Forestry certified sustainable forest products and in the milling of hardwoods, neither of these have strong prospects for growth in the near future.

### **Forest Products Cluster in Arcata**

The Forest Products Cluster within Arcata consists of wood products manufactures, small mills, logging companies, and log scaling operators. Implementation Measure BSR-5 (Diversification – Lumber, Wood Products, and Forestry) encourages the expansion of the forest products industry cluster in Arcata.

<b>Prosperity! Work Plan Goal/Strategy</b>	<b>AEDSP Implementation Measure</b>
<b>Strategy 2A</b> (Add value to lumber before it leaves Hum. Co)	<b>BSR-7</b> (Diversification – Lumber, Wood Products, and Forestry);
<b>Strategy 3A</b> (Improve Transportation in, out, and around the Co.)	<b>BSR-16</b> (Transportation Infrastructure Improvement)
<b>Strategy 3F</b> (Re-develop sawmill sites to support mixed commercial and lighter industrial use.)	<b>ID-4</b> (Preservation, Conversion and Reuse of Industrial Sites)
<b>Recommended Prosperity! Modifications</b>	<b>Arcata Prosperity! Work Plan Activities</b>
<ul style="list-style-type: none"> <li>- Incorporate watershed restoration related objectives contained in BSR-7 or establish a separate Restoration Cluster.</li> <li>- Encourage partnership/leadership in certified sustainable forest practices in the “chain of custody” (e.g., from timber harvest to wholesale, retail, and manufacturing)</li> </ul>	

- **Manufacturing:** This is a large and varied industry cluster, some of which could rightly include lumber manufacturing described above. Non-lumber manufacturing has been an increasingly large proportion of overall manufacturing output in recent years. High transportation costs and remoteness from markets and input suppliers will always make manufacturing of non-lumber commodity products difficult on the North Coast. Two sub-sectors that are likely to experience growth, or to at least remain stable, are specialty foods (especially organic) and custom furniture manufacturing, due to relatively easy entry, low capital requirements, and niche market characteristics. Another is niche outdoor recreational clothing and equipment manufacturing, due to the cachet of the Arcata name, local

entrepreneurial interest, and niche market characteristics. There is also potential for local manufacturing of niche organic hydroponic and greenhouse equipment due to the cooler climate and prominence of the marijuana economy in the area.

### **Manufacturing Cluster in Arcata**

The Manufacturing Cluster in Arcata consists of mostly small and medium-sized niche manufacturing companies which produce wood, glass, ceramic, and metal products, as well as outdoor recreation products. Implementation Measure BSR-2 (Diversification – Manufacturing) encourages the expansion of the manufacturing industry cluster in Arcata.

<b><i>Prosperity! Work Plan Goal/Strategy</i></b>	<b><i>AEDSP Implementation Measure</i></b>
<b>Strategy 1C</b> (Provide in-company training to develop workforce from within)	<b>BSR-17</b> (Incumbent Worker Program);
<b>Strategy 1E</b> (Increase availability of childcare for working parents)	<b>WV-8</b> (Child Care Facility Development)
<b>Strategy 3A</b> (Articulate inconsistent permitting impacts on business growth to governing bodies)	<b>BSR-10</b> (Simplified Development Regulations and Permitting);
<b>Strategy 3B</b> (Articulate land-use policies that support industrial development and enhance quality of life)	<b>ID-2</b> (Smart In-Fill Projects Plan), <b>ID-4</b> (Preservation, Conversion and Reuse of Industrial Sites), <b>VW-6</b> (Annexation), <b>WER-1</b> (Vacant and Underutilized Parcels), <b>SB-1</b> (Gateway Plan), <b>SB-2</b> (Corridor Plan)
<b>Strategy 4A</b> (Expand airport)	<b>BSR-26</b> (Airport Improvements);
<b>Strategy 4B</b> (Gain interstate truck access)	<b>BSR-16</b> (Transportation Improvements)
<b>Strategy 4C</b> (Expand access to high speed data)	<b>BB-1 through 3</b> (Broadband Communications)
<b><i>Recommended Prosperity! Modifications</i></b>	<b><i>Arcata Prosperity! Work Plan Activities</i></b>
<ul style="list-style-type: none"> <li>- Consider programs such as Entrepreneurship Encouragement, At Risk Business Assistance and Business Loan Programs to support small, not yet established, manufacturers.</li> <li>- Encourage the use of certified sustainable forest products.</li> </ul>	

- **Tourism:** The unique natural and cultural assets of Arcata and the North Coast region will likely serve as an engine for growth in the tourism economy. Terrorism concerns in the U.S. will likely continue in the future, raising the cost of air transportation and dampening the flow of foreign tourists into Arcata. Moderate terrorism concerns may cause residents of urban centers in Northern California to substitute automobile-based visits to the North Coast for air travel to more exotic locations. Oil production and distribution will likely continue to be a target for terrorist activity, which will cause gasoline price spikes that will have a negative impact on North Coast tourism.

### **Tourism Cluster in Arcata**

The Tourism Cluster in Arcata consists of hotels, motels, and B & B's, as well as recreation instruction and recreation outfitter related businesses. Implementation Measure BSR-3 (Diversification – Tourism) encourages the expansion of the tourism industry cluster in Arcata.

<b>Prosperity! Work Plan Goal/Strategy</b>	<b>AEDSP Implementation Measure</b>
<b>Strategy 1A</b> (Repackage existing tourism assets)	<b>T-3</b> (Arcata Marketing Image), <b>T-5</b> (Marketing Coordination), <b>T-7</b> (Tourism Coordination), <b>T-8</b> (Eco-Lodge Feasibility), <b>DU-14</b> (Arcata Theater)
<b>Strategy 1B</b> (Encourage development of major tourism attractions)	<b>DU-12</b> (Tourism), <b>SB-1</b> (Gateway Plan)
<b>Strategy 1C</b> (Develop new tourism products with industry clusters)	<b>SP-1</b> (Agricultural, Horticultural, Aquacultural Uses); <b>HSU-4</b> (Event Collaboration)
<b>Strategy 1D</b> (Improve the Hum. Co. visitor experience)	<b>BSR-12</b> (Façade Grant Program); <b>DU-5</b> (Work collaboratively on Plaza use); <b>BSR-24</b> (Graffiti and Litter Abatement), <b>BSR-25</b> (Business Hours)
<b>Strategy 2A</b> (Increase Investment in Tourism Marketing)	<b>T-2</b> (Tourism Development Funding), <b>T-6</b> (TOT Revenue Reports); <b>T-11</b> (Private Sector Tourism Partnership)
<b>Strategy 2B</b> (Leverage Spending with Cooperative and Regional Marketing)	<b>T-3</b> (Arcata Marketing Image), <b>T-5</b> (Local and Regional Tourism Marketing Coordination), <b>T-7</b> (Tourism Coordination);
<b>Strategy 2C</b> (Improve Marketing Communications with In-County Visitors)	<b>T-1</b> (Gateway Improvements)
<b>Strategy 2H</b> (Improve Humboldt tourism marketing on the internet)	<b>BB-3</b> (Determine a Plan for Improving Wireless Communication)
<b>Strategy 3A</b> (Support Efforts to Improve Road Transportation)	<b>BSR-16</b> (Transportation Infrastructure Improvement)

### **3.4.2 Other Industry Clusters**

The following section describes several other *Prosperity!* industry clusters that are not currently represented (or strongly represented) in Arcata, but represent future economic development potential.

- **Dairy and Dairy Processing:** The success of Cypress Grove Chevre suggests the potential for further growth in top quality niche market cheese products that could be capitalized on by Arcata. The potential for agriculture-based tourism may provide a motivation for such enterprises to locate operations in Arcata. There is also the potential for production of organic dairy niche products in Arcata as a part of the overall food manufacturing sector.

Information and Technology: While the “offshoring” phenomenon has impacted employment in this sector, there is potential for growth due to HSU faculty and students, and due to self-employed “lone eagles” moving to Arcata due to its desirable quality of life characteristics. City staff should collaborate with the Redwood Technology Consortium on issues relating to this cluster. Growth in this sector may require additional telecommunications infrastructure development in some Arcata neighborhoods.

- Specialty Agriculture and Horticulture: Sun Valley Floral Farms operates within Arcata’s sphere of influence and has been expanding operations. City staff should discuss industry trends and prospects for growth in this cluster with representatives of Sun Valley.

## **CHAPTER 4**

### **FIVE-YEAR BUDGET PLAN - 2004/05 to 2008/09**

This chapter is organized into the following four sections:

- 4.1 Introduction
- 4.2 Revenues and Expenditures
- 4.3 Five-Year Budget Proposal
- 4.4 Monitoring Summary

#### **4.1 Introduction**

While this Economic Development Strategic Plan addresses strategies and implementation measures for the period 2004 to 2009, the actual revenues that may be available to implement activities and projects in the future beyond 2005-05 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.

The table on the following pages includes all of the implementation measures from the Plan in a five-year budget. Each measure has been assigned a year for budget consideration based on its priority. Where costs for a given program or project can be projected, these have been included. In addition, many programs and projects can be accomplished by providing in-kind staff time; these are noted by “I.” In cases where a project is a special activity that is appropriate for and can only be accomplished with grant funds, these are noted with a “G.” In many cases, measures have unknown costs and unknown revenue sources. Their place in the five-year budget work plan is an unbudgeted placeholder at this time. Despite the lack of assigned budget, this will flag it for annual review by staff and the City Council as it sets its goals and funding priorities for the upcoming fiscal year.

The amounts included in the FY 2004-05 column are those which have been appropriated by the City Council for the current fiscal year. The amounts budgeted in the columns 2006-07 through 2008-09 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. Whether measures have or do not have dollar amounts attached to them in the following table, the City Council will ultimately determine implementation and funding priorities.

## 4.2 Revenues and Expenditures

Attachment D in the Technical Appendices shows in detail the historical and projected City revenues. The City's FY 2004 -05 budget has been adopted with a total of \$23,355,053 allocated. The Redevelopment Agency portion of this budget is \$3,843,033. These funds are allocated in the following Activity Budgets:

**Table 4.1 Estimated Expenditures**

Activity	Estimated Expenditures by Year					Total
	2004-05	2005-06	2006-07	2007-08	2008-09	
1	73,000	73,000	73,000	73,000	73,000	365,000
11	482,630	0	0	0	0	482,630
12- Project Fund	1,882,347	1,521,454	1,357,683	1,289,037	1,295,517	7,346,038
13 & 14	289,000	100,000	100,000	100,000	100,000	647,000
45	1,588,600	0	0	0	0	1,588,600
<b>Total</b>	<b>4,315,577</b>	<b>1,694,454</b>	<b>1,530,683</b>	<b>1,462,037</b>	<b>1,468,517</b>	<b>10,429,268</b>

In addition to the amounts appropriated in the FY-2004-05 budget the fund balances are available to assist with the implementation of this plan.

**Table 4.2 Fund Balance**

Fund	Estimated Fiscal Year End Fund Balances					
	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
212-Industrial Park	529,501	519,501	639,501	759,501	879,501	879,501
216-Parking In-lieu	250,116	6,116	0	0	0	0
250-Revolving Loan/Basic	422,810	422,810	0	0	0	0
255-Revolving Loan/CDBG	589,510	301,000	100,000	100,000	100,000	100,000
885-Redevelopment Project	7,622,980	6,309,029	5,161,711	4,274,185	3,490,384	2,786,951
101-General Fund	73,000	73,000	73,000	73,000	73,000	73,000
219-ISTEA	1,588,600	0	0	0	0	0
<b>Total</b>	<b>9414,017</b>	<b>17,588,456</b>	<b>5,901,212</b>	<b>5,133,686</b>	<b>4,469,885</b>	<b>3,716,452</b>

As shown in the table below, the desirable plans, programs and projects could cost a total of at least \$10 million over five years. Therefore, the City Council will actively assess and assign priority funding to measures in this Plan over the next five year, as outlined in Section 4.4.

## **4.4 Monitoring Summary**

The Arcata Economic Development Strategic Plan 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 interventions, 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.

### ***4.4.1 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 implantation 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 7.25 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 AEDSP. 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 AEDSP'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 AEDSP 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 measures, 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. Attachment G of this Plan shows annual reporting on City Business Assistance Programs. These tables should be expanded, and should be tabulate at least semi-annually and reviewed by the Economic Development Committee and City Council as information items.

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 AEDSP 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.

#### ***4.4.2 Completion of measures***

The City should use the Five-Year Budget Plan or other matrix to monitor the AEDSP 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 AEDSP 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.

#### 4.4.3 Changes in quality of life indicators

Table 1 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.

**Table 4.3 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
<b>Constructed Capital</b>	
Infrastructure conditions: roads, sewer	City Public Works Dept.

### 4.3 Five-Year Budget Proposal

**Table 4.3 Proposed Redevelopment Fund Expenditures to Meet Plan Implementation Measures 2004 - 2009**

Ref. #	ED Plan #	Description	Ongoing 2004-09	Estimated Expenditures by Year					TOTAL
				2004-05	2005-06	2006-07	2007-08	2008-09	
GENERAL ADMINISTRATION-REDEVELOPMENT AGENCY									
				305,347	311,454	317,683	324,037	330,517	1,589,038
GA-1	ID-4	Establish environmental site assessment program.	X			G			
GA-2	BSR-7	Develop an at-risk business assistance program.	X		I				
GA-3	BSR 14	Advocate for Transportation Infrastructure Improvement	X		G				
GA-4	BSR-15	Work with Prosperity on Incumbent Worker Program to assist with worker retention.				I			
GA-5	BSR-16	Develop thematic local/regional produce marketing.	X		G				
GA-6	BSR-17	Evaluate Foreign Trade Zone costs and benefits.			I				
GA-7	BSR-18	Encourage the use of Recycling Market Development Zone program resources by businesses.	X						
GA-8	BSR 20	Establish priority areas for graffiti and litter abatement program.			I				
GA-9	BSR-21	Work to extend shop and restaurant open hours.	X						
GA-10	BSR-22	Support airport improvement planning.	X						
GA-11	T-5	Develop stable funding mech. to support tourism	X						
GA-12	T-6	Develop an Arcata marketing image for use in all promotional material.		I					
GA-13	SP-1	Encourage appropriate intensity of agricultural and natural resource land.	X		I				
GA-14	SP-2	Include parks & natural resource planning in future development plans.	X						
GA-15	SP-3	Develop programs that promote energy efficiency.	X						
GA-16	SP 5	Identify and encourage living wage occupations.	X						
GA-17	SP-6	Encourage historic preservation.	X						
GA-18	SP-7	Develop sustainability indicators.				G			
GA-20	VW-5	Preserve commercial visitor serving zoning in Valley West.	X						

Notes: G = Seek grant funds; I = In-kind staff time  
Chapter 4

Ref. #	ED Plan #	Description	Ongoing	Estimated Expenditures by Year					TOTAL
			2004-09	2004-05	2005-06	2006-07	2007-08	2008-09	
GENERAL ADMINISTRATION-REDEVELOPMENT AGENCY (Continued)									
GA-21	VW-7	Establish a government services cluster in Arcata.			I				
GA-22	AHN-2	Explore potential of expansion of the Fairwinds Hotel.							
GA-23	AHN-5	Encourage linkage of Arcata Heights with Downtown.	X						
GA-24	HSU-2	Work collaboratively with HSU on developing the research and education cluster.			I				
GA-25	HSU-3	Provide improved childcare facilities for HSU students/staff.			G				
GA-26	HSU-4	Collaborate with HSU on town/gown events.					I		
GA-27	HSU-5	Collaborate with HSU on joint use of facilities.	X						
GA-28	HSU-6	Collaborate to improve bike/ped connection w/ HSU.	X						
GA-29	HSU-9	Work collaboratively with HSU to plan for growth.	X						
GA-30	GV-4	Work to establish a regional fire training facility.			G				
GA-31	DU-1	circulation; roadway/sidewalk plan, rail line; pedestrian corridor.	X						
GA-32	DU-10	Encourage mixed use development on 6 priority downtown parcels.	X						
GA-33	DU-11	Encourage retail expansion; anchor; various retail sectors.	X						
GA-34	DU-12	Establish tourism linkage: downtown, marsh and railway.	X						
GA-35	DU-13	Highlight Uniontown shopping center; connect to downtown.			I				
GA-36	SU-2	Outreach to strengthen Sunny Brae retail.							
PLANS									
PL-1	ID-2 b, SB-3 a	Develop Master Plan for developing the Little Lake Industries site		50,000	150,000				200,000
PL-2	BSR-3,DU-14	Prepare an Arcata Theater Reuse Plan (pending CDBG)		42,000					
PL-3	SB-2	Develop a Samoa Blvd. Corridor			75,000				75,000
PL-4	VW-2	Develop a Giuntoli Lane Corridor				75,000			75,000
PL-5	B-1	Dev. Bayside Corners gateway plan for Old Arcata Rd							

Notes: G = Seek grant funds; I = In-kind staff time  
Chapter 4

Ref. #	ED Plan #	Description	Ongoing	Estimated Expenditures by Year					TOTAL
			2004-09	2004-05	2005-06	2006-07	2007-08	2008-09	
PLANS (Continued)									
PL-6	ID-2	Develop Smart Infill Plans for:				30,000	30,000	30,000	90,000
PL-7	VW-3	Mad River Community Hospital/UIHS							
PL-8	SB-3	South G Street							
PL-9	WER-1	West End Road							
PL-10		Provide planning and technical assistance with:		15,000	25,000	25,000	25,000	25,000	115,000
PL-11	HSU-7	CDBG & EDA grant apps,; HSU grant coord.							
PL-12	DU-5	Feasibility of Downtown Business Improvement Dist.							
PL-13		Vol. Fire Department Station pre-development							
PL-14	T-8	Complete feasibility study to develop Environmental Lodging Facility		42,000					42,000
PL-15	R-1,2, AHN-4, WV-3	Complete Agency 2005-10 Implementation Plan by 12/31/05. Analyze pros/cons of extending time limits and raising the \$50,000,000 tax increment cap. Develop strategy to add Northtown into Agency Project Area.			50,000				50,000
PL-16	BSR-11	Feasibility study of Artist Live/Work space		35,000					35,000
PL-17	R-2, SP-4	Identify new areas for Redevelopment; Valley West, Sunny Brae, Northtown. Alliance Road in Westwood							
PL-18	VW-3	Develop a medical complex plan with MRCH and UIHS					G		
PL-19	VW-4, SP-4	Develop concept to revitalize Valley West shopping ctr						G	
PL-20	WV-1	Create Development Plan to enhance neighborhood commercial center in Westwood/Vassaide and Westwood Corners			G				
PL-21	WV-3	Create a Development Plan for the underutilized parcels adjacent to the St. Louis Road cul-de-sac				G			
PL-22	WV-4	Prepare a pedestrian plan to improve linkages between Westwood-Vassaide and the rest of the City.	X						
PL-23	AHN-1, SP-4	Develop a North G Street Corridor Plan					G		
PL-24	GV-3	Eval. options for alternative use of St. Mary's	X		I				
PL-25	HSU-8	Collaborate w/ HSU to develop long-term parking							

Notes: G = Seek grant funds; I = In-kind staff time



Ref. #	ED Plan #	Description	Ongoing	Estimated Expenditures by Year					TOTAL
			2004-09	2004-05	2005-06	2006-07	2007-08	2008-09	
PLANS (Continued)									
PL-26	DU-2	Evaluate potential for developing a downtown parking under the elevated ball park.					G		
PL-27	DU-6	Revitalize Creamery: Develop concept, funds, hold public meetings							I
PL-28	SU-1, SP-4	Revitalize Sunny Brae shopping center: Identify goals, create transportation plan, explore extending redevl boundary, revitalization plan for commercial.							G
PL-29	GV-2	Strengthen and revitalize Greenview Market.			I				
PL-30	B-2	Investigate undergrounding pump station, Bayside Corners.					I		
PL-31	VW-6	Identify key parcels with economic development potential within the urban services boundary for considering annexation.			I				
PL-32	WV-3	Prepare a ped and bicycle plan to improve linkages between Westwood-Vassaide and the rest of the City.	X						
PROGRAMS									
PR-1	BSR-8	Implement simplified development regulations and permitting, including a new Land Use Code, specific project criteria, a one-stop permit process, other enhancements.	X		I				
PR-2	BSR-6, HSU-1,2	Development, CR, Prosperity Center to encourage entrepreneurship through identifying and assisting start-ups.	X						
PR-3	ID-1	Develop City Infill Land Inventory marketing plan/program			I				
PR-4	BSR-9	Create an "Incubator without Walls" program					G		
PR-5	BSR-23	Evaluate and plan for ways to support home occupation business through expanded allowable uses.			I				
PR-6	DU-5, AHN-6	Arcata Main Street (BID Formation; special projects)			35,000				35,000
PR-7	DU-3,4,9 T	Arcata Main Street (Godwit Days)			8,000	8,000	8,000	8,000	40,000

Notes: G = Seek grant funds; I = In-kind staff time  
Chapter 4

Ref. #	ED Plan #	Description	Ongoing	Estimated Expenditures by Year					TOTAL
			2004-09	2004-05	2005-06	2006-07	2007-08	2008-09	
PROGRAMS (Continued)									
PR-8	ID-1, BSR-7,21; T-8,10,14,16,17,DU3-4	Chamber of Commerce: Logo marketing, at-risk business assistance, outreach, CA Welcome Center, infill parcel marketing, visitor tracking and various tourism coordination.		50,000	50,000	50,000	50,000	50,000	250,000
PR-9	T-7-9,10-20	Humboldt County Convention and Visitors Bureau		15,000	15,000	15,000	15,000	15,000	75,000
PR-10	BSR-10	Facade Rehabilitation Program Grants	X				80,000	80,000	160,000
		Downtown		75,000	40,000	20,000			135,000
		Samoa			40,000	40,000			80,000
		K Street				20,000			20,000
		Valley West, Sunny Brae and Westwood/Vassaide							
PR-11	BSR-13	Business Loans Programs							
		a. Reevaluate Business Loan policy	X	80,000	80,000	80,000	80,000	80,000	
		b. Increase outreach to small manufacturers							400,000
PR-12	BSR-23	Micro-Financing	X	I	100,000	100,000	100,000	100,000	
		a. Reevaluate/update Business Loan Program							
		b. Work with AEDC, RREDC, and SBDC							
		c. Consider applying to the CDBG Microenterprise Assistance Program							400,000
PROJECTS									
PJ-1	SB-2	Property Development and Improvement							
		Mill Reuse Preliminary Planning - NC Hardwoods		30,000					30,000
PJ-2		Assist NorthCoast Children's Services to develop a day care center (2002 CDBG grant)		40,000					40,000
PJ-3	SB-3	Remove remaining dilapidated structure; remediate contaminated soil at the Little Lake redevelopment site.		100,000					100,000
PJ-4		Lot sales in the Aldergrove Industrial Park - Appraisals		30,000					30,000
PJ-5		Foodworks Culinary Center Improvements		64,130					64,130
		Downtown Improvements							
PJ-6	DU-2	Parking Various Downtown Projects - Hum. Machine Works OPA		388,500					388,500
PJ-7	DU-2	Acquisition of downtown parking (parking in-lieu fee)		247,000					247,000
		Downtown Sidewalk/Alleyway Reconstruction/Undergrounding Program (Downtown Master Plan-Phase 1)		300,000					
PJ-8									300,000

Notes: G = Seek grant funds; I = In-kind staff time

Ref. #	ED Plan #	Description	Ongoing	Estimated Expenditures by Year					TOTAL
			2004-09	2004-05	2005-06	2006-07	2007-08	2008-09	
PROJECTS (Continued)									
PJ-9		Street Tree Program		25,000					25,000
PJ-10	DU-2	Downtown improvements on 8th and F parking and 8th and 9th one way conversion with diagonal parking.							
PJ-11		Sidewalk improvements assoc with 9th/G			I				
		Public Infrastructure to Support Private Investment			I				
PJ-12	SB-1, T-1, DU-1, 8	Samoa Boulevard Gateway (ISTEA)		428,600					428,600
PJ-13	AHN-3 VW-1 SB-1 T-I,2 DU-8	Samoa (at 101), Sunset/H Street and Giuntoli (at 101 and at 299) gateway improvement designs		160,000					160,000
PJ-14	VW-1,2	Giuntoli Lane, Heindon Road, and Janes Road improvements/gateway		500,000					500,000
PJ-15		K and Alliance road rehabilitation		660,000					660,000
PJ-16	BSR-12	OPA - German Motors 11th and K commercial center		70,000					70,000
PJ-17	BSR-12	OPA- Tomas Jewelers sewer line for expansion		120,000					120,000
PJ-18	BSR-12	OPA- The Mill Yard new construction		100,000					100,000
PJ-19	BSR-12	OPA - Available to Facilitate Infill Development on:		300,000	750,000	750,000	750,000	750,000	3,300,000
	DU-14	Arcata Theater Reuse							
		Northcoast Environmental Center new construction							
		Arcata Paint new construction							
	SB-2, ID-2	Northcoast Hardwoods (Samoa Boulevard)							
	SB-2, ID-2	Winzler and Slack (Samoa Boulevard)							
	SB-2, ID-2	Industrial Electric (Samoa Boulevard)							
	ID-2,SB-3	Little Lakes Industrial site							
	ID-2	Los Harbors							
	ID-2	Reid and Wright							
	DU-8	Sacchi (Downtown)							
PJ-20	BB-1,2, WER-2	Facilitate extending broadband, cable or other telecomm especially to WER neighborhood	X						
PJ-21	GV-1	"O" Street extension				I			
PJ-22	DU-15	Expand existing underground utility district boundary up G and H Streets from 11th to 14th.			I				
PJ-23	SB-3	Improve drainage along south G Street.					G		
PJ-24	B-2	Investigate undergrounding pump station at Bayside Corners.						I	
			TOTAL	4,315,577	1,694,454	1,530,683	1,462,037	1,468,517	10,471,268

Notes: G = Seek grant funds, I = In-kind staff time