COUNTY OF LAKE

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY

PREPARED BY: COUNTY OF LAKE ADMINISTRATIVE OFFICE
ADOPTED BY BOARD OF SUPERVISORS: NOVEMBER 5, 2013
APPROVED BY ECONOMIC DEVELOPMENT ADMINISTRATION: MARCH 7, 2014

U. S. DEPARTMENT OF COMMERCE
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March 7, 2014

Alan Flora
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255 N. Forbes Street
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RE: Comprehensive Economic Development Strategy – 2013

Dear Mr. Flora:

The Seattle Regional Office (SRO) of the Economic Development Administration (EDA) has reviewed your Comprehensive Economic Development Strategy – 2013 (CEDS), submitted January 21, 2014 by Lake County.

SRO approves your CEDS and supports the County's efforts in economic development. We hope the CEDS will assist the County's continuing economic development efforts.

The CEDS will remain on file and current through March 7, 2015, at which time a newly revised CEDS or annual update will be due. Potential projects covered by the CEDS would be eligible for EDA support until that time. However, there is no guarantee that a proposed project will be financially supported by EDA.

The only comment that I would make is that we would like you to consider adding unemployment rate and per capita income to your list of performance measures.

If you have any questions or comments, please contact me at (206) 220-7699, or Richard Manwaring, Area Director at (206) 220-7665.

Sincerely,

David Farnworth-Martin
Economic Development Representative

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EXECUTIVE SUMMARY

The purpose of this Lake County Comprehensive Economic Development Strategy (CEDS) is to provide an effective scope of work for pursuing aggressive economic development efforts in Lake County.

The Lake County Comprehensive Economic Development Strategy provides a description of the natural resources, environmental issues, political geography, population and labor force, the economy, infrastructure, human services, planning, and labor force issues. This Plan also provides a historical assessment of past development and training efforts and potentials for economic development and diversification.

The intent of this plan is to create jobs, raise income levels, diversify the economy, and improve the quality of life while protecting the environment.

Lake County enjoys natural resources that traditionally support tourism and agriculture, as well as geothermal development. The county's economy is primarily based on the services industry, including tourism, and the agricultural industry. About 65 percent of the county labor force is employed in the three industries of retail trade, services, and government.

The Lake County Comprehensive Economic Development Strategy (CEDS) is based on local and regional experience and research, which indicates that positive local intervention is best targeted toward supporting growth of job-creating businesses, completing essential infrastructure improvement projects, streamlining local permitting processes, improving the water quality of Clear Lake, and enhancing our community wide economic development

network of services through contact and education. Integration of job training and retraining activities is an essential component of our economic development and business assistance efforts.

SECTION ONE: ANALYSIS

I. BACKGROUND: THE AREA AND ITS ECONOMY

A. General Description of the Area

Lake County lies within the Pacific Coast range of mountains approximately 110 driving miles north of San Francisco, 110 driving miles northwest of Sacramento, and 70 driving miles east of the Pacific Ocean. Part of the California North Coast region, Lake County is bounded by Mendocino County on the west, Sonoma and Napa counties to the south, and Yolo, Colusa, and Glenn counties on the east. The county is approximately 62 miles long and 35 miles wide, covering an area of about 1,269 square miles.

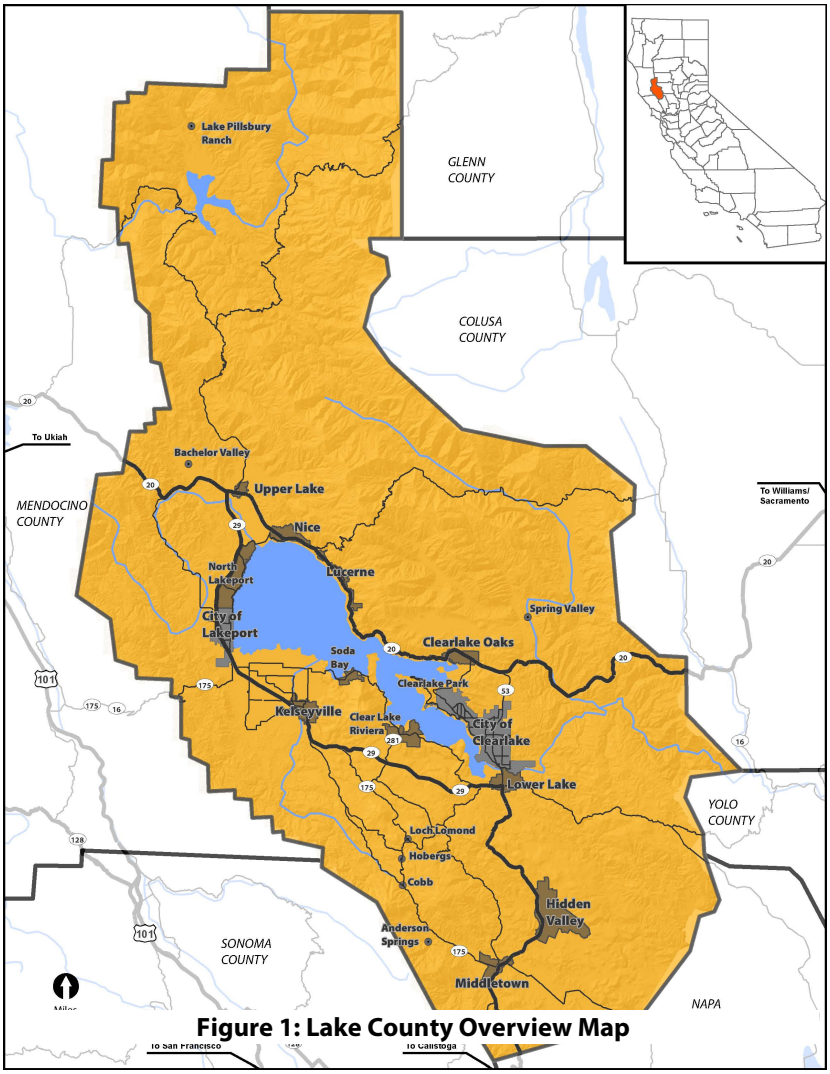

Figure 1: Lake County Overview Map

The county's most prominent geographical feature is Clear Lake, at 1,340 feet above sea level. Its 68 square miles of surface area qualify it as the largest natural freshwater lake totally within the state of California. Clear Lake's average depth is 26 feet. Its maximum depth is 60 feet. It has approximately 100 miles of shoreline and covers approximately five percent of the county's land area. Many creeks drain into Clear Lake; only one, Cache Creek at the southeastern end, discharges water out of it. The lake, on average, contains approximately 1 million acre feet of water; when full, it reaches 1.155 million acre feet.

The Mayacamas and Vaca mountain ranges join and rise in Lake County. Thus, much of the land is rugged, with elevations to 7,000 feet above sea level. Pine-covered Cobb Mountain, 4,700 feet at its highest point, provides artesian springs, hiking trails, resorts and homes to the growing numbers of year-round residents in the southern portion of the county. Cobb Mountain lies at the eastern shoulder of the Geysers geothermal fields.

Rising to 4,300 feet, Mount Konocti slopes northward into Clear Lake and stands alone, separated from the other nearby peaks by the lake and the rich Big Valley basin to its west. Mount Konocti serves as a traveler's landmark. The county's highest peak, 7,056 foot Snow Mountain, is located to the north of Clear Lake and to the east of 2,000-acre Lake Pillsbury. Much of this northern section of the county, dominated by chemise, oak, and evergreen covered mountains, lies within the Mendocino National Forest. The Mendocino National Forest covers approximately 306,000 acres, or about 30 percent of Lake County. Approximately 50 percent of the county is public lands.

B. Economy

Population and Labor Force

According to the U.S. Census Bureau, after increasing by 15 percent during the 1990s (from 50,631 in 1990, to 58,309 in 2000), the total population of Lake County increased by nearly 10 percent from 2000 to 2010 (from 58,309 to about 64,665). The Hispanic population grew from 6,639 (11.4 percent of the total) in 2000 to 11,088 (17.1 percent of the total) in 2010. The Native American population grew from 1,772 (3 percent of the total) in 2000 to 3,654 (5.7 percent of the total) in 2010. The percentage of population age 65 and over was 19.5 percent in 2000 and 17.7 percent in 2010 compared with 11.4 percent state wide average in 2010. Lake County's median age in 2010 was 45 years compared to the California median age of 35 years. The County saw a sharp increase in housing units in 2007 and 2008, with housing unit growth outpacing population growth by a wide margin. Lake County's population growth has been minimal over the past few years, with a slight decline in 2010 (-.03 percent). See Figures 2 & 3 below.

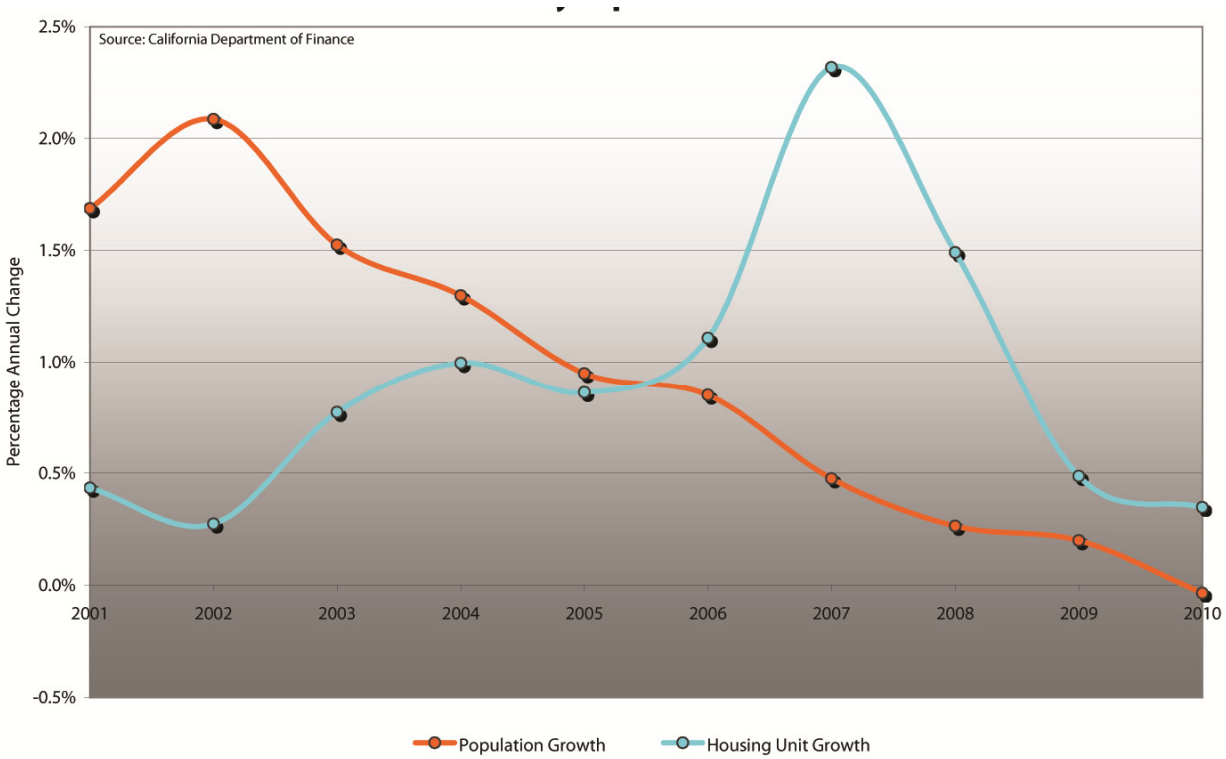

Figure 2: Lake County Population Growth

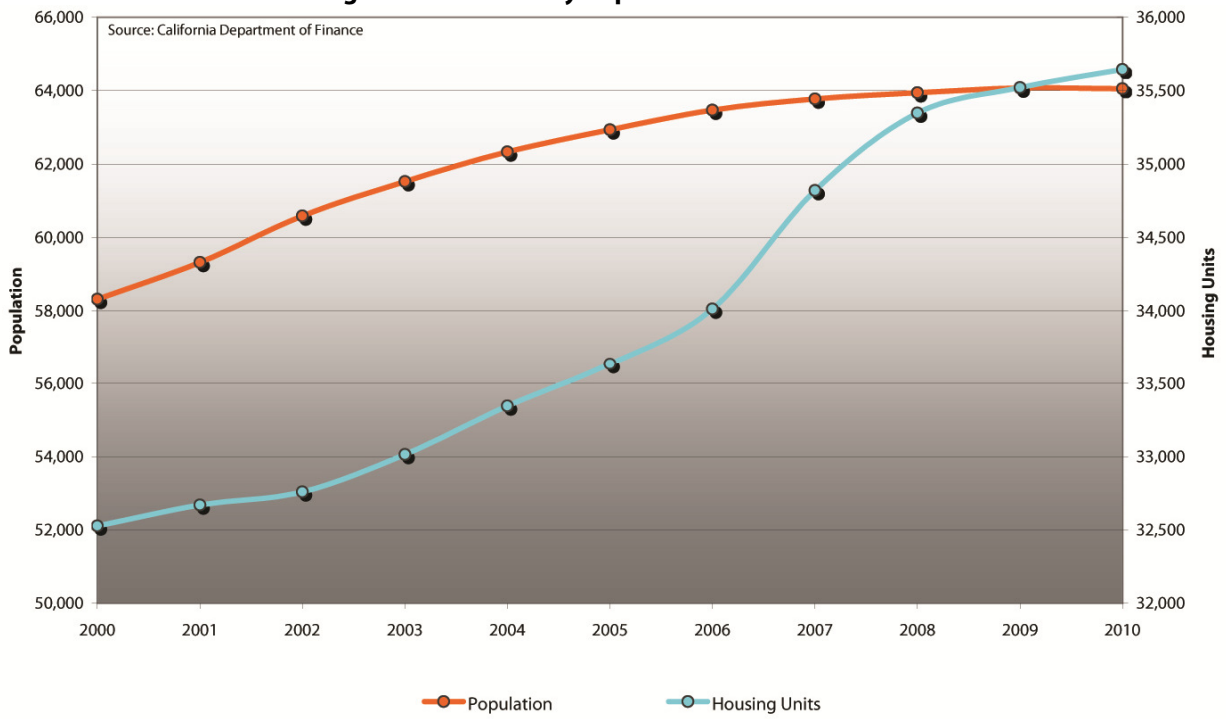

Figure 3: Lake County Population & Housing Units

Lake County's unemployment rate experienced a dramatic increase at the onset of the Great Recession (beginning in late 2007), and exceeded the state rate, which

averaged 12.4 percent in 2010. Since its peak in 2010, the rate has steadily declined, although it continues to exceed the state rate. See Figure 4 below. A major contributor to the county's high unemployment rate is the seasonal fluctuation inherent in the tourism and agricultural sectors of the economy. A large portion of the county's labor workforce is in one of these two sectors, which invariably results in many residents being able to obtain work for only four to six months of the year.

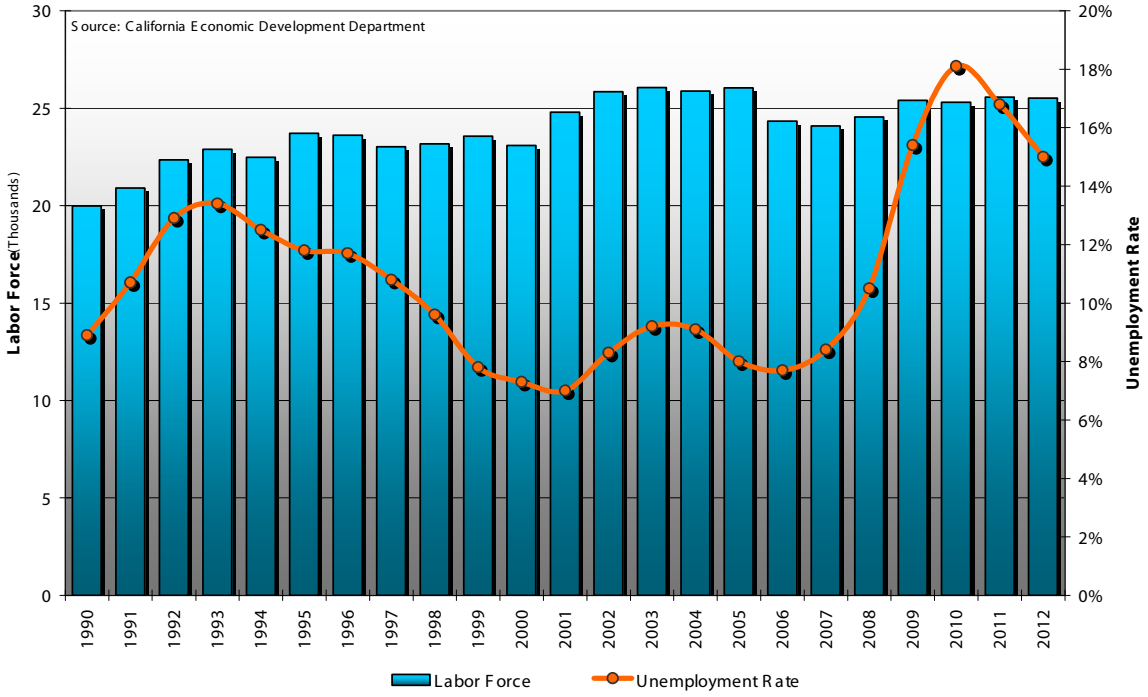

Figure 4: Lake County Employment

A comparison with the average annual unemployment rate of California shows that Lake County's rate historically, follows a similar path, but is generally affected after a change in the state overall, and on average is approximately 3.3 percent higher. See Figure 5 below.

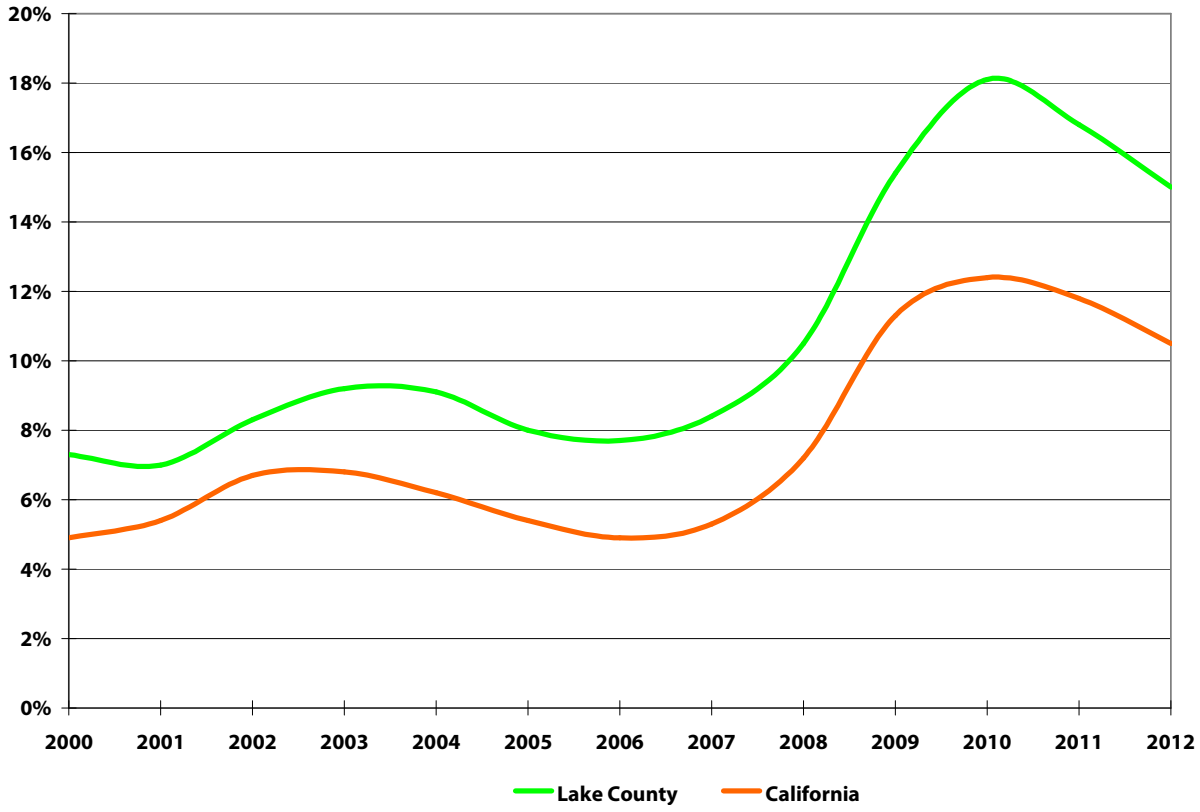

Figure 5: Unemployment Rate Comparison

The income repercussions of such seasonal labor are further compounded by the relatively low average pay scale rates of both the tourism and agriculture sectors. The workforce is semi-skilled in nature, and prevailing wage rates are generally lower than the state average. There is a definite need to develop year-round employment opportunities in Lake County and to develop a skilled labor force capable of working in an economy that demands basic work skills and specialized skills.

According to the Department of Commerce's Bureau of Economic Analysis, Lake County's per capita personal income in 2011 was $33,375, a 4.5% increase from 2010. In comparison, California's per capita personal income was $43,647, an increase of 4.18%. Although this annual comparison seems very close, a review of per capita data from 1969 until 2011 shows a growing disparity between Lake County and California regarding per capita income. The chart below shows similar trending, but state income levels are growing at a steeper rate than those in Lake County.

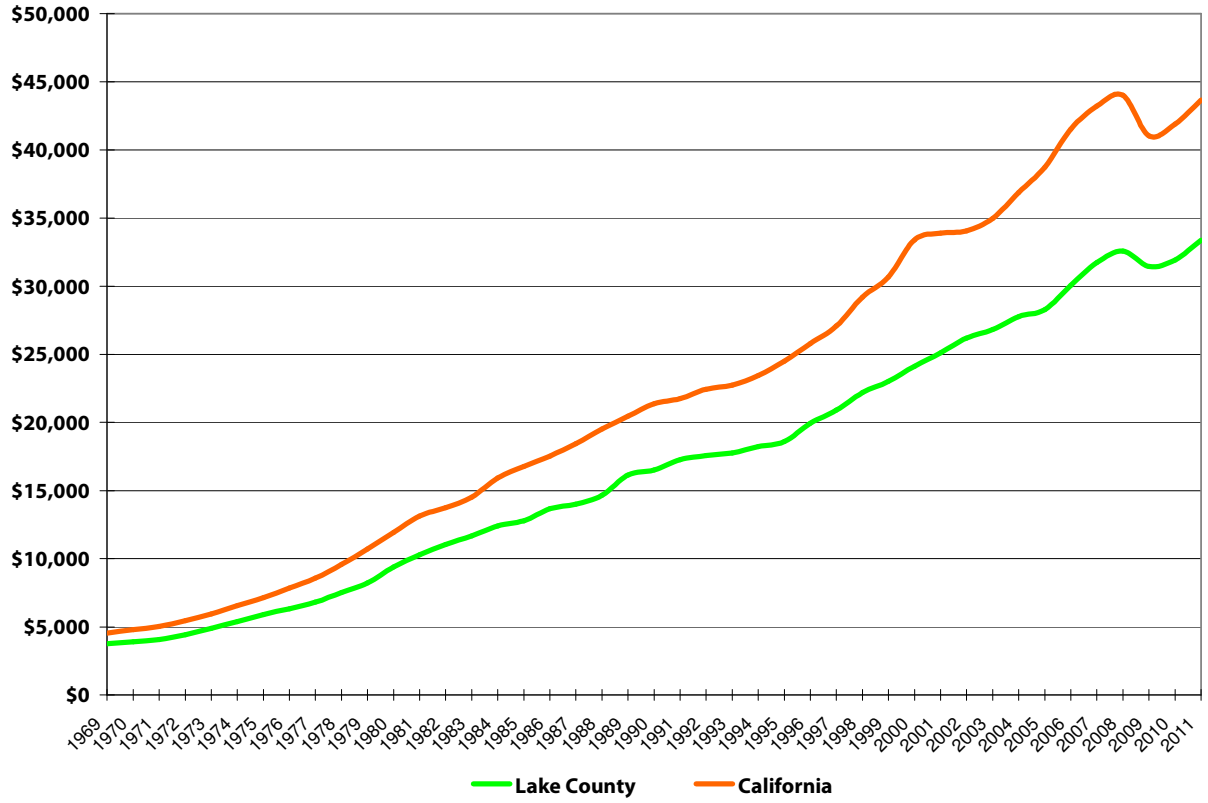

Figure 6: Per Capita Personal Income Comparison

Taxable sales in Lake County increased every year from 1997 through 2008, although the increases were negligible in 2007 and 2008 (0.7 percent and 0.4 percent respectively). However, the taxable sales from 2009 were a 23.5 percent drop from 2008 levels, effectively rolling back the numbers to levels from 2003. Recovery from this drop is seen in 2010, but taxable sales remain well below pre-2009 levels. See the chart below to compare taxable sales with the percent annual change.

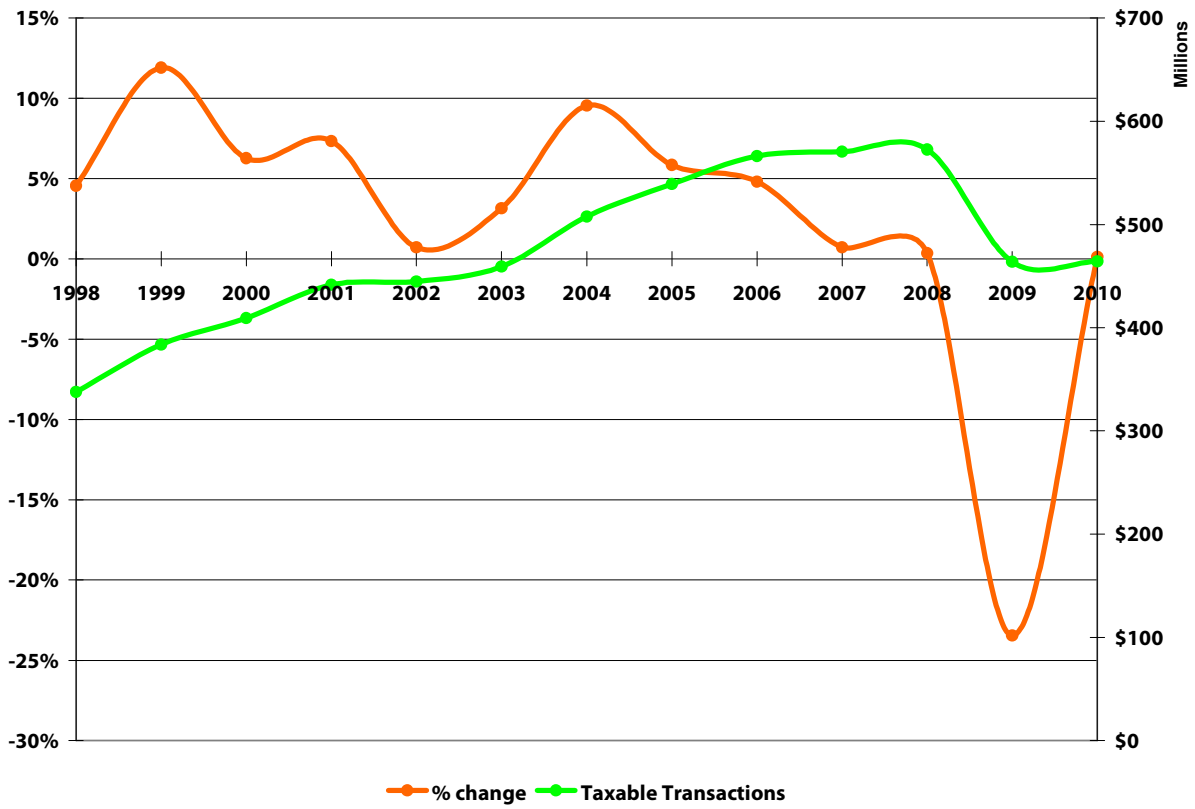

Figure 7: Lake County Taxable Sales

C. Natural Resources

Clear Lake

Clear Lake is the largest natural freshwater lake entirely within California. It is 19 miles in length, up to eight miles in width, and has more than 100 miles of shoreline. The water temperature averages 61 degrees Fahrenheit, and varies from 48 degrees in winter to 75 degrees in summer. Scientists estimate that lakes have existed at the site of Clear Lake for more than two million years, possibly making it the oldest lake in North America.

Lake County has never owned the water rights of Clear Lake as it is held in the public trust by the State of California, although persons owning land touching the lake or water sourses have the littoral or riparian right to take water from these sources. Littoral and Riparian rights are a hold over from English Law. Yolo County obtained the water rights to Clear Lake through appropriation law, which was enacted in 1873, during a dispute between hydraulic miners, establishing the right of the first to file for water. The history for the first to claim water from Cache Creek goes back to 1854 when the Moore Ditch Co. in Yolo County began preparations to take water from Cache Creek for irrigation purposes. Previous to this William Gordon, a naturalized Mexican citizen, had been given grant of two square leagues of land between Sonoma and Napa and the Sacramento River with many rights by Mexican Governor Micheltreno. Moore acquired Gordon's holdings and it was on this land he established his ditch. In 1871, suit was filed against

Moore by the Cachville Ditch Co., disputing Moore's claim to all the water that did flow or could flow in Cache Creek (the only outlet from Clear Lake). On Nov. 11, 1871, the local court decided against Moore. Moore appealed to the California Supreme Court which reversed to lower court and established Moore's claim, the result being that the Cachville Co. went out of business. About 1908 a Mr. Highland spent $10,000 on a plan to build a dam on Kelsey Creek for the purpose of supplying water to the farmers of that area, but when none were interested Mr. Highland dropped the idea with his $10,000. Later, when the Yolo County people were preparing to construct their present dam on Cache Creek, they approached the Lake County Board of Supervisors, asking if Lake County was interested in the lake water. Based on the experience of Mr. Highland, the answer was no. The Moore interests, which had been in the hands of the Moore family for nearly fifty years, during which time they had acquired the several other ditch companies, passed into the hands of the Yolo Water and Power Co. This latter company made application for 300,000 inches of water from Cache Creek, naming Clear Lake and all the streams flowing into the lake, this being recorded in the Lake County's Recorders office on May 28, 1912. Through some oversight, Lake County never applied for water so the rights to the water passed to the Yolo County people.

In 1914, the Cache Creek Dam, located approximately 3 miles downstream of the Grigsby Riffle (which is a rock sill located at the confluence of Cache and Seigler Creeks and maintains the natural level of Clear Lake), became operational and has regulated the level of Clear Lake. Operation of the dam is now controlled by two court decrees, known as the "Gopcevic Decree" (1920), and the "Solano Decree" (1978, revised 1995). The Solano Decree regulates summer water levels by establishing the allowable releases based on the spring water level. If the lake level equals or exceeds 7.56 feet Rumsey on May 1, up to 150,000 ac-ft of water may be released through the dam. However, if the lake does not reach a level above 3.22 feet Rumsey on May 1, then no water may be released.

Clear Lake is very productive and scenic, a lush paradise for fish and wildlife. The high productivity of the Clear Lake Basin attracted Native Americans early in their settlement of North America. Archaeological evidence indicates human habitation around Clear Lake for the last 12,000 years.

Known as the Bass Capital of the West, Clear Lake supports large populations of bass, crappie, bluegill, carp, and catfish. Two-thirds of the fish caught in Clear Lake are largemouth bass, with the record weight of 17.52 pounds.

In addition to fish, abundant wildlife lives within the Basin. Year-round populations of ducks, grebes, blue herons, egrets, and osprey are augmented by winter populations of bald eagles and white pelicans. The Basin also supports abundant populations of deer, bear, mountain lion, raccoon, and other animals.

Agricultural Land

Approximately 100,000 acres of land within the county contain soils considered to be potentially usable for agriculture. The unique soil requirements of wine grape horticulture, however, expand the potential acreage available in Lake County by as much

as 75,000 acres. Many upland chaparral areas that have been used historically for cattle and sheep grazing have recently been converted to wine grape cultivation and more acres may be converted once other factors such as water availability, air drainage, and market demand become more favorable. Lake County currently encompasses four appellations: Red Hills – Lake County, High Valley, Guenoc and Lake County/Clear Lake. Two new appellations Kelsey Bench – Lake County and Big Valley District are proceeding through the federal review process. A detailed analysis of agricultural production in Lake County is below in section I.F, beginning on page 27.

Water

Water, its abundance and availability, is vital to Lake County. The origin of the county's water resources is precipitation, including both rainfall and snowfall. Average precipitation varies from 22 inches at Clear Lake to 80 inches in the Mayacamas Mountains in the southwestern portion of the county. Three major drainage basins are defined by the county's topography: Upper Eel River, which drains westerly into the Pacific Ocean; Cache Creek, which drains easterly into Yolo County; and the Upper Putah Creek, which drains southerly into Napa County. Each major watershed is composed of smaller hydrological units formed by streams, creeks, groundwater basins, and the terrain of the area.

Lake County's surface water resources include numerous lakes, reservoirs, streams, creeks, springs, and ponds whose waters serve the needs of man and nature. Higher order perennial streams supply water for natural groundwater recharge and convey water to major lakes and reservoirs. Lower order streams supply intermittent flows and provide important habitats for wildlife. The county's major lakes store water for domestic use, and also provide quality environments for tourists and county residents.

Currently, the most significant source of agricultural water supply in the county is groundwater. Groundwater use is estimated at 28,000 acre feet (in 2000) for the Clear Lake watershed. Groundwater is contained in underground formations called aquifers which, in the case of Lake County, are composed of either volcanic material or young alluvial materials such as sand and gravel. Water stored in aquifers is released to the surface through wells and springs or by seepage into lakes, rivers, and wetlands. Just as groundwater ultimately returns to the surface, it is also replenished from the surface. Water from streams and lakes seeps down into aquifers; or where aquifers or transmitting formations are exposed to the surface, precipitation percolates directly into the aquifers.

Geothermal Activity & other sources of Alternative Energy Production

Geothermal activity, specifically the vapor dominated reservoir system, referred to as The Geysers, extends along the Lake County/Sonoma County line into the southwest portion of Lake County. Superheated steam is generated by a body of magma centered 4 to 5 miles beneath Mount Hannah. Modern development of The Geysers steam resource began in the late 1950s culminating with the completion in 1960 of PG&E's first plant, Unit 1 in Sonoma County. The Geysers, comprising 45 square miles along the Sonoma and Lake County border, is the largest complex of geothermal power plants in the world. Fueled by more than 350 steam wells, The Geysers' geothermal field has an output of

approximately 800 megawatts, approximately one-third of which is generated in Lake County. The Geysers meets the typical power needs of Sonoma, Lake, and Mendocino counties, as well as a portion of the power needs of Marin and Napa counties. In fact, The Geysers satisfies nearly 60 percent of the average electricity demand in the North Coast region from the Golden Gate Bridge to the Oregon border. The Geysers is one of the most reliable energy sources in California, delivering extremely high availability and on-line performance and accounts for one-fifth of the green power produced in California.

Lake County is a net energy producer, meaning that more energy is produced in Lake County than is consumed in Lake County.

Hot water geothermal resources present potential for Lake County besides power generation. Depending on the quality, temperature, and extent of the individual resource, use of the proper materials and design can enable a large variety of residential and commercial applications, including: the heating and cooling of homes and businesses; the drying of lumber, aggregate cement slabs, organic materials, and meats; and the heating of water for fish farming, food processing, and mushroom growing.

In 2009, the County of Lake and Lake County Sanitation District went online with a 3.2 – megawatt solar installation consisting of five solar arrays (a total of 22.5 acres), making it the largest solar installation on County facilities in California. Today, it remains one of the largest installations on public faculties in the Western Unites States.

With the installation of these solar facilities, Lake County is using one alternative energy source (solar) as part of its efforts to treat, transport, and recycle wastewater that is then used to recharge and sustain another alternative energy source (geothermal) at The Geysers to generate power for homes and businesses.

Mining

Aggregate mining has been an important industry in Lake County since the early 1930s. Aggregate mining in streams and channels has been reduced due to the adverse effects on the environment. Currently terrace and side hill mining occurs at DNA Ridge Rock, near Lower Lake; Point Lakeview Quarries, near Lower Lake; the S Bar S Quarry, outside of Kelseyville; and at Clear Lake Lava and Aggrelite Rock cinder quarries, both near Clearlake Oaks.

A significant hard rock aggregate site has been determined to exist at the Keithly Ranch site west of Lakeport. Granite Construction operates this quarry, a major source of aggregate for asphalt and concrete for both Lake and Mendocino counties. The aggregate supply from this important site should provide enough resource for Lake County's development needs for 20 years.

D. Environmental Issues

Clear Lake

The maintenance and enhancement of Clear Lake itself is critical to the future economic vitality of the area. The Lake County Board of Supervisors approved an allocation of $1.4

million to address weed and algae education, prevention, and abatement in 2011.

Primary nutrients such as phosphate and iron derive from soils that are disturbed in the watershed of the surrounding hills. During periods of runoff, these soils enter into the lake via creeks and peripheral runoff. Development has increased the delivery of eroded soils to the lake. Land-use changes within the last century, including channelization of creeks, removal of streamside vegetation and other wetlands, gravel extraction from creeks, and hillside lot development have all combined to raise levels of soil loss and transportation into the lake above the natural background levels.

Over the past decade, one of the major complaints about Clear Lake involves the nuisance resulting from excess seasonal algae growth. The lake's high nutrient load when combined with the lake's shallow depth and resulting naturally warm water is primarily responsible for this problem, which creates unsightly patches of surface scum and odor. A number of algae abatement techniques have been tried in the past years with little success. The presence of blue-green algae is not a recent development as the presence of algae during the summer months has existed for many decades and was mentioned in articles dating as far back as the late 19th century. Another problem has been the growth of nuisance aquatic weeds, also due to the lake's shallow depth. This problem has increased as the lake's water clarity has improved in recent years. In addition to algae and nuisance aquatic weed growth, threats to Clear Lake include invasive aquatic weeds such as hydrilla and possible infestation by quagga and zebra mussels, which have wreaked havoc with water bodies in southern California and other areas of the country. So far, Lake County's diligent efforts to inspect watercrafts have prevented quagga and zebra mussels from infesting Clear Lake, or any other body of water in Lake County, but as the threat increases, efforts to prevent infestation also may need to increase.

Sewage pollution from community facilities and individual disposal systems has occurred, although improvement of the sewage treatment and service facilities within the county has diminished this source of nutrients and pollution, except during overflow situations typical of high rainfall years.

Enjoyment of the recreational and aesthetic benefits of Clear Lake also depends upon adequate public access to the lake and shoreline areas for recreational activities and, simply for views. In the unincorporated communities, the County has several parks with public shoreline access, and the cities of Lakeport and Clearlake also have shoreline parks. Other access is afforded through clubhouses, private docks, and private property, which has, over the years, provided limited public access to the lake. It is important that the local residents and the tourist population have adequate lake access, especially for boat launching. The cost of shoreline property rose sharply over the previous decade, making acquisitions by agencies extremely difficult. All shoreline below the high water mark (7.79 Rumsey) is in the Public Trust.

Water

With the rapid rate of growth experienced by the county in the last decade, existing water supplies in certain parts of the county are stretched to meet the present demands for municipal and domestic users and are less than adequate for agricultural users. In

order to accommodate anticipated future growth, new water supplies must be developed. The purchase of Clear Lake water rights by the Yolo County Flood Control and Water Conservation District many years ago, has had a significant impact on options available to Lake County for expanding its water supply.

Nutrient loading into the lake has been a problem in the Clear Lake Basin due to inadequate municipal and individual wastewater disposal facilities. This problem has been most critical in areas adjacent to Clear Lake where unsuitable soil conditions, high water tables, and inadequate facilities to process waste exist. Water drawn from Clear Lake must be treated for domestic use due to high turbidity and microbiological activity. There are certain areas dependent on surface water in the Upper Putah Creek Basin, which experienced shortages during drought years.

Archaeological Resources

The county's cultural resources are varied and unique. Archaeologically, the Clear Lake Basin contains one of the highest densities of prehistoric sites in the state. Lake County is the location of the Mostin site, which may be the oldest Indian village in North America (11,260 years old). Historically, Lake County contains sites and structures which depict nearly the entire major social, economic, and technological developments which have served to shape this region.

Historic Sites and Structures

Lake County contains eight State Historical Landmarks and Sites: the Historic Courthouse Museum in Lakeport, Bloody Island Battle Site east of Upper Lake, Lower Lake Stone Jail in Lower Lake, First Stone House in Middletown, site of Stone & Kelsey home in Kelseyville, Sulphur Bank Mine in Clearlake Oaks, Toll Road and Bull Trail near Lakeport, and the Lower Lake Historical School House Museum in Lower Lake. In addition to State Landmarks and Sites, the County has many other historical assets, including historic downtowns in Upper Lake, Lower Lake, Kelseyville, Middletown, and Lakeport; the Ely Stage Stop Museum, the Tallman Hotel, and the Lucerne Hotel, a 1920s era structure that is the most grand of the hotels and resorts that once were common around the county.

Plants and Animals

Lake County is endowed with a number of significant natural areas including mountain regions, valleys, forest lands, stream corridors, and lake areas. These distinctive environments, in turn, support a wide variety of plant and animal life. Lake County's many streams possess valuable riparian communities, rich in diverse fish and wildlife. The wetlands, located around the periphery of the county's many lakes, also are important wildlife habitats and spawning grounds for fish.

The California Natural Area Coordinating Council completed an inventory of the biological, geological, and paleontological features of the County and selected 33 areas of special environmental significance. These areas are noteworthy due to their particular scientific and educational interest, rare and endangered species, noteworthy geologic areas, and areas of historic interest.

Undisturbed habitat is the key to the abundance and well-being of the county's wildlife.

The county has significant populations of black-tailed deer, tule elk, black bear, bobcat, coyote, quail, pheasant, bald eagle, peregrine falcon, western and pie-billed grebes, the great blue heron, osprey, mallards, green-winged teal, cinnamon teal, and the ruddy duck.

Clear Lake and its tributaries support several species of warm water game and non-game fish including crappie, bass, catfish, bullhead, bluegill, and sunfish. The Eel River contains a few silver salmon, salmon, and steelhead trout. The Blue Lakes have had various species of sport fish introduced.

Lake County is home to numerous native plants, many of which color the area's hillsides in spring and summer, including western redbud, ceanothus, California buckeye, and clarkia. Lake County also supports several plant species included on the list of endangered or rare plant species as designated by the Fish and Game Commission pursuant to the California Native Plant Protection Act.

Air Quality

One of Lake County's valuable resources is good air quality. The county is the only air district in attainment of all the State air quality standards. As of 2013, and for 23 consecutive years, Lake County has had the "Cleanest Air in the State." Lake County, California had the cleanest air in the United States, as rated by the American Lung Association in 2013. This is in a large part due to the diligent efforts of the public, agricultural industry and the Air Quality Management District.

A primary air quality concern in Lake County is the ability of the Clear Lake Basin to tolerate a large loading of pollutants. The air basin is relatively small and is composed of a complex topography that makes dispersion of pollutants difficult under inversion conditions. Inversions are an atmospheric condition where a layer of cool air is trapped by a layer of warm air so that the underlying cool air cannot rise nor spread horizontally because of bowl-like nature of the air basins.

Hazardous Materials

Lake County's rural setting, curvy, mountainous highways, and lack of rail transportation contribute in limiting the type and quantity of hazardous materials used in the county. By far, the largest quantities used are common petroleum hydrocarbon materials like motor vehicle fuel and heating fuel. There are a small group of facilities that use extremely hazardous substances in significant quantities. They include geothermal power plants, water and wastewater treatment plants, agricultural chemical warehouses, and packing sheds.

There are a multitude of agencies (federal, state, and county) involved in regulating hazardous materials. However, for the most part, federal and state hazardous material mandates and regulations are delegated to local government for enforcement.

Geologic and Seismic Hazards

Geologic hazards occurring in Lake County result from unstable slopes, ground failure, unstable soils, and volcanism. Seismic activity poses hazards to developed areas in the

county by ground displacement, ground failure, ground shaking, especially in the Cobb Mountain area.

The major geologic hazard facing the county is that associated with slope instability. As slope increases, so does the potential for hazardous conditions to human life and structures situated in the area. Land having an average slope of 30 percent or greater is generally considered less suitable for intensive development because it is difficult and costly to develop.

Subsidence and ground failure due to seismic activity are two potential forms of ground failure that could occur in Lake County. Subsidence is a localized downward movement of ground surface with little horizontal movement. It is usually caused by the collapse of underground voids such as mines or caverns, by excessive groundwater withdrawal. Subsidence may damage all types of construction, including buildings, sewage disposal works, water pipes, gas lines, and roads.

The likelihood of local subsidence problems occurring due to the withdrawal of vapor-dominated geothermal resources appears remote. Substantial subsidence due to local geothermal development has not been noted to date.

Soil erosion is another common form of soil instability. It accounts for a loss in many dollars of valuable soil, is aesthetically displeasing, and often induces even greater rates of erosion and sedimentation. Construction activities often contribute greatly to erosion and sedimentation. Besides being a pollutant in its own right, sediment acts as a transport medium for other pollutants, especially nutrients, pesticides, and heavy metals. As the sediment drains into water sources, the combination of these pollutants adversely affects water quality.

Numerous faults exist within the county, some designated potentially active, which could cause ground rupture, failure, and shaking. However within the past 200 years, no major damaging earthquakes have occurred along faults in Lake County.

Flood Hazards

Flood hazards in Lake County can be attributed to four sources: lake overflows, creek overflows, inadequate local drainage facilities, and dam failures. Those areas with the greatest potential for creek flooding are residential and agricultural areas along tributaries to Clear Lake and those within the 100-year floodplain. The floodplain is most extensive along Scotts Creek, Cache Creek, Adobe Creek, Putah Creek, Cole Creek, Burns Valley Creek, Middle Creek, and Kelsey Creek.

Flooding around the rim of Clear Lake seriously disrupts the local economy as it closes thoroughfares, inhibits emergency services, and threatens the water quality, and damages lands, public facilities, private homes, businesses, farms. The greatest damage can be expected around Clear Lake, since approximately one-fourth of the lake's 100-mile rim is developed. The risk to human life is minimal because there is generally ample time to evacuate lakeshore residents if flooding is expected.

Lake Pillsbury is an irregularly shaped lake, bounded by steep walls on all sides except for the northern lakeshore (Gravelly Valley). Flooding and wave run up (seiche) would

inundate the entire rim of the lake, with Gravelly Valley experiencing the greatest impact.

Six dams have been identified as being capable of causing death or injury if flooding due to dam failure occurs: Adobe Creek, Highland Creek, Indian Valley Reservoir, Clear Lake/Cache Creek, and Hidden Valley Lake. Dam inundation can result from failure of its structural integrity or when spillway capacities are exceeded, although this is very unlikely.

Wildfire Hazards

The vast majority of Lake County is classified as a high or very high wildfire hazard area by the California Department of Forestry and Fire Protection (CALFIRE). The county's hilly topography, rich vegetation cover, and hot dry season produce dangerous summer fire conditions. Wildfires are a potentially dangerous hazard to development located in forest and shrub areas. They not only destroy vegetation and endanger structures and public safety, but devastate valuable wildlife habitat and watershed lands. The absence of natural ground cover on burned lands greatly increases the hazards from slope failure and erosion.

The severity of wildfire problems is influenced by the four factors of vegetation, climate, slope, and people. CALFIRE has developed a fire hazard severity scale that uses the first three of the above four factors to evaluate wildfire hazard. Using this scale, approximately 45 percent of the county falls into extreme fire hazard.

Critical fire weather occurs in the county when air temperature rises to more than 100 degrees Fahrenheit, relative humidity drops to near zero, and hot dry north or east winds blow at high velocities. Lake County has an average of more than 9.5 days of critical fire weather per year.

Development of residences on steep slopes or brush-covered hillsides is an additional source of hazard. The residential areas of Hidden Valley and the Clear Lake Riviera are located in just such hazardous conditions. Also, development in hilly areas often necessitates narrow, twisting roads that do not provide adequate access for fire equipment. In addition, for each 20 percent increase in slope, the rate of spread for a fire will double.

E. Political Geography

County Government

Lake County was incorporated as a general law county in 1861. It is governed by a five-member Board of Supervisors, with one supervisor elected from each of the five supervisorial districts. Other elected officials include County Clerk/Auditor-Controller, Assessor-Recorder, District Attorney, Sheriff-Coroner, and Treasurer-Tax Collector.

The County provides a wide range of services to its residents, including transportation, libraries, law enforcement, parks, health services, social services, and air quality control. The Board of Supervisors also governs numerous special districts, which provide street lighting, water and sewer, and flood control to county residents. The demand for services is expected

to increase as the population increases.

Fire Protection and Law Enforcement

Six local fire districts (Kelseyville, Lake County, Lakeport County, Lake Pillsbury, Northshore, and South County) are responsible for fire protection throughout the county. The Lake County Sheriff's Department employs patrol officers and patrol sergeants who provide law enforcement on a 24-hour basis. The County maintains one jail facility. Each of the incorporated cities of Lakeport and Clearlake also have their separate police departments to provide law enforcement services in their cities.

Sewage Collection and Treatment Facilities

The County is required to maintain zero discharge into Clear Lake from the operation of its wastewater facilities. Therefore, it must not only treat wastewater, but also dispose of or reclaim it to prevent discharges to Clear Lake. The County operates regional systems at both ends of the lake in addition to local systems in Kelseyville and Middletown. Treated wastewater is collected from the treatment facilities and pumped through a series of pipelines up to The Geysers geothermal area where the water is injected several thousand feet below the earth's surface to re-charge the geothermal steam wells. The Clearlake Oaks County Water District operates a wastewater collection and treatment system in the community of Clearlake Oaks. The Hidden Valley Lake Community Sewer District operates a wastewater collection and treatment system in Hidden Valley. The City of Lakeport operates sewage collection and treatment facilities in Lakeport.

Solid Waste Programs

The County Public Services Department, Waste Management Division, operates the Eastlake Sanitary Landfill just outside the city limits of the City of Clearlake. The County and the two cities have extensive curbside recycling programs and drop off and/or buyback centers for a variety of materials. Household hazardous materials are collected at the Hazmobile, a mobile collection vehicle which holds approximately twelve 2-day events at various locations in the County. The Hazmobile is a joint project of Lake and Mendocino counties and has received multiple awards.

Unincorporated Communities

Several unincorporated communities are located throughout Lake County. Like the County as a whole, the economy of each community generally relies on either tourism or agriculture. A few communities are essentially "bedroom" communities. The population figures cited below are based on the 2010 U. S. Census.

- Blue Lakes, 10 miles north of Lakeport on Highway 20, is essentially a resort community with year round population of approximately 1,000.
- Upper Lake, near the intersection of Highways 29 and 20, is an agricultural center with a population of 1,052. An arch invites travelers off of Highway 20 to the historic Main Street. It is one of the oldest communities in the county and serves as the gateway to the Mendocino National Forest and Lake Pillsbury in northern Lake County.

- Nice, located on the north shore of Clear Lake on Highway 20, is a resort town of 2,731. Nice features a newly developed park and an operating harbor acquired by the County's Redevelopment Agency whose further commercial development is a goal of the County.
- Lucerne is another resort town on the north shore of Clear Lake with 3,067 residents. It features a broad avenue leading from Highway 20 to a 55,000 square foot historic hotel acquired by the County's Redevelopment Agency, is currently owned by the County of Lake and leased to Marymount California University.
- Glenhaven, with fewer than 1,000 residents, is located on a peninsula that is part of the Narrows of Clear Lake. Glenhaven also is located on Highway 20 and features a sheltered cove and private harbor.
- Clearlake Oaks, three miles from Glenhaven, is yet another resort community along Highway 20 with 2,359 residents. The Oaks has one of the largest percentages of secondary/vacation homes in the county and is characterized by lagoons and waterways, a public boat launching facility, and the recently restored town Plaza.
- Lower Lake, a town of 1,294, at the intersection of Highways 53 and 29, features a historic Main Street and is home to Anderson Marsh State Park,.
- The "Rivieras" broadly includes five large residential subdivisions on the lower slopes of Mount Konocti facing and abutting Clear Lake. Clearlake Riviera has a population of 3,090; Soda Bay, home to Clear Lake State Park, has a population of 1,016; and Riviera West, Rivera Heights, and Buckingham all have populations under 1,000.
- Kelseyville, with a population of 3,353, is the center of the County's traditional agricultural area known as Big Valley. Kelseyville's Main Street retains a "pioneer day" image.
- Cobb Mountain, with a permanent population of more than 1,778, is the closest community to The Geysers geothermal resource area. It is located on Highway 175 in the forested area of southern Lake County. Cobb Mountain offers two golf courses for tourists and local residents. Nearby Loch Lomond, like Cobb, offers family resorts for vacationers and is a colorful area with four seasons.
- Middletown is a growing town of over 1,323. Middletown's economy is somewhat dependent on the geothermal industry, as it is the south county's residential center for geothermal workers. Middletown is home to the largest livestock ranches in the county. Development in Middletown is affected by the population growth occurring at nearby Hidden Valley Lake.
- Hidden Valley Lake, with 5,579 residents, is a large gated subdivision centered around an 18-hole championship golf course 6 miles north of Middletown. Although still mainly residential and recreational in character, Hidden Valley Lake is currently experiencing limited commercial development. A large number of both Hidden Valley Lake and Middletown residents commute to work in Sonoma County. This has been the area with the highest growth in Lake County over the past decade; however, the housing market crash in late 2008 has led to many foreclosures in this area and

limited growth.

- North Lakeport, which is contiguous with the northern boundary of the City of Lakeport, but within the County jurisdiction, has a population of 3,314. The area of North Lakeport is primarily residential with the exception of medical facilities centered around Sutter Lakeside Hospital and some small resorts.

City of Lakeport

The City of Lakeport is a general law city with an elected council, appointed department heads, and various commissions and advisory groups. Services provided by the city under the heading of general government include community development (planning, building inspection), public works, water and sewer service, and police. The City of Lakeport is located on the northwest shore of Clear Lake. Lakeport, which serves as the county seat, is the regional center of commerce and governmental activity in Lake County. As of 2010, Lakeport's population was 4,753.

City of Clearlake

The City of Clearlake is a general law city incorporated in 1980. The City encompasses an area of 10.5 square miles and includes the southeast shore of Clear Lake in Lake County. Services provided by the city under the heading of general government include community development (planning, building inspection), public works, and police. Water services are provided by a combination of independent special districts and private water systems. Sewer services are provided by the Lake County Sanitation District. As of 2010, Clearlake's population was 15,250.

Tribal Governments

Lake County is the home of the Pomo and Lake Miwok tribes, whose members belong to federally recognized Indian Tribes with special government-to-government relationships under the U.S. Secretary of the Interior. Under these special government-to-government relationships, tribes are eligible for federal grants to promote the well being of their tribal members and enhance community relationships with state and local governments. The Pomo tribes of Lake County are part of a very large Pomo Nation covering Lake, Mendocino, and Sonoma Counties. Some of these tribes are experiencing economic growth and job creation due to the success of the gaming industry. The tribal governments in Lake County, each governed by a tribal council, are as follows:

- The Scotts Valley Band of Pomo Indians is involved in land acquisition for housing and economic development ventures.
- Habematolel Pomo of Upper Lake operates Running Creek Casino, built in 2012.
- Robinson Rancheria lies between Nice and Upper Lake and operates Robinson Rancheria Resort & Casino and finished construction on a gas station in 2011.
- Elem Indian Colony lies between Clearlake Oaks and Clearlake. It operated a casino until the mid -1990's.
- Big Valley Rancheria, between Lakeport and Finley, operates Konocti Vista Casino

Resort & Marina.

- Middletown Rancheria lies southwest of Middletown off of Highway 29 and operates Twin Pine Casino & Hotel.

The Mishewal Wappo tribe also has historical ties to the Southwestern region of the county, from Middletown to the base of Mount Konocti, and is awaiting a federal court decision regarding the re-establishment of their tribal recognition.

Commercial/Industrial Parks

There are several commercial/industrial parks strategically located in the county. Most are under development and have space for growth.

One is at Lampson Field airport near Lakeport. This 22-acre business park could target airport-related industries. The County of Lake, which owns Lampson Field, is planning improvements which will provide additional opportunities for business and expand air traffic facilities. Plans are underway to determine how best to offer sewer and water to the site. A restaurant and several small businesses are adjacent to the park. Conveniently located at the airport, the park is about one mile from State Highway 29. The County seat at Lakeport provides a strong business base within 5 miles. (See more information about this site in section II.B below.)

The newest development park is the Clearlake Business Park within the City of Clearlake. This 38-acre site is the former Pearce Airfield and has direct access onto the State Highway 53 expressway. The City owns the property and is working toward a public/private partnership for its development. The park also is within the city's redevelopment project area. All public utilities are available at the site. The access to State Highway 53 is via two signalized intersections. The area is a strong business center with Wal-Mart across the highway along with St. Helena Hospital Clearlake, Clear Lake Community College, and the County's South Civic Center.

Adjacent to Clearlake is the Park Place Development business park. The park lies north of the city with frontage on State Highway 53. State Highway 53 provides easy access to State Highway 20 and Interstate 5 as well as State Highway 29 and the San Francisco Bay Area. Sewer service is close to the site and water is available on the site. Two other large ownerships, totaling about 40 acres, are available in the area. This makes the site one of the largest commercial/industrial areas in the County.

A fourth park is located between Middletown and Hidden Valley Lake. This eight acre business park is in development. It has access to State Highway 29 and is adjacent to the community of Hidden Valley. A convenience store/gas station opened across the highway. This site is in one of fastest growing communities in Lake County over the last decade.

All the aforementioned sites are zoned appropriately for commercial/industrial development, although several of the sites need basic infrastructure before extensive development can occur. Plans are underway to extend such infrastructure if there are commitments for business development. Because of the lack of adequate infrastructure, the county and the cities will continue to be dependent on grant and loan programs designed to meet project specific development needs.

Housing

There is an increasing scarcity of quality housing in Lake County. The County Board of Supervisors passed a zoning ordinance that increased minimum design standards for mobile homes. It essentially stated that all new mobile homes placed on private lots in the unincorporated county after that date must comply with the National Manufactured Home Construction and Safety Standards Act of 1974. The result of this is a slow upgrade of quality of the housing stock in the county. The long term impact of this ordinance becomes clear when it is considered that mobile homes constitute approximately 33 percent of the housing units in the county, and that many of these are in poor condition.

Another issue affecting housing availability is that some of the local resorts and motels have converted their units with kitchens to monthly rentals, which in some cases have been in violation of the County zoning ordinance. Some of these units are either unavailable or become unaffordable during the summer tourist season. The seasonal and/or temporary influx of migrant farm workers and other low paying agricultural-and tourism-based jobs further impacts rental housing availability. The County's Community Development Department is pursuing enforcement options to address the illegal use of resorts for permanent housing.

Transportation

All key routes entering and leaving Lake County are State highways. State Routes 20, 29, 53 and 175 are the primary routes for regional and interregional travel. The State Route 20 corridor provides a key link between Interstate 5 in the Sacramento Valley and Highway 101 to the north coast. For a number of communities in Lake County, the state routes function as their "main street" yet at the same time provides key routes for interregional travel. The State highway system in Lake County has 137.5 miles. Most of these routes are two-lane facilities. The topography of Lake County, and Clear Lake itself, constrains options for expanding capacity along existing state highways as well as local roads. The Route 20 Principal Arterial Corridor, which includes portions of State Route 20, State Route 29 and all of State Route 53, was identified by Caltrans as a High Emphasis Focus Route in California in the Interregional Transportation Strategic Plan (June 1998). This route provides a critical connection between the I-5 corridor in the Sacramento Valley and the US-101 corridor serving the north coast, and provides links between most of the population centers of Lake County. Vehicles transporting hazardous materials use this route as they are restricted from the portion of State Route 20 along the north shore of Clear Lake. State Route 29 is the primary route for entering the County from the south, and runs through the communities of Middletown, Lower Lake, Kelseyville and Lakeport, then terminates at the intersection with State Route 20 near Upper Lake. State Route 175 travels from Middletown over Cobb Mountain, then follows the same alignment as State Route 29 to Lakeport where it then travels southwest over Hopland Grade to the Mendocino County community of Hopland.

An overarching issue facing the transportation system in Lake County is the limited availability of funding for maintenance, rehabilitation and capacity expansion of the existing system. Federal, State and local funding sources are not sufficient to address current and future needs. Safety is also a key issue not only for motorists, but also for pedestrians,

bicyclists and transit riders that often travel along state routes and local roads in Lake County.

Lake Transit Authority provides public transit service in Lake County, and intercity bus route service between Napa County (Calistoga and St. Helena), Lake County (Middletown, Hidden Valley, Clearlake, Lower Lake, Kelseyville, Lakeport, Upper Lake), and Mendocino County (Ukiah). Services include fixed-route and deviated fixed route (flex route) bus services and Dial-a-Ride services. Low-income, young, disabled and elderly persons in Lake County are often dependent on transit to provide access to basic services and facilities. In recent years, the demand for transit services from commuters traveling within and outside of Lake County has increased. The primary clients for Dial-a-Ride services, available in the Clearlake and Lakeport areas, are the elderly and disabled. Many of the transit routes travel along the state highway system, including State Routes 20, 29 and 53, as well as Highway 101 (to the City of Ukiah in Mendocino County).

Health Services

Two acute care hospitals are in Lake County: Sutter Lakeside Community Hospital near Lakeport and St. Helena Hospital Clearlake. Clinics and family health centers are located throughout the County: Sutter Lakeside operates a clinic in Upper Lake; St. Helena Hospital operates clinics in Kelseyville, Middletown and Hidden Valley; and the Department of Veterans Affairs operates a clinic in Clearlake. Other private health care services provided within the county are three skilled nursing facilities, three home health agencies, and two hospice services.

Community Services

Community services in the county include one library system with four branches in each of the following communities: Lakeport, Upper Lake, Clearlake, and Middletown; and two museums, Historic Courthouse in Lakeport and the Lower Lake Historical School House. The move of the Middletown Library to its new location has created the opportunity for a public-private partnership to found the Gibson Library & Cultural Center, currently in development by a community group in partnership with the County government. The State Employment Development Department no longer maintains a field office in the County but is partnered with Workforce Lake, which provides workforce development services. The Social Security Administration and the State Department of Motor Vehicles each maintain an office in Lakeport.

Low Income and Aged Population

County, State, and Federal assistance programs are administered locally by the Lake County Department of Social Services. The department manages and delivers child protective services, adult protective services, in-home health supportive services, the public guardian, the public administrator, and welfare programs.

Six senior centers are located in the communities of Lakeport, Kelseyville, Lucerne, Clearlake Oaks, Clearlake, and Middletown. Five of the centers provide congregate and home-delivered meals. The Senior Law Project provides assistance with entitlements, guardianships, and conservatorships. The Area Agency on Aging, operating as a joint powers

authority between Lake and Mendocino Counties, serves the Lake County senior population. North Coast Opportunities, a private, non-profit corporation based in Mendocino County, provides a variety of social services including Head Start, child care, adult care, etc.

Culture and Recreation

Cultural and recreational activities are offered year-round throughout Lake County. Communities and organizations sponsor hundreds of special and annual events during the year. They range from yearly fairs, festivals, and parades to concerts and dinner/dances. Many of the events are fundraisers for local groups.

Organizations providing cultural programs include the Lake County Arts Council, the Clear Lake Performing Arts, the Lake County Community Chorus, the Lake County Repertory Theater, the Lake County Theater for Children, the Lakeport Community Players, the Lake County Historical Society, the Redbud Audubon Society, the Anderson Marsh Interpretative Association, Clear Lake State Park Interpretive Association, and the Taylor Observatory and Planetarium. In addition, the Pomo and Miwok Indians of Lake County continue to preserve their culture, including sponsoring some events open to the public.

There are nearly 30 parks located throughout Lake County operated by all levels of government, including the County, the two cities, the state and federal government. They range in size from the ¼-acre Pioneer Park in Kelseyville to the 1,520-acre Mount Konocti Park. Some parks offer swimming pools and playground equipment while others are preserved in a natural state. Most parks are day-use only, while Clear Lake State Park has facilities for overnight camping. There are 10 public boat launch ramps located around Clear Lake.

Education

Public education in Lake County is provided by the Lake County Office of Education and seven school districts which operate five high schools and numerous middle schools and elementary schools. County residents have access to two community college districts: Mendocino Community College has a center in Lakeport and Yuba Community College has a campus in Clearlake. The Lake Center of Mendocino College just completed a $15 million dollar phase one, facility in Lakeport. The site includes 31-acres for future expansion. Marymount California University (MCU) is the latest addition to our educational community, with classes starting Fall 2013. MCU has leased the County-owned historic Lucerne Hotel with phase one of renovations of the 50,000 sq. ft. facility completing by January 1, 2014. MCU will offer certifications and professional development classes for the first year while completing their accreditation requirements from the Western Association of Schools and Colleges. MCU will begin offering Bachelors and Masters programs once accreditation is complete. The County of Lake has an agreement with MCU to provide leadership and other skills training to employees.

An analysis of the educational attainment numbers when compared to California and the United States at large, show some interesting trends. Figure 8 below shows educational attainment numbers from American Community Survey conducted by the U.S. Census Bureau from 2007-2011.

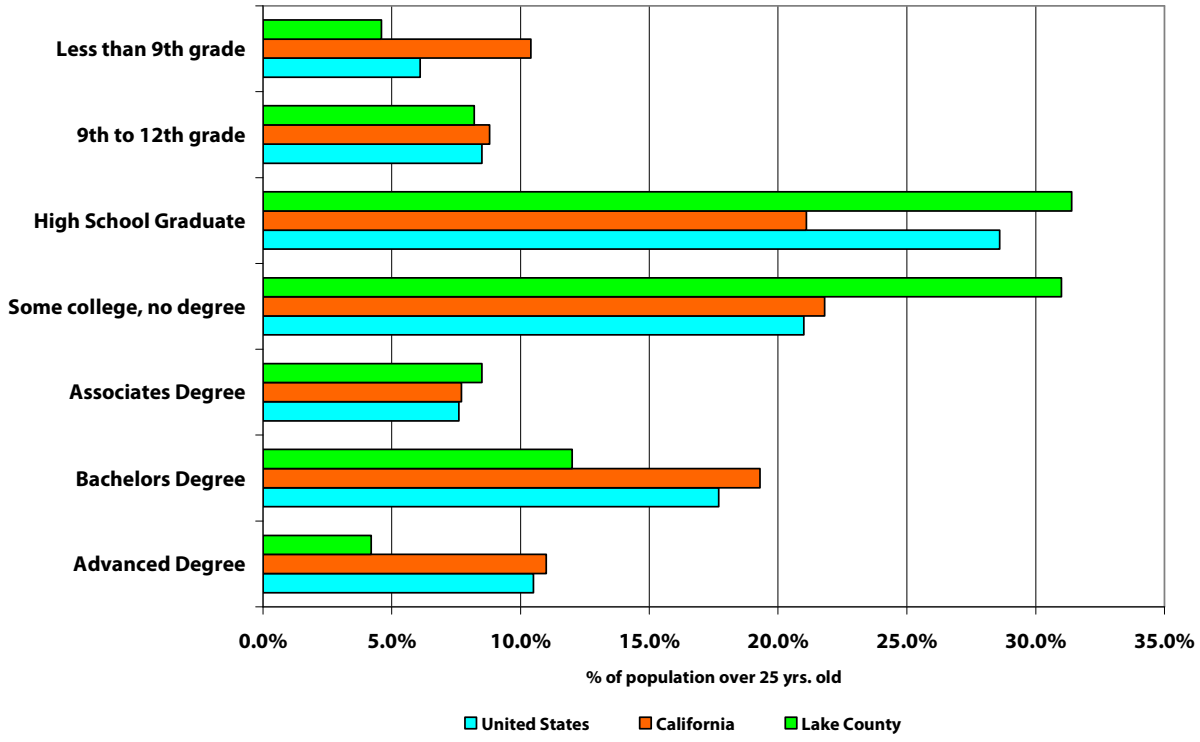

Figure 8: Educational Attainment Comparison

The chart above shows the Lake County students (in green) fare much better than national and state averages in achieving a high school education. Not only do nearly 11 percent more students in Lake County receive a high school diploma (or equivalent) than other students in California, but fewer drop out of high school altogether. Also worthy of note is that Lake County substantially beats state and national averages in students receiving at least some college education, with nearly equal percentages of students receiving an Associates Degree as others across the state and nation. The trends quickly change when comparing local students with Bachelors or other advanced degrees. The lack of a local four-year university or campus has undoubtedly created substantial difficulty for Lake County residents to expand their education beyond what is available at the local community colleges. This discrepancy makes it difficult to educate and attract a local skilled workforce. Marymount California University will offer classes beginning Fall 2013. Local access to an accredited university presents an excellent opportunity for our residents to further their educational goals.

F. Employment in Lake County

The average total employment in 2012 was 13,690, excluding the self-employed. Employment by industry in 2012 is shown in Figure 9 below.

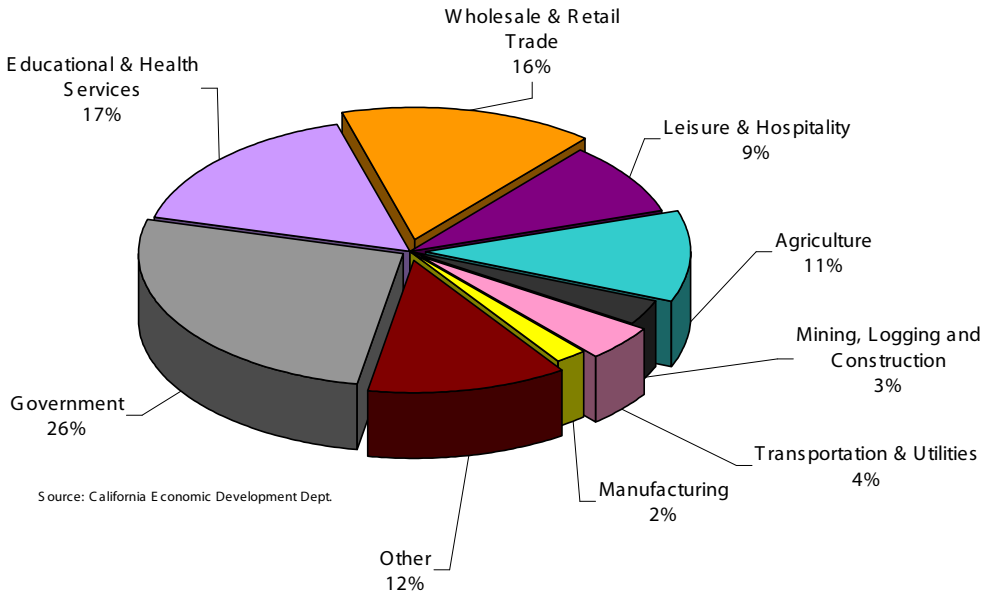

Figure 9: Average Employment by Industry-2011

Figure 10 below shows the historical trends of employment by industry in Lake County. Important trends to note are the large increases in the government sector, an ongoing resurgence in agricultural employment, steady increases in education and health services, and the slow but steady decline in leisure and hospitality services.

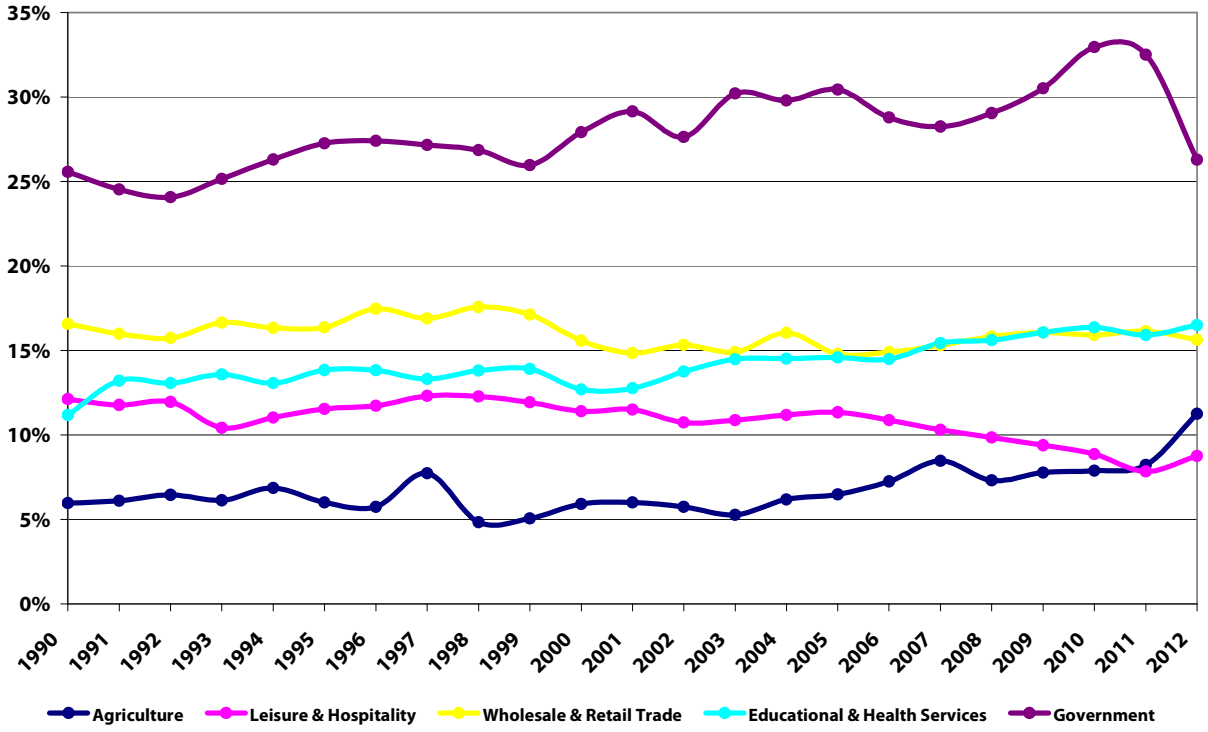

Figure 10: Employment by Industry Trends

Agriculture

Agriculture is a critical component of Lake County's economy. Lake County has a diversity of agriculture-related industries, from growing pears, walnuts, and grapes to cattle ranching and farm labor contracting. The industry is affected by seasonal activities, and employment ranges between 600 jobs in the winter months to more than 1,700 at harvest. Agricultural production, or farming and ranching, has long been a mainstay of the county's economy. Once a labor-intensive industry, both agricultural employment and the number of farms have dropped significantly in recent decades because of mechanization, technological improvements, and market forces.

Over the last decade Lake County's agricultural industry has undergone a shift that includes structural changes, an increase in winegrape production, and a drastic reduction in pear acreage due to downward price pressure from Lake County's relatively late pear harvest and year-round availability of imported pears. This shift forced many local pear farmers to sell, plow under, or abandon acres of Lake County pear orchards while others have converted to other crops, including winegrapes, walnuts, and a variety of other fruit, vegetables, and grain.

The gross value of Lake County's agricultural production for 2012 was $84,842,411; an increase of $18,018,127 from 2011. Agricultural activities make up approximately 11 percent of Lake County's employment, by industry (See Figure 11).

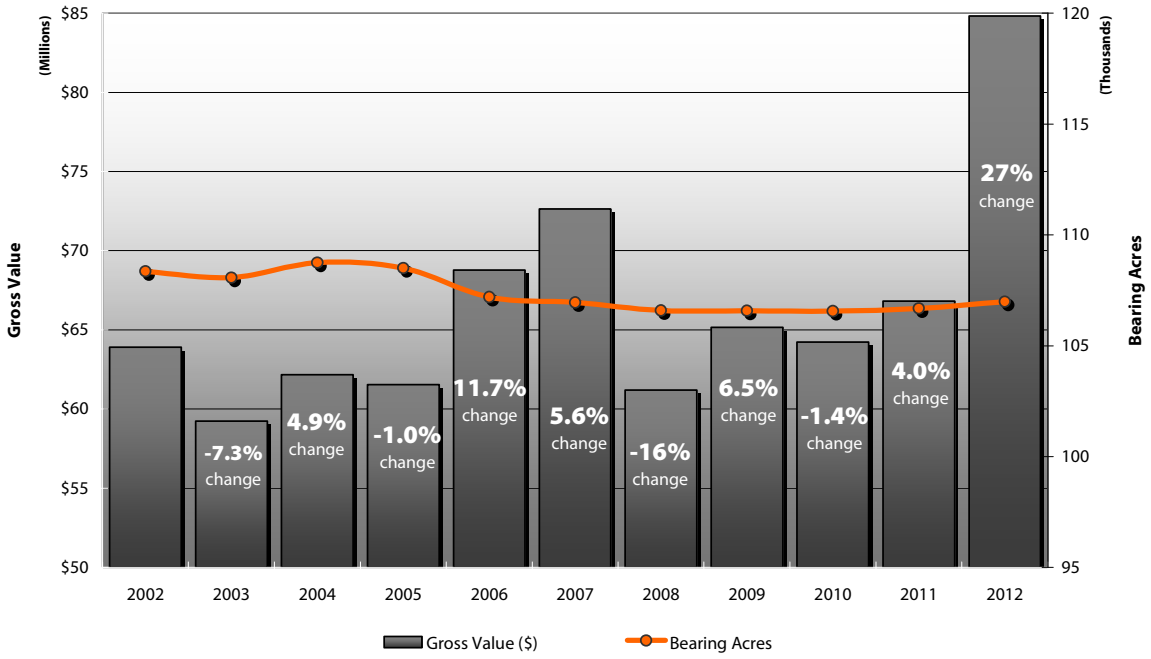

Figure 11: Lake County Agricultural Production

Agricultural production in the county experienced a 27% increase in gross value in 2012. However, the gross production value and the bearing acres have remained fairly stable over the past five years. See Figure 12 below. The county produces a diversity of agricultural products, although winegrapes, pears and walnuts make up nearly 90 percent of total agricultural production, by gross value. See Figure 12 below.

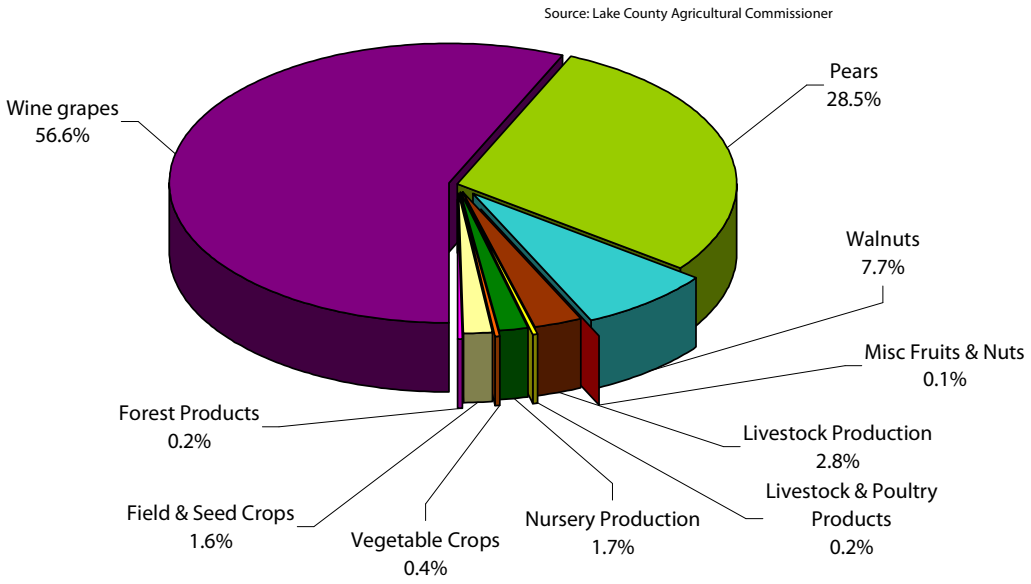

Figure 12: Gross Value of Agricultural Products by Type

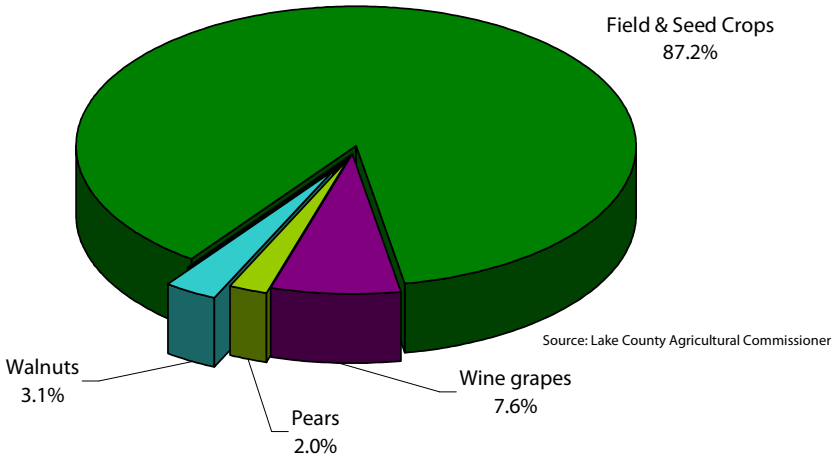

Figure 13: Bearing Acres of Agricultural Products by Type

The Lake County Agricultural Commissioner, who tracks agricultural data in the county, reports that production of the three largest crops by value (winegrapes, pears, and walnuts) are showing stability and/or growth over the last three years in both value and bearing acres. Contrary to general public opinion, walnut production has shown an increase in both bearing acres and gross value over the past five years. Additionally, gross values far surpassed the previous record levels of 2007. Pear production has shown a healthy increase in gross value, even with a reduction in bearing acres as has been the case also, with winegrapes. An additional 2000 acres of winegrapes is currently in the permitting process for planting in 2014. See Figures 14, 15 and 16.

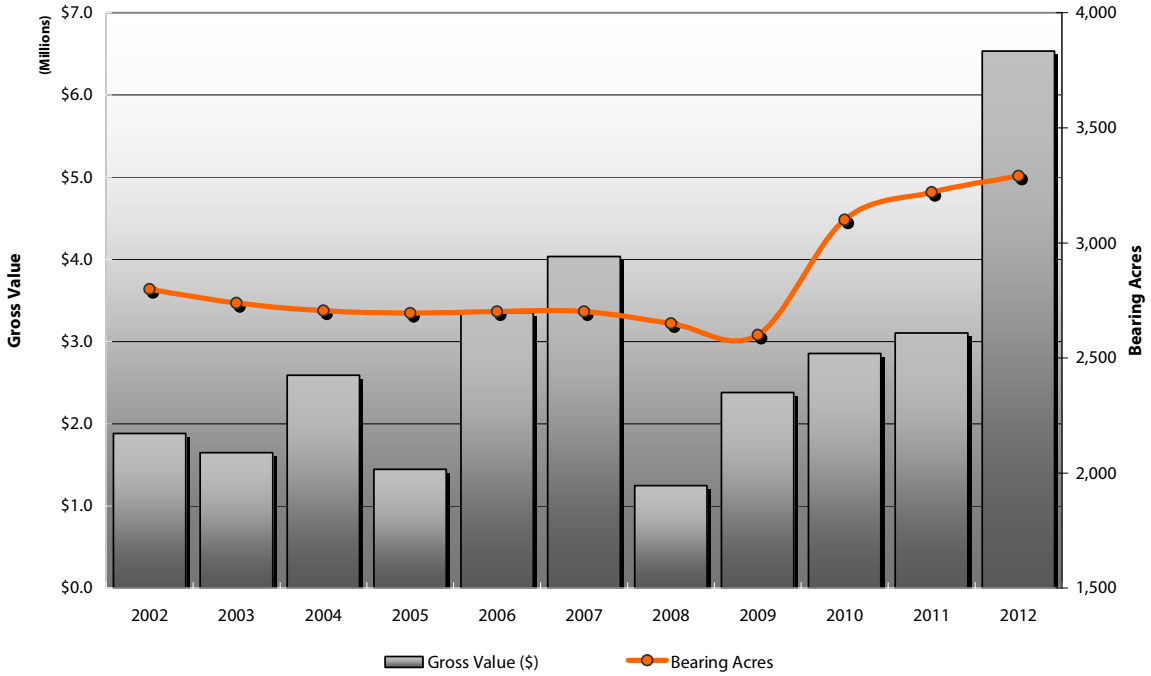

Figure 14: Lake County Walnut Production

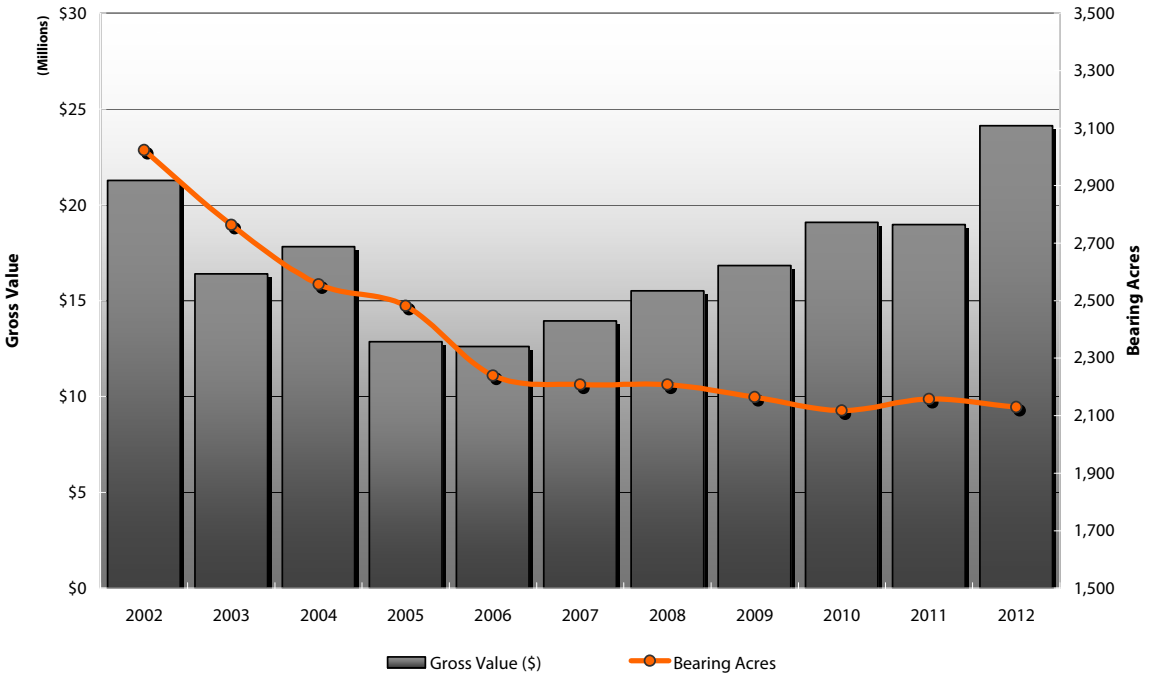

Figure 145: Lake County Pear Production

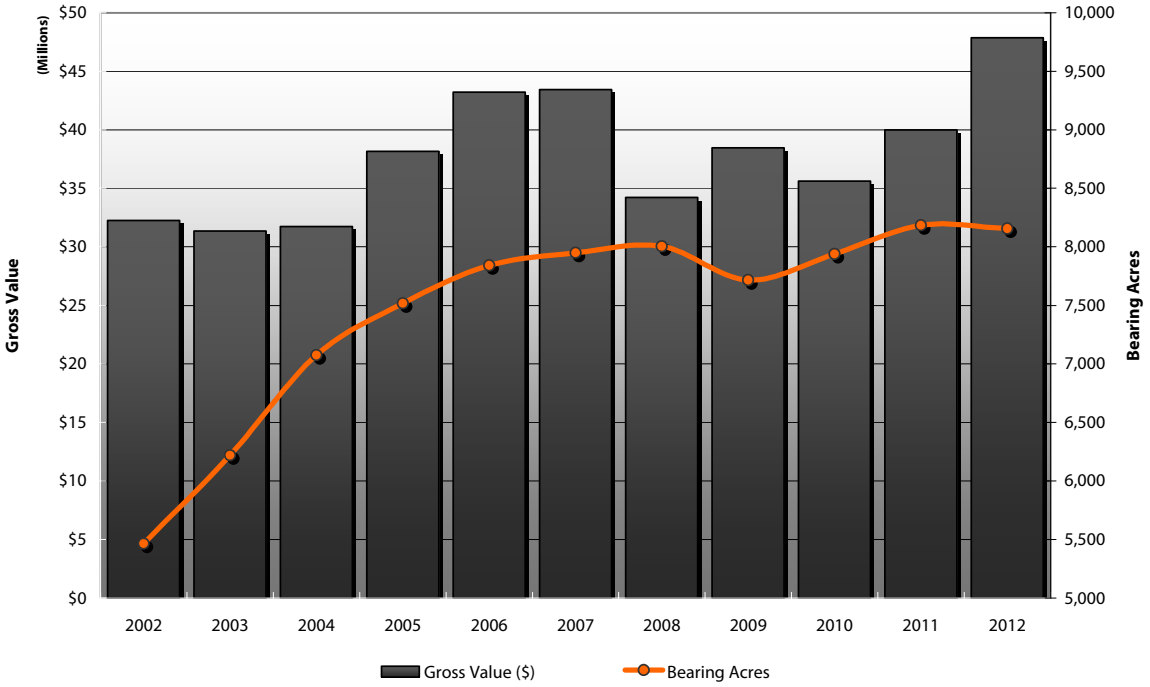

Figure 16: Lake County Winegrape Production

In terms of total farm acreage within the county, growers changing crops from one to another may not require a permit from the county unless some improvement is sought, like drilling a well or building a reservoir to serve the new planting. The first time these

acreages are counted is in the county crop report issued annually.

The secondary processing of crops within the county, aside from pears and wine grapes, is very limited. Secondary processing could be a viable method of increasing the multiplier of the county's agricultural dollars. This avenue could be especially profitable for those crops with a high mark-up potential, such as livestock and wool production, and to a lesser degree for fruit and nut crops. In recent years, a few local entrepreneurs have developed value-added agricultural processing methods for olives, walnuts, and lavender (for lavender oil).

Leisure & Hospitality Services (Tourism)

Tourism and the recreation industry are major contributors to the county's economy. Lake County has enjoyed a long history as a tourist and resort area.

Clear Lake, Blue Lakes, Lake Pillsbury, and Indian Valley Reservoir are popular spots for fishing and boating. The Cow Mountain and Knoxville recreation areas are a place for such outdoor sports as hunting, fishing, and off highway vehicle (OHV) trails. North Cow Mountain has undeveloped trails for hiking, horseback riding and mountain bike riding; trails have been developed for OHVs in the South Cow Mountain area, Knoxville OHV area, and in the Mendocino National Forest. Indian Valley Reservoir and Boggs Mountain also offer opportunities for camping and outdoor activities.

Lake County offers numerous lodging facilities, marinas, and launching facilities. The closure of Konocti Harbor Resort and Spa in the fall of 2009 was a significant loss to the county’s economy. It was the county's largest destination resort with convention facilities, a 1,000-seat indoor concert venue, and a 5,000-seat amphitheater, which in total hosted over 50 concerts annually. The resort employed more than 500 county residents on a seasonal basis and approximately 100 on a year-round basis.

In 2005, employment in this industry peaked at 1,680 employed. After the closing of Konocti Harbor Resort in November 2009, the number of employees in the leisure and hospitality industry in December 2009 was 160 less than the number employed in December 2008. Since then, the total number employed in leisure and hospitality has continued to decrease, with a 2012 total of 1,200.

Other tourist facilities throughout the county include 32 wineries with tasting rooms or multi-winery tasting rooms, one 18-hole golf course in the Hidden Valley Lake area, and four nine-hole golf courses.

The dollars generated by trade with and services provided to visitors of Lake County are an important economic resource to the county. The economic potential of Lake County revolves around the service centers, restaurants, motels, food stores and retail outlets that depend heavily upon Clear Lake and the thousands of visitors and retirees it attracts annually.

Four Native American tribes operate casinos in Lake County. With rapid growth of

Native American gaming establishments, employment in hotels, motels, and other lodging places is expected to continue to increase. Job opportunities will likely be concentrated in the largest hotel occupations: hotel desk clerks, and janitors and cleaners. Job turnover is relatively high in this industry. Job opportunities exist for first-time job seekers and people with a wider range of experience and skills, including those with limited skills.

The fastest growing segment of the tourist industry is nature tourism and Lake County has made two significant steps to capture a portion of that market.

In 2009 the County purchased 1,520 acres at the top of Mount Konocti for public use. The County installed improvements including signage, restrooms, benches and tables and interpretive signage is under development. The park is currently open for day use hiking only, with limited docent-led trips offered during the year. Other uses, including equestrian, non-motorized mountain bikes, and dog walking will be considered. Such improvements and the prospect of hiking to the top of the County's most significant geographical feature, and the spectacular view it affords, has already shown to be a draw to additional visitors to the county and persuades other tourists to extend their stay. Plans also are being pursued to link Mount Konocti Park to nearby Clear Lake State Park with a non-motorized multi-use path.

The other significant step is the development of the Konocti Regional Trails System. The Konocti Regional Trails Master Plan was adopted in January 2011. This system of trails is envisioned as a network of interlinking, non-motorized trails and "blueway" water trails that will provide connections between the established communities on all sides of Clear Lake, and between recreational destinations throughout Lake County. It also will identify trail links to outlying Mendocino National Forest and Bureau of Land Management (BLM) lands, major recreation destinations, and outlying communities to create the future countywide trails network, with connections to trail systems in adjacent counties.

Other Services

Employment from Educational & Health Services was 2,260 in 2012. This sector makes up approximately 17 percent of the employment in the county.

The greatest number of job openings should arise in large occupations with easy entry, relatively low pay, and high turnover, such as home health and personal care aides. The expected rapid growth is due to expanding services for the elderly, the mentally and physically disabled, and families in crises.

Health Services accounts for a large portion of jobs in the services industry. The elderly population, a group with much greater than average health care needs likely will continue to grow faster than the total population, increasing the demand for health services, especially for home health care and nursing and personal care. The fastest growth is expected for workers in occupations concentrated outside the in-patient hospital sector, such as medical assistants and personal care and home health aides. Besides job openings due to employment growth, additional openings will

result as workers leave the labor force or transfer to other occupations.

Wholesale and Retail Trade

Trade is Lake County's third largest industry sector, with a total of 2,140 employees in 2012. Wholesale trade businesses supply goods and equipment to local retailers, contractors, manufacturers, and transportation services. Employment in Lake County's wholesale trade sector is concentrated in establishments that supply products such as fresh fruits and vegetables, groceries, motor vehicle supplies, building materials, commercial equipment and machinery, and petroleum.

Government

Government is Lake County's largest industry division. Employment totaled 3,600 in 2012. State and local governments provide vital services to their constituents, such as transportation, public safety, health care, education, utilities, and courts. More than 90 percent of these employees work for local governments, such as counties, cities, tribes, and special districts.

Transportation and Public Utilities

Transportation and public utilities (TPU) continues to grow. Population growth and infrastructure improvements are increasing the demand for communications, electricity, gas, water, and sanitary services.

Water supply and sanitation services are projected to be the fastest growing sector of public utilities. This industry is expected to grow due to an increase in the amount of waste generated per person, an increase in population, increasing disposal requirements for different materials, and an increase in the percentage of refuse that is recycled. Also, newly constructed housing developments are more likely to have community water supplies and wastewater treatment facilities, increasing demand for these services.

Geothermal

Currently, approximately 13,200 acres in Lake County are available, through ownership or leasehold, for geothermal-related land use. Much of this activity is concentrated in the southwest portion of the county, in the Geysers-Calistoga Known Geothermal Resource Area (KGRA). A supply of high-temperature steam in that area has been tapped to power electrical turbines that provide power to PG&E residents throughout the state. These geothermal power plants currently produce less expensive and more dependable power which is considered environmentally superior to other sources of power generation in California.

The County receives a portion of the revenues created from development of geothermal resources on federal land in the Geysers Area. The economic benefits to Lake County from steam field development at the Geysers are primarily from federal royalties, property tax revenue, and contributions to the local economy through jobs and support industries. However, businesses in Lake County do not directly result from the production of the Geyser's inexpensive electrical energy.

Mining

Aggregate mining has been an important industry in Lake County since the early 1930s. In addition to direct employment, the industry provides basic building materials (sand and gravel) for the housing industry and for the construction and maintenance of roads and bridges. Lake County produces over 90 percent of the volcanic cinder used in cinder block production in northern California. Presently, the cinder is transported in bulk to other counties for cinder block manufacturing, and Lake County does not benefit from the jobs and revenue of this value-added manufacturing industry.

II. ANALYSIS OF ECONOMIC DEVELOPMENT PROBLEMS AND OPPORTUNITIES

A. Assessment of Past Development Efforts

Local Business Assistance

Until 2010, Lake County was served by the Lake County Small Business Development Center, which was part of the Yuba College Regional SBDC, which served five rural counties. The County has several other programs and organizations in place to support local business and aspiring entrepreneurs.

Mt. Konocti Facilitation (MKF), a non-profit corporation established in 2005, provides confidential one-on-one counseling to new and existing businesses in the areas of operations, marketing, and finance. The MKF facilitators work with a community board comprised of civic leaders and community professionals to provide free and confidential business assistance to aspiring entrepreneurs, existing businesses looking to expand, and existing businesses facing obstacles and challenges. MKF has received funding from County of Lake, SAFE-BIDCO (State Assistance Fund for Enterprise, Business and Industrial Development Corporation), and grants from the Wells Fargo Foundation.

Another significant economic development organization is Community Development Services (CDS) and its Lake County Business Outreach and Response Team (BORT). BORT operates an intermediary re-lending program with funds obtained from the United States Department of Agriculture which it then loans to local businesses at rates lower than commercial rates.

The County of Lake and the cities of Lakeport and Clearlake also each operate a business loan program funded by Community Development Block Grant funds. Funds are loaned to local businesses to create or retain jobs.

Representatives from the County Marketing and Economic Development Program, MKF, SAFE-BIDCO, Arcata EDC, local banks, the two chambers of commerce, the local workforce training organization, and the local office of the State Employment Development Department meet regularly as the Lake County Business Services Network to coordinate and facilitate economic development.

Tourism and Recreation Development

The destination marketing organization of the County is the Lake County Marketing and Economic Development Program (MEDP), a division of the County Administrative Office, since 2001. The MEDP actively works to promote tourism to and commerce in Lake County. Promotional efforts include media relations, visitor attraction, film commission, community beautification, and business assistance. Funding for the Program is derived from local Transient Occupancy Taxes (TOT), also known as hotel bed taxes, that are collected and submitted by lodging establishments in the unincorporated areas of Lake County. The Lake County Marketing Program is focused on destination marketing-encouraging potential visitors to plan a trip and stay overnight in beautiful Lake County. The Lake County MEDP is made up of a small team of professionals and volunteers, all of whom are passionate about Lake County and work to promote our destination through: media outreach and public relations, advertising campaigns, website, online media and social networking vehicles (Twitter, Facebook, etc.), Visitor Information Center in Lucerne, and inquiries by phone, mail, e-mail, web.

The priorities of the Program are to improve the quality of life and the local economy in Lake County by promoting Lake County as a tourist destination; instilling pride and a positive image; to facilitate, expand, and diversify visitor activities; and to increase tourism services and benefits.

The Program staff provides technical assistance, promotion, data gathering and coordination to communities, organizations, businesses and individuals working to increase the county's aesthetic, cultural, and recreational benefits. Program staff also function as the Lake County Film Commission Liaison, and assist local business owners and entrepreneurs with info and access to local resources.

The Program promotes Lake County tourism through media, travel trade shows, advertising, regional partnerships, etc. It also maintains a Visitor Information Center in Lucerne year round offering personalized services and information to visitors.

In order to extend the tourist season and improve the economy of the area, the County and other organizations have pursued the development of multi-use pathways (hiking, bicycling, and walking), wine-related tourism, and other agri-tourism attractions.

In 2011, the County contracted with a consultant to complete an *Economic Development Strategic Marketing Plan,* which primarily focused on improving the tourism sector of the economy. A number of the economically feasible and politically acceptable recommendations in that plan have been completed, including the creation of a Tourism Advisory Board. TAB, with members spanning the county's wine, lodging, restaurant and events industries, meets regularly to develop recommendations for continued economic development.

Job Training and Job Placement Efforts

In 2011, the Board of Supervisors voted to leave the North Coast Consortium (NCC) Workforce Investment Board and join with the County of Napa to form the Napa Workforce Investment Area. The Lake County One Stop was replaced with Workforce

Lake, which has been very active with recruitment, assessment, career development, and vocational training of local residents. Workforce Lake has provided adult services including vocational assessments, classroom training, on-the-job training, and employment placement for low income residents. Youth services have included career guidance, assessment, summer youth employment, work experience, and on-the-job training.

The local State Employment Development Department (EDD) has provided positive recruitment, selection and referral services for many of Lake County's largest employers. There is no longer any staff in Lake County and the office is operated out of Fairfield. Workforce Lake now provides access to the services. EDD provides both traditional and intensive employment assistance to all individuals--there are no eligibility or suitability requirements for services. Mainstream job services include assessment, selection, and job matching. The automated SHARE system is an easy-to-use computer system that lists more job openings than ever before. Job seekers can search for jobs without assistance from an individual by accessing the SHARE system at the EDD office or at Workforce Lake.

Redevelopment of Northshore Communities

The Lake County Redevelopment Agency adopted the Northshore Redevelopment Project Area Plan in 2001. The Northshore Project Area consisted of the unincorporated communities of Upper Lake, Nice, Lucerne, Glenhaven, and Clearlake Oaks. The primary goals of the RDA were to: 1) eliminate blight, 2) improve the town centers in each of the communities, 3) improve and develop public spaces, such as parks and plazas, 4) infrastructure improvements to facilitate business expansion, and 5) increase housing for low and moderate income families. The City of Lakeport and City of Clearlake also established redevelopment agencies. In February of 2012 all agencies across the state were eliminated. This action has resulted in a strain on local governments to continue existing projects, wind down the affairs of the agencies and continue to find ways to stimulate economic development and growth in our communities.

Public-Private Partnerships

The County has formed many partnerships with business and industry groups. A few of the significant partnerships are described below:

Geothermal Industry: In order to dispose of treated wastewater and provide a source of water to the geothermal wells, the County and geothermal industry worked together to build a pipeline that collects treated wastewater from the County's wastewater treatment plants and transports it to The Geysers geothermal area. The water is injected into the earth and creates more steam to generate geothermal power.

Agriculture Industry: The County has partnered with the Lake County Winegrape Commission, the Lake County Winery Association, and the pear growers by providing funds for marketing efforts. The County has also formed partnership with and supported Lake County Farmer's Finest, an organization primarily consisting of

owners of small farms.

Tourism Industry: The County supports the tourism industry by operating the destination marketing program to attract visitors to the area, operating the Visitor Information Center in Lucerne, and partnering with the Lake County Chamber of Commerce to operate a visitor information center in Lakeport The County and the Lake County Chamber also partner on many other destination marketing program and projects, such as trade shows, the California State Fair exhibit, and the quagga mussel prevention program. The County has partnered with the City of Clearlake through funding assistance to renovate and operate a visitor information center within the city.

Local Business Development: The County has supported many efforts to develop businesses. The County has supported Mt. Konocti Facilitation by providing operating funds. The County also participates in the Business Services Network. The County and the Chamber also partner on various efforts to support local businesses. Through these partnerships and others, many economic development projects and programs have been implemented. With these successful partnerships in place, the County is positioned to successfully implement current and future economic development strategies identified in this CEDS.

B. Summary of Strengths, Weaknesses, Opportunities, and Threats

The following is an analysis of the strengths, weaknesses, opportunities and threats (SWOT) related to human and economic assets as posted by external and internal forces impacting the regional economy.

STRENGTHS

- Country charm and lifestyle, yet close to metropolitan areas
- Abundant natural resources
    - Clear Lake
    - Geothermal resources
    - Volcanic soils
    - Climate/weather
    - Cleanest air in California
    - Diverse agricultural production
    - Multiplicity of outdoor recreational opportunities
- Thriving wine industry
- Engaged citizenry and community leaders
- Broad political support and leadership
- Engaged community colleges and university
- Low cost labor force
- Reasonably priced real estate

- Local airport
- Attitude of regional cooperation and collaboration

WEAKNESSES

- Social image/perception
- Blight
- Limited public infrastructure (e.g. Lampson Field)
- Limited high-quality accommodations (i.e. lodging, entertainment, dining)
- Employment and retail leakage
- Transportation (no rail service, winding roads)
- Limited broadband access
- Access to fueling locations on the lake
- Transit connectivity gaps and non-continuous bike lanes
- Limited customer service training for hospitality industry

OPPORTUNITIES

- Eco, heritage, and agri- tourism activities
- Diversify tourist/visitor attractions
- Expand alternative energy systems (i.e. closed loop geothermal system at Tallman Hotel)
- Expand on success in the Northshore Redevelopment Area
- Develop niche markets and value-added industry for agricultural products
- Develop County/Cities regional economic development plan
- Promote sustainable agricultural practices
- Continue expansion of wineries and tasting rooms, including winery storage facilities
- Continue support of grass-roots initiatives (Healthy Food Network, Energy Policy Council)
- Development of existing underutilized facilities, such as the Carnegie Library
- Leverage local resources between all local government entities

THREATS

- Volatile agricultural markets
- Visitor lodging conversion to permanent housing
- More intensive algae blooms/weed growth in Clear Lake
- Brain drain/aging labor force
- Historically elevated unemployment rates
- Illegal marijuana cultivation on public lands
- Deteriorating road conditions

Detailed description of underutilized assets

Lake County has many underutilized assets that offer a variety of opportunities to expand and diversify the local economy. The summary charts list several of these underutilized assets under "Strengths", with a corresponding entry under "Opportunities." A more complete description of selected development opportunities is provided below.

Konocti Harbor Resort

As mentioned previously, this facility was closed in November 2009. It was the County's largest destination resort with convention facilities. Re-opening this facility is one of the primary goals of the County Economic Development Program. This 58-acre lakeside facility features 255 guest units; a 100-boat slip marina; a 5,000-seat amphitheater; a 1,000-seat indoor showroom; 20,000 square feet of meeting space; and a 19,000-square-foot spa.

Holiday Harbor Marina

Holiday Harbor encompasses 6.28 acres acquired by the Lake County Redevelopment Agency in 2008 and transferred to County ownership in 2012. The County currently operates the 138-slip marina which has nearly 100% occupancy during the summer. Another seven contiguous acres in private ownership provide additional development opportunities to the east toward a popular timeshare resort. In 2012, a consulting firm was retained to produce a Market Development Plan for the property in an effort to attract private investment to the site.

Clear Lake has a definite need for an operating marina at the Holiday Harbor site. The only other marina open to the general public on Clear Lake often has dozens of boat owners on its waiting list. This, coupled with approximately 1,000 registered boats within five miles of the Holiday Harbor site, ensures that the marina will likely enjoy a high level of occupancy.

Directly east of the Holiday Harbor is Wyndham's Worldmark Resort. The resort is very popular, but the surrounding area lacks retail and dining establishments that could serve the resort's members. The resort is primarily operated as a timeshare condominium with only members allowed to stay at the resort. In the off-season some units are offered to non-members. The lack of high quality accommodations in the County (listed under Weaknesses), combined with this development opportunity and assistance from the County makes the development of lodging, restaurant, and other visitor service businesses at this site a prime development opportunity.

Former Kelseyville Lumber Site

This 5.5-acre site in downtown Kelseyville is proposed as a Town Center. The site is comprised of three parcels; two parcels with frontage on Main Street and 2nd Street are .618 of an acre together. The third parcel is located between Kelsey Creek and

Church Street and is approximately 5 acres. Kelsey Creek flows along 1,010 feet of the parcel and Church Street fronts 1,080 feet. Numerous structures are located on the three parcels. Currently, the property is partially utilized by a few small businesses and agencies. Due to its visibility from Main Street and its tranquility near Kelsey Creek, it could be an ideal location for visitor serving businesses such as lodging, shops, and restaurants, as well as the possible starting point for a creekside trail that has been envisioned.

Lampson Field Airport

The abundance of favorable flying weather in Lake County due to nearly 300 days of sunshine per year, and the winding roads leading into the county makes Lampson Field a valuable asset. However, commercial and industrial development around the airport is limited due to the lack of a wastewater disposal system. Developing a wastewater disposal system is absolutely critical to developing the airport to its full potential as economic development hub. The existing runway is 3,600 feet long and 60 feet wide, limiting the airport's use to small aircraft. The airport expansion plan includes extension of the runway to 4,600 feet and 75 feet wide, but will require additional property acquisition and realignment of a county roadway. In addition the airport expansion plan will include a 5,000 square foot terminal and administration building, a 2,500 square foot restaurant, 50 'T-hangers' totaling nearly 70,000 square feet, a three fixed base operator (FBO) hangers totaling 45,000 square feet and a 2,500 square foot maintenance building.

Former Work Right Building

This facility is located on an approximately four acre parcel adjacent to Lampson Field Airport. The parcel provides 470 feet of frontage on Work Right Circle. The building provides 60,000 square feet of manufacturing and warehouse space and 7,600 square feet of office space. The property is currently vacant and listed for lease or sale.

Former Pear Sheds

As mentioned previously, over the last decade Lake County's agricultural industry has undergone a shift that includes structural changes, an increase in winegrape production, and a drastic reduction in pear acreage due to downward price pressure from Lake County's relatively late pear harvest and year-round availability of imported pears. This shift forced many local pear farmers to sell, plow under, or abandon acres of Lake County pear orchards while others have converted to other crops, including winegrapes, walnuts, and a variety of other fruit, vegetables, and grain.

Today as local farmers look for alternative sources of revenue through diversification of crops and operations and many local pear-packing facilities remain underutilized, for sale, or even abandoned, the County recognizes an opportunity to explore the reuse potential of one or more of these facilities as a value-added processing facility as being critical to the sustainability of the local agricultural industry. To that end, in

2009, the County championed an analysis titled, "Lake County Underutilized Pear Packing Shed Study," that reviewed and analyzed reuse potential for each.

The unincorporated community of Kelseyville was once known as the "Pear Capital of the World". There are ten pear packing facilities (commonly referred to as "sheds") in Lake County and only three are currently used to pack fresh pears. Based on each shed's equipment, infrastructure, and location, four sheds appear to offer the greatest likelihood of a successful adaptive re-use.

Gard Street School

This facility is located in the community of Kelseyville. Formerly a school site, it is still owned by the Kelseyville Unified School District. The District has no demand in the short to medium term in which it would need the space and the infrastructure is crumbling. The County of Lake is investigating moving county offices to fill a portion of the site, but the site remains heavily unutilized as this point and is in need of significant repairs and upgrades..

Hammond Avenue Park

This North Shore park, when fully developed; will provide the only year-round public recreation/sports field for the local communities. It will also have a multi-use interpretive wetlands trail, the only one in Nice, plus a restored native plants buffer. Hammond Avenue Park is a small, but essential link in the Konocti Regional Trails Master Plan, which envisions Lake County as a world class trails destination. This small park is a key component of the economic infrastructure in the northshore area.

Natural High and Dutch Harbor

The Natural High Property, owned by the Lakeport School District, is located on waterfront open space of approximately 5.5 acres, zoned for commercial activity. This property is used for community events, such as the Clear Lake Splash-In, where sea planes, landing on Clear Lake, access Natural High via a temporary ramp to be displayed on the property. Dutch Harbor is located adjacent to the north of Natural High. This property is owned by the City of Lakeport, with 3.38 acres zoned for commercial activity. Dutch Harbor and Natural High total 9.72 acres of open space lakefront, under-utilized properties.

High Street Village

High Street Village, once a vibrant neighborhood shopping center, is under-utilized with the main anchor store being vacant for many years. Many storefront improvements have been made, though there remains much potential for further development of this property with possible mixed use development.

Vista Point Shopping Center

Fronting Highway 29 and located on Lakeport Boulevard, a major entry to the City and once one of Lakeport's major shopping centers. Assistance is needed for

redevelopment of the center, which has empty spaces (stores and offices); the large anchor store has been vacant for many years.

Bevins Court Property
The City's Redevelopment Successor Agency owns a commercial lot of approximately 2 acres. It has been approved by the Oversight Board for future economic development opportunities.

C. Economic Clusters

Lake County has a competitive advantage in growing and attracting the following industries:

Airport Related Businesses: With approximately 265 days of sunshine and much less fog than afflicts surrounding regional communities, Lake County is an attractive location for aircraft-related businesses. The types of businesses include the following: light weight aircraft manufacturing, aircraft restoration and repair, and aircraft based shipping (e.g. Federal Express).

Alternative Energy: Lake County has a long history of alternative energy innovation and is building upon that reputation. As mentioned earlier, Lake County is home to The Geysers, the largest known geothermal resource area in the world. In 2009, a solar power installation was constructed by the Northern California Power Agency (NCPA) in Lake County to power the treatment and transport of wastewater to the Geysers. Lake County's three solar installation sites, which total 22.5 acres, make Lake County home to one of the largest solar installations on public in the Western United States. Lake County's terrain also makes it an ideal location for wind generated power. A large scale wind-powered generation project is in the planning and environmental review stages in the Walker Ridge area along the Lake County/Colusa County line.

Health Care: Lake County's demographic and social profile makes it attractive to health care businesses. As mentioned in the "Background" section, 16 percent of Lake County's population is 65 years or older compared to the statewide average of 11 percent. Thus, there is a demand for health care for an older population.

Agriculture, Agriculture-Value Added Production, and Agri-tourism: Lake County's weather and soil are ideal to produce premium wine grapes. Wineries and tasting rooms are being developed to showcase these wines and are developing a strong relationship with the County's existing tourism industry. Other agricultural products, such as olives, are developing niche markets as well. In fact, recently farmers have been discussing grain production, although a processing facility is needed.

Tourism: Lake County has a long history as a popular destination for visitors. In addition to the traditional activities of fishing, boating, camping, etc., Lake County is poised to develop strong eco-tourism activities such as kayaking, bird watching, and hiking. Activity centers, outfitters, attractions, lodging, and restaurants are businesses associated with this industry.

Internet-Based Business: Lake County is part of the Broadband Alliance, a collaborative effort among its neighboring rural counties to bring broadband (high speed internet service) to every home and business in Lake County. Due to the County's rural location and geographic isolation, broadband access can provide the opportunity small business to reach markets beyond the county borders and for county residents to access education and health resources from around the globe.

SECTION TWO: VISION

III. VISION, GOALS AND OBJECTIVES

VISION STATEMENT

Identify and exploit Lake County's competitive advantage to maintain and expand existing industries and develop new industries to achieve the overall goal of maintaining a healthy and diverse local economy that meets the present and future employment, shopping, recreational, and service needs of Lake County residents**.**

GOALS

Commercial Development: Maintain economic vitality and promote the development of commercial uses that are compatible with surrounding land uses and meet the present and future needs of Lake County residents, the regional community, and visitors.*

Industrial Development: Designate adequate land for, and promote development of, industrial uses to meet the present and future needs of Lake County residents for jobs and to maintain economic vitality. *

Jobs/Housing Balance: Provide a well-balanced and diverse economy that provides an adequate number of jobs to support the local population.*

Agricultural Enhancement: Promote a diverse, healthy, and competitive agricultural industry within the County, including seeking opportunities for agricultural value-added businesses.

Agricultural Tourism: Provide opportunities for agri-tourism that are beneficial to Lake County and its agricultural industry and are compatible with the long-term viability of agriculture.*

Tourism: Promote and support the local tourism industry with programs and resources to develop and diversify tourism assets, while supporting the development of higher quality establishments with a diversity of attractions and activities.

Education: Develop facilities and programs for post-secondary education in conjunction with the California Community College system, private institutions, such as Marymount California University, the University of California system and the California State University system.

Technology: Develop technology in industries compatible with Lake County demographic and geographic profile, such as health care, alternative energy, agricultural value added, and goods and services transmitted via internet.

Energy Independence & Sustainability: Work to develop energy independence and other sustainable living practices.

Natural Resources: Work to maintain and improve Lake County's natural resources that are critical to the primary industries of agriculture and tourism.

*Many of the goals and strategies (identified by an *) in this CEDS are gleaned from the various elements of the Lake County General Plan adopted in 2008. Other goals and strategies were identified by the CEDS Strategy Committee or from other planning documents.

SECTION THREE: ACTION PLAN

IV. COMMUNITY AND PRIVATE SECTOR PARTICIPATION

The County of Lake has formed many partnerships with several private sector groups, including the Lake County Winegrape Commission, Lake County Winery Association, Lake County Chamber of Commerce, Clear Lake Chamber of Commerce, local business associations, and community-minded tribes, businesses, and individuals.

During the last eleven years, the County has provided grants to a number of industry, and business groups, including the Lake County Pear Association, Farmers' Finest, Lake County Winegrape Commission, and Lake County Winery Association, as well as support to event organizers and local business associations.

Grants have been made to business associations to develop signage and streetscape improvements. The County provides money to sponsor several festivals. The County also produces visitor information brochures and e-newsletters, and maintains a visitor-oriented web site to support local businesses.

The public sector has formed several partnerships with the private sector to implement the programs to accomplish the goals and objectives of the CEDS. The following provides a brief

description of some notable partnerships. Some partnerships were formed for special short-term projects and others are permanent.

The County government's economic development efforts are usually implemented through the Marketing and Economic Development Program (MEDP) which is supervised by the County Administrative Office. Various efforts of the MEDP are summarized below:

1. The MEDP provides funding and partners with the Lake County Pear Association, Winegrape Commission, and Winery Association on special marketing programs.

2. MEDP has agreements with several private-sector visitor-related establishments that are exempt from collecting Transient and Occupancy Taxes (TOT). The purpose of these Agreements is to assist in funding the program's destination marketing efforts to attract more visitors to Lake County. Agreements are in effect with the following: Harbin Hot Springs, Konocti Vista Casino Resort & Marina, Twin Pine Casino & Hotel and Running Creek Casino

   The MEDP also has agreements with the City of Lakeport and City of Clearlake for a minimal amount of funding provided to the County in return for marketing support that includes the Visitor Information Center referring visitors to stay in lodging establishments in the cities and including those establishments in the County's brochures, website, and marketing materials.

3. The MEDP has an agreement with the Lake County Chamber of Commerce to accomplish several economic development efforts including the following:
   - Operate Visitor Information Center in Lakeport.
   - Provide staff support to the Quagga Mussel Prevention Program.
   - Represent the County at travel-related consumer shows.

4. The MEDP has an agreement with the City of Clearlake to partially fund the renovation and operation of a Visitor Information Center in the City of Clearlake.

5. Mt. Konocti Facilitation provides technical assistance to micro-enterprise businesses.

V. STRATEGIC PROJECTS, PROGRAMS AND ACTIVITIES

Many of the programs developed by the County of Lake and the former Lake County Redevelopment Agency to promote economic development are briefly described below:

1. Commercial Property Façade Program. This program provides up to $10,000 as 50 percent matching fund to assist business owners in constructing façade improvements located in the unincorporated communities of Upper Lake, Nice, Lucerne, Glenhaven, and Clearlake Oaks.

2. Business Loan Program – CDBG. The City of Lakeport operations a business loan program awarded through the Community Development Block Grant program. The County's program is expired although there are some outstanding loans.

3. Destination Marketing. The County continues to work on developing additional visitor activities such as multi-use trails and work with developers to construct new or upgrade existing lodging facilities.

4. Clear Lake Water Quality Programs. The FY 13-14 County Budget includes a total appropriation of over $460,000 to address algae, aquatic weeds, and other invasive species that threaten Clear Lake and thus Lake County's tourism-based economy. The County continues to pursue funds to finish the purchase of properties within the Middle Creek Marsh Restoration Project Area in order to restore this large region to its original condition of a watershed. The City of Lakeport lists an increased focus on the improvement of the quality of the lake during the summer months in its FY 2013-14 City-wide goals. The County is only able to commit one-time savings from prior years towards these programs as there is no ongoing funding stream. A voter proposition (Measure E) was supported by a majority of voters but failed to gain the necessary 2/3-voter approval. There is a beginning effort to again place a sales tax measure on the ballot in 2014 to provide funding for water quality programs on Clear Lake. Closer collaboration and a funding partnership between the County and the Cities is needed for a more successful program.

5. Expand and Improve Lampson Airport. Developing a wastewater treatment system for Lampson Airport is the key to developing surrounding properties to create airport-related jobs. The County has been pursing the development of a transmission line to transport wastewater to the City of Lakeport's municipal wastewater treatment sewer plant. However, the development of an on-site system has recently been proposed and may offer certain benefits.

6. Develop Town Centers. The County, through its Redevelopment Agency, made significant improvements on Main Street in Upper Lake, Lucerne, and The Plaza and Nylander Park in Clearlake Oaks. Future town center projects include the following:

   Lucerne – Develop 13th Avenue into the commercial center of town with the historic Lucerne Hotel as the "anchor", The transfer of the Behavioral Health Department to the newly completed office structure on 13th Avenue will act as an attractor for increased public traffic and investment to this developing area.

   Nice – Develop a commercial and retail center and lodging facilities at Holiday Harbor.

   Middletown – With the Library/Senior Center and public plaza completed, the next goal is to develop the former library site into the Gibson Museum and

Cultural Center, through a public-private partnership with the Lake County Historical Society and the County of Lake.

Clearlake Oaks – The Plaza improvements have been completed and the County is currently constructing a new Senior Center on the Plaza. The County intends to encourage and develop additional commercial and retail facilities creating a downtown core around the Plaza.

7. Support for Entrepreneurship. Through its support and partnership with Mt. Konocti Facilitation and the two Chambers of Commerce, and its business loan program, the County is providing support for entrepreneurs in any industry.

The City of Clearlake is currently updating their General Plan, including the Economic Development Element. Emerging priorities include the development of a supportive and nurturing business climate for local, mid-sized and regional industries and employers which could be accommodated with the skill-level of the existing labor force. Within the City limits of Clearlake, the following projects are planned:

1. Lakeshore Drive Downtown Corridor Plan – This plan spans the length of Lakeshore Drive from Olympic Drive to Old Highway 53 and sets forth improvement proposals to address enhancement of lakeside parks and commercial nodes; to complete the corridor with enhanced bicycle facilities, a continuous and appealing pedestrian environment, improved parking and improved safety for all modes of transportation and users; creation of corridor gateways, clear signage and way-finding features; and waterfront improvements to protect and enhance viewsheds of Clear Lake and Mt. Konocti.

2. Highway 53 Corridor – This area is identified in the draft General Plan as a key location for regional shopping opportunities building off of the existing Walmart development to include the old airport property. Development in this area will require infrastructure improvements, pedestrian amenities and streetscape improvements.

3. Other Project Areas – Other areas that are targeted for additional development and improvements are the Olympic Drive corridor, the gateway intersection at Highway 53 and Lakeshore Drive, neighborhood commercial and park development in The Avenues as well as the Ogulin Canyon industrial area.

The City of Lakeport is equally focused on economic development through its Lakeport Economic Development Advisory Committee (LEDAC) and its collaboration with the Main Street Association. These public-private partnerships have begun the process of "branding" Lakeport as a core step in the marketing of Lakeport as a destination city. The City has also begun a program of staff-store visitation, giving the city staff members the opportunity to become familiar with the businesses in the area, while assuring business owners that the City supports and values their efforts.

Future projects within the City of Lakeport include the following:

1. Redevelop the Carnegie Library – This historic building is located in Central Lakeport and is in a location which receives extensive foot traffic. It would be an ideal facility for a public-private partnership with a tourist-supporting industry, or collection of businesses.

2. Main Street/Downtown Improvement Project – The City of Lakeport, through a community-engaged process, has created a design and has completed engineering for downtown improvements. These improvements have been scaled down due to the dissolution of the Lakeport Redevelopment Agency, and now includes the widening of sidewalks and planting trees on Main Street, From First Street to Fourth Street. Additionally, the City plans to complete a strategic plan for the lakefront, from First Street to Clear Lake Avenue; the Natural High and Dutch Harbor properties would be in the center of this plan.

VI. PLAN OF ACTION

The County has a variety of existing plans that direct local economic development efforts. The primary one is the *Economic Development Strategic Marketing Plan,* adopted by the Board of Supervisors in 2011, and attached as Appendix 2. As mentioned above (section II), many of the economically feasible and politically acceptable recommendations in that plan have been completed. An additional the former Redevelopment Agency's Five Year Implementation Plan that was adopted in June 2011 provides insight and value towards the continuing vision for development along the Northshore of Clear Lake. Implementation of this plan is much more difficult with the elimination of Redevelopment Agencies, but the vision and proposed projects remain as resources become available.

This section includes each goal (identified by **bold** font) and the various strategies and programs (identified by *italics*) to accomplish that goal. Specific quantitative objectives (identified by <u>underscore</u>) are provided to identify how the specific strategy or program will be implemented and measured.

GOALS, *Strategies* and <u>*Objectives*</u>

COMMERCIAL DEVELOPMENT: Maintain economic vitality and promote the development of commercial uses that are compatible with surrounding land uses and meet the present and future needs of Lake County residents, the regional community, and visitors.*

> ***Visitor-Oriented Retail Recruitment*:** The recruitment of visitor-oriented retail businesses into its pedestrian-friendly shopping districts, such as Middletown, Lucerne, Kelseyville, Lower Lake, Lakeport, Clearlake, and Upper Lake.

Commercial Centers: Encouragement of development of commercial centers within Community Growth Boundaries/city boundaries that can serve the needs of the community and visitors. Venues for marketing of local, value-added agricultural products should be encouraged.

Specific town centers will be developed around the following sites:
Holiday Harbor Marina in Nice
13th Avenue, in Lucerne
The Plaza in Clearlake Oaks
Adaptive re-use of former Kelseyville Lumber site

Commercial Façade Improvement Program: Support of a Commercial Façade Improvement Program through various funding sources, such as CDBG grants.

Local vendor preference: When purchasing goods and services, the County will continue to apply a local vendor preference to support local businesses.

Retail leakage: The County will work to stem the tide of leakage of retail sales to out of County businesses.

INDUSTRIAL DEVELOPMENT: Designate adequate land for, and promote development of, industrial uses to meet the present and future needs of Lake County residents for jobs and to maintain economic vitality. *

***Lampson Airport*:** The County will pursue industrial development around the Lampson Airport.

Wastewater Treatment Solution: The County will pursue grant funding to develop a wastewater treatment solution (either an on-site system or transmission line) to serve privately owned properties around the Lampson Airport. Within financial limitations, the County will appropriate money to be used as matching funds to assist in financing this project.

Expand Lampson Airport: Within financial limitations, the County will appropriate money to match Federal Aviation Administration grants to expand and improve County-owned property at Lampson Field.

Industrial Developments: The County shall encourage a wide range of industrial development activities in appropriate locations to promote economic development, employment opportunities, and provide a sound tax base.

Geothermal Resources*:* The County shall encourage industrial applications, which could directly use geothermal resources as a heat source instead of fossil fuels, if properly planned and compatible with surrounding land uses.

Industrial Park Developments: The County shall encourage the development of visually attractive, carefully planned, industrial parks and planned developments in areas with suitable topography and adequate infrastructure.

JOBS/HOUSING BALANCE: Provide a well-balanced and diverse economy that provides an adequate number of jobs to support the local population.*

Development of Job Base: The County shall seek to attract industrial, office, and commercial development in an effort to promote creation of new jobs in the community, improve the financial resources of residents, and create a balanced community that is more resistant to economic down turns.

***Job-Intensive Industries*:** The County shall encourage more job-intensive industries to locate in the community. The County shall seek high quality and higher paying jobs.

Jobs/Housing Linkages: The County shall encourage the jobs/housing linkages through the development of housing near jobs. The County shall attempt to increase the supply of affordable housing and support efforts to match job income and housing affordability levels.

Downtown Mixed-Use Development: The County shall consider amending the zoning ordinance to allow mixed-use development in downtown community areas, in order to provide opportunities for affordable, multi-family residential development above ground-floor commercial uses.

Micro-enterprise Assistance: Provide technical assistance to micro-enterprise businesses through Mt. Konocti Facilitation.

Business Loans: Provide loans to businesses through the $175,000 of CDBG funds to create one job for every $35,000 in loan funds.

AGRICULTURAL ENHANCEMENT: Promote a diverse, healthy, and competitive agricultural industry within the County, including seeking opportunities for agricultural value added businesses.*

Marketing programs: As funding is available, the County will financially support marketing programs designed to promote Lake County agricultural products and agri-tourism venues to markets outside of Lake County.

Business incubator: The County will seek grants and other funding sources to determine the feasibility of operating a business incubator for agricultural value added businesses.

AGRICULTURAL TOURISM: Provide opportunities for agri-tourism that are beneficial to the County and its agricultural industry and are compatible with the long-term viability of agriculture.*

Visitor-Related Agricultural Uses. The County should establish criteria for, and amend the zoning ordinance to allow development of agricultural tourism facilities, as long as the facility is secondary and incidental to the commercial agricultural use on that site and the tourism activity does not negatively impact agricultural operations on adjacent lands, based upon parcel size, proposed use and the parcels ability to provide adequate buffer zones.

Zoning ordinance changes: The Community Development Department will review the zoning ordinance and recommend changes that will facilitate the development of agri-tourism operations.

Winery and wine tasting rooms: The County will encourage and support the development of wineries and wine tasting rooms.

TOURISM: Promote and support the local tourism industry with programs and resources to develop and diversify tourism assets, while supporting the development of higher quality establishments with a diversity of attractions and activities.

Destination Marketing*:* The County will continue to work with both the Lake County Chamber of Commerce and the Clear Lake Chamber of Commerce to operate visitor information and marketing programs.

Old Resort Revitalization: The County shall encourage the revitalization of old resorts in order to attract more visitors. Restoration, instead of replacement of unique and historic resorts and facilities shall be encouraged when practical.

Mobile Home removal program: The County shall seek additional funding for a mobile home removal program to assist in eliminating blight.

Enhanced Code Enforcement program: The County shall seek additional funding for enhanced code enforcement activities to assist in eliminating blight and creating a more safe and attractive experience for visitors and residents alike.

Activity development: The County will work with other organizations, including community groups, to expand the choices of visitor activities (e.g. multi-use trails, outfitters, transportation companies, etc).

Lodging development: The County will continue working with many other organizations to expand the choices of visitor lodging. The degree of County involvement in each property varies from direct responsibility and significant

financial investment to contacting current owners (e.g. Konocti Harbor Resort). Development opportunities currently being pursued include the following:

- Construct new hotel at Holiday Harbor in Nice
- Construct new hotel at 15th Avenue and Highway 20 in Lucerne
- Pursue re-opening of Konocti Harbor Resort
- The City of Lakeport seeks to attract redevelopment of the Will-O-Point Resort property to include waterfront lodging and conference facilities.

Municipal lake access development: The City of Lakeport recognizes the need for new docks as part of the infrastructure improvements for the waterfront, for accessibility and safety and to attract special events, including fishing tournaments and boat shows. Funds in the City budget will be leveraged to acquire grants and other partnerships.

EDUCATION: Develop facilities and programs for post-secondary education in conjunction with the California Community College system, the University of California system, the California State University system, and private institutions, such as Marymount California University.

Lucerne Hotel: In cooperation with the Lake County Office of Education and Superintendent of Schools, the County will continue to support Marymount California University in its development and operation of the Hotel as an educational facility.

TECHNOLOGY: Develop technology in industries compatible with Lake County's demographic and geographic profile, such as health care, alternative energy, agricultural value-added, airport-related business, and goods and services transmitted via internet.

Regional collaboration: Work with the iHUB at Sonoma State University to identify technology clusters for which Lake County is a favorable location and support development of those industries.

Broadband development: The County will pursue legislative advocacy, partnerships and funding to develop broadband internet service throughout the County.

ENERGY INDEPENDENCE & SUSTAINABILITY: Work to develop energy independence and other sustainable living practices.

The County will develop solar power for as many County facilities as financially feasible.

The County will work to develop a PACE program within the parameters of federal housing agencies.

NATURAL RESOURCES: Work to maintain and improve natural resources.

The County will work with several businesses and the Lake County Chamber of Commerce to operate the quagga mussel detection and prevention program.

The County has appropriated $520,429 in FY 2013-14 to preserve the County's greatest resource - Clear Lake, through aquatic weed, algae and quagga mussel programs. We will continue our pursuit of ongoing sources of revenue to continue funding this effort in future years.

SECTION FOUR: EVALUATION

VII. PERFORMANCE MEASURES

The effectiveness of the CEDS will be determined by the following measures:

Strategy	Performance Measure
Façade Improvement Program	Number of properties improved
	Increased sales from participating businesses
Destination Marketing	Amount of TOT collected
Develop Visitor Activities	Increase in number, type, and dollar amount of private investment
	Length of visitor stays
	Lengthen tourist season beyond summer
Develop Lodging	Number of new bed developed
	Number of existing beds improved
	Dollars invested
	Amount of TOT collected
Business Loan Program	Number of jobs created
	Number of jobs retained
Develop Lampson Field Business Park	Development of wastewater solution
	Number of parcels developed
Adaptive re-use of underutilized facilities/properties	Successful adaption into a use that generates economic activity
Develop town centers in identified communities	Increase in number, type, and dollar amount of private investment
Re-open or re-use of Konocti Harbor Resort	Increase in number, type, and dollar amount of private investment

Figure 157: CEDS Performance Measures

VIII. CONCLUSION

Lake County offers a high quality of life in an attractive and healthy environment. Economic development requires balancing commercial and residential development with maintenance of this quality of life. The county's oak woodland environment is an important aspect of its character; wetlands and riparian lands support unique plant and animal populations; the county's air quality is the best in the state; archaeological and historic resources abound; water quality and quantity is important to all development; and environmentally sound waste disposal helps to maintain resources. It is the goal of the County to pursue this overall quality of life while aggressively pursuing economic development.

APPENDICES

Appendix 1: List of Strategy Committee members

Appendix 2: *Economic Development Strategic Marketing Plan*

Appendix 1

List of Lake County Comprehensive Economic Development Strategy Committee Members

A variety of community members, business leaders, etc were invited to provide input towards the CEDS, and pursuant to Strategy Committee guidelines. Many of the local leaders participated and the County of Lake would like to thank and recognize the efforts of the committee members listed below:

Tony Barthel, Featherbed Railroad

Mark Borghesani, Kelseyville Lumber

Paula Bryant, Umpqua Bank

Kelly Cox, County of Lake (Retired)

Anthony Farrington, Supervisor, District 4

Gloria Flaherty, Lake Family Resource Center

Alan Flora, County of Lake

Barbara Flynn, Lake County Chamber of Commerce

Melissa Fulton, Lake County Chamber of Commerce

Virginia Gulett, Mendocino College

Rick Hamilton, RAH Signs/Lake County Chamber of Commerce

Pam Harpster, Workforce Lake

Wally Holbrook, Lake County Office of Education

Jeff Lucas, Community Development Services

Terri Persons, Lake Area Planning Council

Joan Philippe, City of Clearlake

Art Pimentel, Yuba College

Mark Rawitsch, Mendocino College

Wilda Shock, City of Lakeport

Margaret Silveira, City of Lakeport

Rebecca Southwick, Sutter Lakeside Hospital

Appendix 2

Lake County Economic Development Strategic Marketing Plan