

Chapter 2: Economic Development

Introduction and Setting

In economic terms, Nevada County is an area in transition. For over 100 years, the basic economy was resources based in industries such as agriculture, mining and timber production. While these industries remain significant in the County's economy, employment growth in recent years has been concentrated in other sectors of the economy, including manufacturing, services and retail trade, and government. Nevada County has sustained strong economic growth since the early 1970s. Between 1980 and 1990, the County ranked fifth among the 58 counties in California in overall economic growth. Over the next few years, economic growth is expected to continue, but at a slower pace, paralleling a slowdown of the state economic growth. This growth, however, coupled with continued population growth in the area, creates potential for a significant employment increase in the County.

Employment in the County is predominantly in retail trade and services, with approximately 50 percent of the total wage and salary employment in these two sectors. Government employment is approximately 20 percent of the total, and manufacturing employment accounts for approximately 15 percent, while construction and mining employment, together account for approximately 10 percent. Growth in this latter category has been fueled by the building boom in recent years, with a 125 percent increase between 1980 and 1990.

According to data from the State Employment Development Department, these sectors are expected to account for the greatest increases in employment over the short-term, with two-thirds of the increase in retail trade and services. This increase, along with a smaller increase in the finance, insurance and real estate sector is primarily generated by population growth. In addition, growth in tourism, particularly in the eastern part of the County, has added to the retail and service employment in the County, and is expected to continue to grow in the future. Employment in the construction and mining sectors is expected to remain stable.

Population growth typically is the result of one or more of three factors: above average growth in jobs; household growth from commuters to jobs located elsewhere; or non-job related population growth, such as retirement migration. In Nevada County, there has been significant

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growth from commuters and retirees, which ultimately creates jobs in retail trade and services, but does not create new basic employment.

Although the rate of job growth in the County was among the fastest in the state in the 1980s, the absolute increase in households, based on U.S. Census data, was greater than the absolute increase in employment in the County. Because the County has an attractive living environment, there is potential for significant commuter and retiree population growth in the future. However, the increased population base, with increased job skills, also provides a potential labor force for the local economy.

Because of Western Nevada County's location and distance from major transportation corridors, such as the Interstate Highway system and rail service, potential industries which could be attracted to the County would be those which have a high value added in relation to raw materials, and which do not require extensive bulk shipment of raw materials or products. Industries of this type tend to employ persons with a high level of skills, and have above average wages. Businesses in such industries also tend to be entrepreneurial in nature, and attracted by a high quality living and working environment. Examples of such industries which are now a part of the County's economic base include: electrical/electronic machinery, equipment and supplies; custom printing; scientific and specialty products; and plastic products.

Another potential growth industry identified by the state Employment Development Department is lumber and wood products. Potential growth in this industry, along with the increase in specialty farming, such as orchards and viticulture, indicate that the traditional resource industries that provided the County's economic base for so many years, can also make a significant contribution to its future economic development.

Goals, Objectives, and Policies

The County's ability to support its future population in terms of availability of jobs and provision of services is dependent upon the type and extent of economic growth. Increased employment opportunities and a greater fiscal base to provide needed services are both important considerations.

Additional goals, policies and objectives generally related to economic development are located in Chapter 1: Land Use; Chapter 3: Public Facilities and Services; Chapter 4: Circulation; Chapter 8: Housing; Chapter 15: Forest; Chapter 16: Agriculture; and Chapter 17: Minerals Management.

Goal 2.1

Provide for a strong economic base while protecting and maintaining communities and neighborhoods.

Objective 2.1

Develop, with broad community input, a County Economic Policy that coordinates and integrates with the General Plan.

Action Policies

Policy 2.1 The County shall establish an economic advisory body to assist the County in the development of an economic development strategy for the County.

Policy 2.2 With the assistance of the economic advisory body, develop and implement a County Economic Policy that focuses relevant elements of the County's administrative, regulatory, financial and planning resources and powers in an integrated framework, as a vehicle for the retention and expansion of existing businesses as well as the attraction of new businesses to provide a sustainable economic base for the County.

The Economic Policy shall include a five-year strategic plan for economic development and an annual action program to implement the strategic plan. The policy shall provide mechanisms for monitoring and reporting progress, and for updating the Policy on at least an annual basis.

Objective 2.2

Achieve a positive balance between the job growth rate and the population growth rate through land use and related policies.

Action Policy

Policy 2.3 In support of the County Economic Policy, collect and disseminate information to existing and prospective businesses regarding demographics, labor force characteristics, availability of transportation and services, and other factors relevant to business location or expansion decisions.

Directive Policies

Policy 2.4 As part of the County Economic Policy, establish a mechanism to monitor, and report on at least an annual basis, the net increase in jobs in the County and the net increase in dwelling units in the County.

In establishing plans and programs to increase jobs, and as resources permit, the County's options may include (but not be limited to):

- a. Implementing incentives and tax credits to local businesses based upon new jobs created;

- b. Implementing additional or expanded business outreach, recruitment and marketing programs;
- c. Strongly encourage "turnkey" facilities to attract and support new or expanded business in the County; and
- d. Sponsoring creation of a local development corporation to provide "startup" financing and other services to attract new or expanded business.
- e. As a part of the information base, encourage the Chambers of Commerce to compile and maintain a directory of lands and buildings suitable for business use, including an inventory of available public facilities and services for each site.

Policy 2.5

In the General Plan Land Use Maps, provide a balance between land designated for commercial, business and industrial use, and land designated for residential development to provide for a County-wide jobs to housing ratio at buildout of 1.2 jobs per dwelling unit. In addition, the General Plan is intended to provide appropriate land use designations for balanced resource management and production, including agriculture, timber production, and mining, through designation of rural and forest land use areas as well as mineral resource zones. The County shall monitor the balance of land uses through its annual review of the implementation of the General Plan, and shall consider the effect on such balance in review of all General Plan amendments.

*Also see: Chapter 1: Land Use
Policy 1.4; Policy 1.35*

Action Policy

Policy 2.6

The County shall require an economic analysis as an integral part of all General Plan amendments, addressing the impact on the County Economic Policy and its supporting policies and programs. The analysis shall particularly address impact on the short-term and long-term jobs/housing balance including the land use designations of the General Plan intended to achieve a jobs/housing balance.

Directive Policy

Policy 2.7

Provide an adequate supply of properly zoned land, in accordance with the land use designations in the General Plan, to support a broad range of economic development opportunities and to promote a balanced economy.

*Also see: Chapter 1: Land Use
Policy 1.5, Policy 1.19*

Objective 2.3

Develop land use and related policies to foster and encourage retention of existing jobs in the County.

Directive Policy

Policy 2.8

In support of the County Economic Policy, develop and implement an on-going, proactive business retention program to support existing businesses and foster their expansion. As part of the business retention program, establish a business outreach program aimed at enhancing communication between existing businesses and the County.

Objective 2.4

Encourage economic development which favors a high economic multiplier effect.

Directive Policies

Policy 2.9

In support of the County Economic Policy, develop and implement an ongoing, aggressive business recruitment and marketing program featuring the County's strengths in areas such as education and quality of life. Target the program to prospective types of business (particularly those that are entrepreneur-oriented) that are best suited to provide significant long-term job opportunities in industries such as biotechnology, electronics and communications, and energy-related products.

Policy 2.10

The County will continue to place a high priority on the establishment of higher education facilities and programs in the County. The County will support the location of a campus of Sierra College in the County, and will also explore incentives and marketing programs to attract an accredited four-year college or university facility to the County.

*Also see: Chapter 7: Education
Policy 7.8*

Objective 2.5

Encourage economic development which increases the percentage of total personal income spent in the County.

Directive Policy

Policy 2.11

Within areas designated in the General Plan Land Use maps for commercial development, the County shall encourage the location of a broad range of retail, service and support businesses providing additional goods and services that are not now available in the County.

*Also see: Chapter 1: Land Use
Policy 1.5*

Objective 2.6

Within Community Regions, provide adequate public services and facilities to employment-generating uses.

Action Policy

Policy 2.12

In support of the County Economic Policy, develop and implement a program that analyzes the existing and potential public services available to all job-generating land uses. Where the analysis determines a lack of a facility or service that restricts development potential, an action program to provide the needed facility or service shall be implemented.

*Also see: Chapter 3: Public Facilities and Services
Policy 3.7*

Directive Policy

Policy 2.13

Coordinate County capital improvement programs, including the Road Improvement Program, with the Economic Policy to ensure that public facilities and services are appropriately located and sized, and properly timed to support the desired economic development.

*Also see: Chapter 3: Public Facilities and Services
Policy 3.7
Chapter 4: Circulation
Policy LU-4.1.4*

Objective 2.7

Encourage the provision of adequate housing to meet existing and future needs of wage earners.

Directive Policy

Policy 2.14 As part of the County Economic Policy, identify opportunities for investment in affordable housing for local wage earners, as well as for the maintenance of the long-term affordability of such housing.

Objective 2.8

Implement a program which increases the efficiency of the development review process.

Directive Policy

Policy 2.15 As part of the County Economic Policy, consider alternatives to increase the efficiency of the development review process, and incorporate recommendations for improvements in the strategic plan and annual action programs.

Objective 2.9

Encourage retail development that provides for revitalization of the historic downtown areas.

Directive Policy

Policy 2.16 The County recognizes the central commercial function of the historic downtown areas in Grass Valley, Nevada City and Truckee, and the amount and location of land designated in the General Plan for Community Commercial use shall reflect a balance with the retention of the central commercial function.

Objective 2.10

Provide for home occupations.

*Also see: Chapter 1: Land Use
Policy 1.25*

Objective 2.11

The County will encourage the employment of county residents.

Directive Policy

Policy 2.17 As part of the County Economic Policy, encourage incentives to local businesses for reducing unemployment and converting unskilled to skilled labor, and incorporate recommendations for such incentives in the strategic plan and annual action programs.

Objective 2.12

Support County programs that promote and assist in the identification and marketing of local products.

Directive Policy

Policy 2.18 The County will continue to support the efforts of the Chambers of Commerce and other groups to increase local spending through tourism and “shop local” campaigns.

Objective 2.13

Support programs that provide or lead to sources of capital for local business development.

See: Policy 2.4

Objective 2.14

Encourage protection and enhancement of the natural scenic beauty of this County in support of the tourist trade.

Directive Policy

Policy 2.19 The County will support the Scenic Byways program, and particularly the establishment of the Yuba-Donner Scenic Byway, to further the promotion of tourism in the County.

*Also see: Chapter 18: Aesthetics
Policy 18.8; Policy 18.9*

Goal 2.2

Promote and provide for the arts as a cultural and economic asset.

Objective 2.15

Encourage economic development and tourism through the performing and visual arts.

Directive Policies

Policy 2.20 As part of the County Economic Policy, incorporate measures to encourage the development of the performing and visual arts through programs and facilities which will support tourism and otherwise contribute to the retention and creation of job opportunities.

Policy 2.21 The County shall, where feasible, identify and support local groups in the performing and visual arts, such as the Arts Council.

Objective 2.16

Encourage protection, maintenance and restoration of historic facilities and venues used for cultural and art activities.

See: Policy 2.20