

Mono County

Economic Development Strategy

Vision · Economic Catalyst · Community Enhancement



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Overview

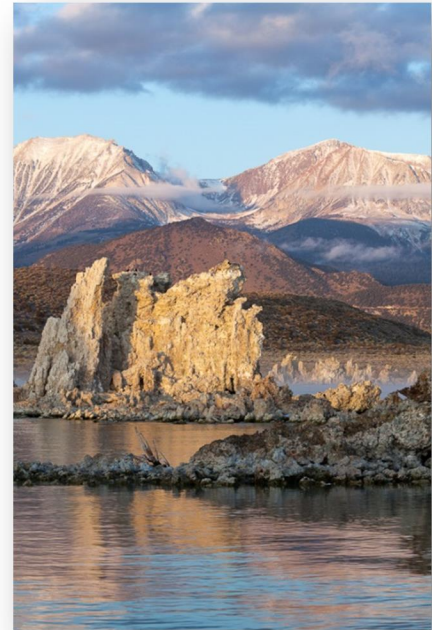
Vision

Mono County is located on the east side of California's Sierra Nevada. The geographically diverse county encompasses mountains, high deserts, lakes and forests. It has approximately 14,000 residents, according to the 2010 census. The county seat is Bridgeport, located on the north end of the county.

The only incorporated town in the county is Mammoth Lakes, which is located at the base of Mammoth Mountain, though there are other communities, including Bridgeport, Lee Vining, Walker/Coleville and June Lake. The county boasts notable areas such as June Lake, which is famous as a skiing and fishing resort, and Mono Lake, an alkaline lake known for its tufa formations that is a vital habitat for millions of migratory and nesting birds.

Mono County is accessed by all-weather U.S. Highway 395, which runs north and south. Additionally, year-round commercial air service is available into Mammoth Yosemite Airport.

Like many rural counties throughout California, Mono County has been challenged by the lack of a sustainable economic development model. Past economic development efforts have centered on ranching, farming, mining, and now tourism. Moving forward there is a need to create and realize a cohesive and comprehensive vision that **utilizes Mono County's natural resources in a sustainable way in order to grow the economic opportunities and enhance the quality of life for the county's residents and visitors while stewarding the natural environment.**



Mono County EDS Vision

Develop a strategy that utilizes Mono County's natural resources in a sustainable way in order to grow the economic opportunities and enhance the quality of life for the county's residents and visitors while stewarding the natural environment.

Economic Catalyst

Mono County has defined a process **for creating an economic development strategy that can be a catalyst for the development of the marketing plan for the National Scenic Byway Corridor Management Plan**. Both of these projects seek to leverage the natural assets of the region and establish a plan for improving and enhancing the infrastructure to support these assets.

Community Enhancement

In having a vision and creating an economic catalyst, Mono County and its residents have a unique opportunity to enhance local communities throughout the region. From Walker to Benton, communities will have the ability to be a part of a greater effort that balances the needs for environmental stewardship, economic improvement and community enhancement.



Part 1 – Economic Development Strategy

Project Overview

Rural communities and destinations across the country have faced a variety of challenges over the past several years: decreasing employment opportunities, a steady decline of tax revenues and a fraying of the social fabric of many communities due to the national and state economic downturn. As a result, many communities are rethinking and re-imagining themselves in an effort to use their assets and local environments in a way that reinvigorates the local community and **improves the quality of life for their residents.**

Mono County, one of the most rural areas in the state of California, is looking to implement a fresh approach and devise an economic development strategy that better uses its natural assets in a way that creates **a more sustainable economy for its residents.** There is a desire to identify potential projects that **will improve the region’s recreation-based public infrastructure** for short-term economic gains, while at the same time create a long-term and transformative strategy that will be used to invigorate and diversify the local economy for the next generation.

The following project was developed to create a process that, when executed, will serve as a new and focused direction for the economic well-being of Mono County and its residents.

Project Objectives

The Economic Development Strategy (EDS) needs to outline the basic strategy for enhancing the community’s economy, as well as detailed recommendations and policies for its implementation. Specifically, the final EDS needs to accomplish the following:

1. Define the **key economic strengths of Mono County** as they currently exist and how they can be developed over the next decade **to create sustainable growth opportunities.**
2. Identify a comprehensive, practical plan that will provide **an overall strategic framework** for the Board of Supervisors for planning and decision-making purposes.
3. **Provide practical recommendations** that will optimize and expand existing and future opportunities.
4. **Supply prioritized project lists with action items and strategies** that will create sustainable, long-term economic prosperity to ensure year-round employment for the county residents, business owners and stakeholders.

Project Methodology

The Strategic Marketing Group (SMG) implemented a multiple-part methodology that included a number of steps described below.

Information Gathering

1. Review literature – SMG reviewed a wide range of reports previously conducted by Mono County, including the following:
 - a. June Lake Economic Issues and Conditions
 - b. Mono Basin Community Plan
 - c. Bridgeport/Antelope Valley Economic Development Element
 - d. Benton Community Vision
 - e. Chalfant Community Vision
 - f. Economic and Fiscal Impacts and Visitor Profile of Mono County Tourism for FY 2008
 - g. Mono County Tourism Branding Study 2010
 - h. Mono County Tourism Advertising Conversion Study 2010
 - i. Mono County Advertising Conversion Study 2003
 - j. Town of Mammoth Lakes RecStrats 2011
 - k. Bridgeport Visitor Center Feasibility Study 2005
 - l. Mono County General Plan
 - m. Sierra Business Council Eastern Sierra Prosperity Report 2012
2. Interviews with key stakeholder groups – As part of the process SMG interviewed a number of stakeholders, including those involved in tourism, agriculture, ranching and professional services, as well as elected officials and county staff.
3. Primary research – SMG implemented a comprehensive quantitative survey research project of Highway 395 users for the National Scenic Byway Corridor Management Plan Marketing Plan Element.
4. Outside documents – SMG reviewed a number of economic development strategies for a variety of communities both within California and outside the state.
5. Additional sources – SMG reviewed a variety of information that is sourced throughout the report.

Strategy Development

Based on the information collected, SMG developed a three-pronged Economic Development Strategy (EDS) outlined in this document.

Final Report Development

SMG then completed a draft and final report, presented here.

The Economic Development Strategy Process

The Economic Development Strategy (EDS) process is a multi-step process designed to identify strategic opportunities, develop EDS goals and objectives, and EDS strategies and action steps. The process builds on the work, analysis and reports that have been produced so far, but also seeks to combine these efforts and add additional real-time input from key stakeholders.

Economic Development Strategy Process



The process is designed to include the following steps:

1. Analyze the primary economic sectors that currently exist in the county.
2. Identify strategic opportunities that Mono County can maximize.
3. Identify Economic Development Strategy goals and objectives for Mono County.
4. Identify an Economic Development Strategy.
5. Identify action steps to implement the Economic Development Strategy.

Part 2 – Mono County Situation Overview

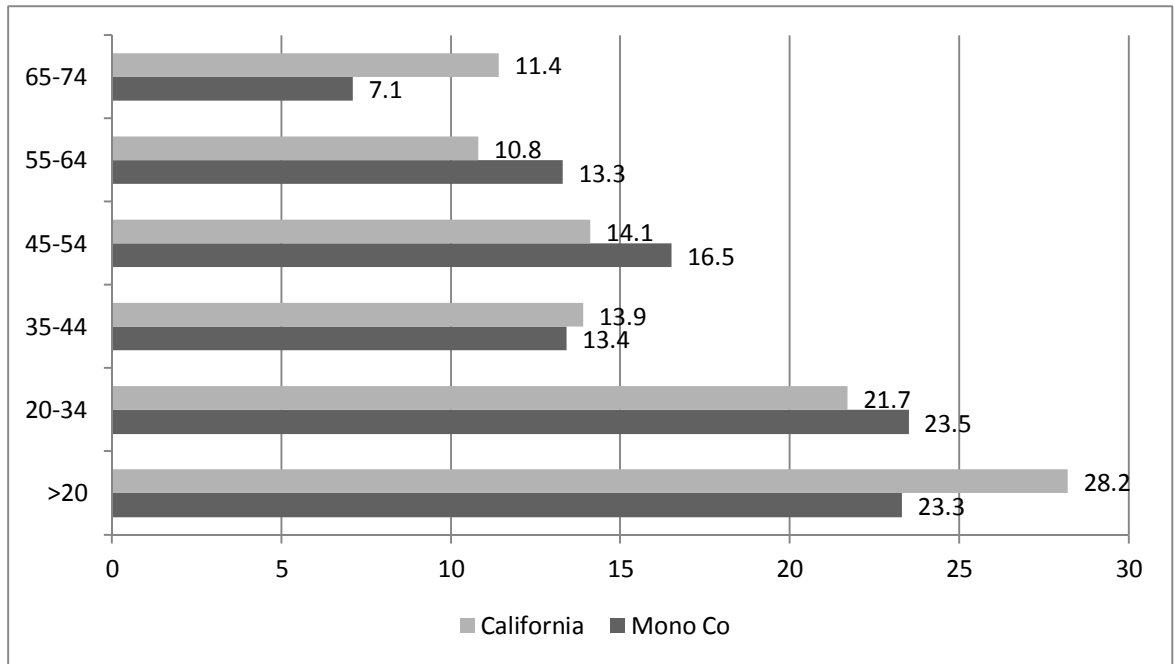
General Overview

Mono County is approximately 1.9 million acres. It covers a diverse geographic area that ranges from the mountainous High Sierra to high deserts. The area has north-south access from Highway 395 and east-west access from Highways 89, 120, 167 and 6, as well as seasonal access from Highway 108. The county is also served by two general aviation airports, Bryant Field in Bridgeport and Lee Vining Airport, as well as Mammoth Yosemite commercial airport in Mammoth Lakes.

Population

The overall population of the county is 14,016 and the median age is 35.5 years. As can be seen below, **there is a bifurcated distribution of the population**, with the primary cluster under 35 at 47%, followed by the 45-64 age category at 29.8%.

Figure 1: Mono County vs. California Population

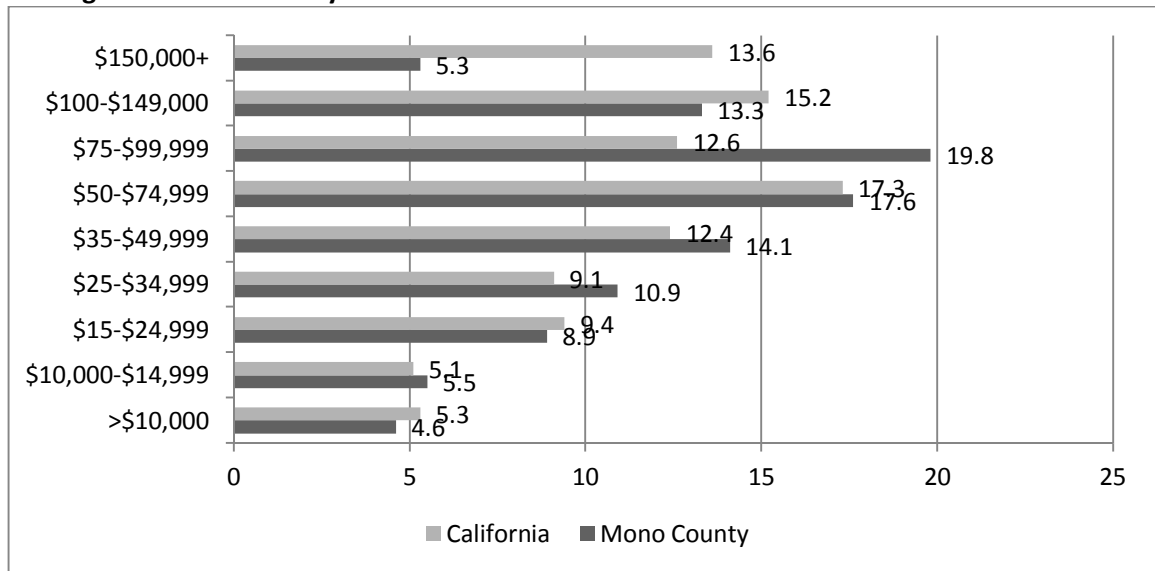


Source: U.S. Census Bureau

Population density within Mono County is one of the least dense within the state¹. Within Mono County, the average population per square mile is 5. In contrast, the average density for the state of California as a whole is 239 people per square mile.

In terms of household income (HHI), the median family income is \$60,569. Note that 38% of Mono County household income is above \$75,000, and approximately 30% of Mono County household income is concentrated under \$35,000.

Figure 2: Mono County vs. California Household Income



Source: U.S. Census Bureau

In terms of per capita income, Table 1 below illustrates that **the highest per capita income is among Asians** and the lowest is among Hispanic or Latino residents.

Table 1: Mono County per Capita Income

Ethnicity	Income
White	\$31,364
Black or African American	\$32,908
American Indian and Alaska Native	\$18,665
Asian	\$84,687
Pacific Islander	\$29,521
Other	\$10,022
Two or more races	\$17,277
Hispanic or Latino	\$13,629

Source: U.S. Census Bureau, 2007-2011 American Community Survey 5-Year Estimates

¹ State of California, Census 2010

In terms of ethnicity, **Caucasians living within Mono County make up 68.7% of the population, compared with 40.7% of the California population**, followed by Hispanic or Latino at 25% (which is under the California average) and Native American at 2.8%. Note how a greater proportion of the California ethnic profile is Hispanics, representing 31% of the population compared with 25.8% for Mono County, and the “other category” which is 28% in California and 2.7% in Mono County.

Table 2: Mono County vs. California Ethnicity

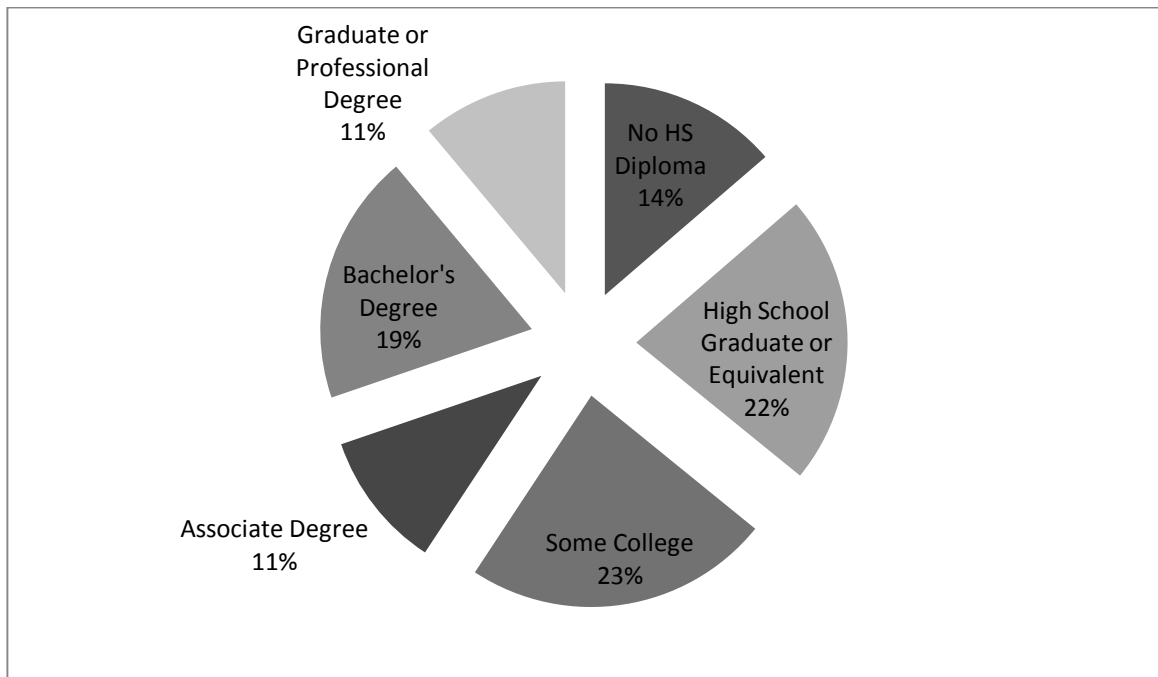
	Mono County	California
Hispanic or Latino	25.80%	31.10%
White Alone	68.70%	40.70%
Native American	2.80%	0.40%
Other	2.70%	28.20%

Source: U.S. Census Bureau Are Asians included in the Other?

Education

In terms of education, **approximately 30% of the Mono County population possesses a Bachelor’s degree or higher**. Twenty-three percent indicate they have some level of college, 22% indicated they were a high school graduate or equivalent, and 14% had not achieved a high school diploma.

Figure 3: Mono County Educational Attainment



Source: U.S. Census Bureau

Employment

As can be seen below, fully 28% of Mono County employment is in the arts, entertainment, recreation, accommodation and food services, **which reflects the large tourism component of the Mono County economy.** The second largest component of employment within Mono County is educational services, healthcare, and social assistance, which represents 15% of the jobs within the county. Other notable segments include construction at 8.4% and agriculture at 3.9%.

Table 3: Mono County Employment

	Estimate	Pct.
Agriculture, forestry, fishing, hunting and mining	313	3.9
Construction	669	8.4
Manufacturing	179	2.2
Wholesale trade	4	0
Retail trade	851	10.6
Transportation, warehousing and utilities	219	2.7
Information	99	1.2
Finance, insurance, real estate, rental and leasing	805	10.1
Professional, scientific, management and administrative and waste management	665	8.3
Educational services, healthcare and social assistance	1227	15.3
Arts, entertainment and recreation, accommodation and food services	2237	28
Other public services	237	3
Public administration	496	6.2

Source: U.S. Census Bureau

The three dominant employment sectors of Mono County include tourism, professional services and the social/public sectors. As can be seen below, when combined these sectors account for 83% of the employment within the county.

Table 4: Mono County Employment Summary

Economic Sectors	Sector Combined % of Employment
Tourism Related Arts, entertainment, recreation, accommodation and food service. Retail sales	38.6%
Professional Services Finance, insurance, real estate, rental and leasing Professional, scientific, management and administrative and waste management	23.6%
Social/Public Sector Educational Services , healthcare and social assistance Public administration	21.5%
Industry Transportation, warehousing and utilities Wholesale trade Manufacturing	4.9%
Other Segments Information Construction Agriculture, forestry, fishing, hunting and mining	13.5%

Source: U.S. Census Bureau, SMG

In terms of economic potential, it is clear that tourism-related employment provides the greatest source of funding; as such it will be important for Mono County to fully optimize the potential this sector provides. Annual occupancy for Mono County Lodging is estimated at 51% annually with summer occupancy 73%, fall 42%, winter 30% and spring 33.9%². Increasing demand for Mono County visitation and tourism spending would assist in strengthening the area for the industry and improve revenues, employment and taxes.

A second industry sector that is closely affiliated with tourism is professional services, accounting for 23% of employment. This sector benefits when tourism visitation is strong in that it creates demand for real estate, financial, insurance, rental, etc., services. As tourism is strengthened it is anticipated that the need for financial services will also increase.

Social/Public sector employment accounts for 21.5% of employment and is correlated with local government spending, local population growth and demographic make-up of the local resident population. It is not anticipated this sector will experience significant growth given local government budgets.

² Economic and Fiscal Impacts and Visitor Profile of Mono County Tourism for FY 2008

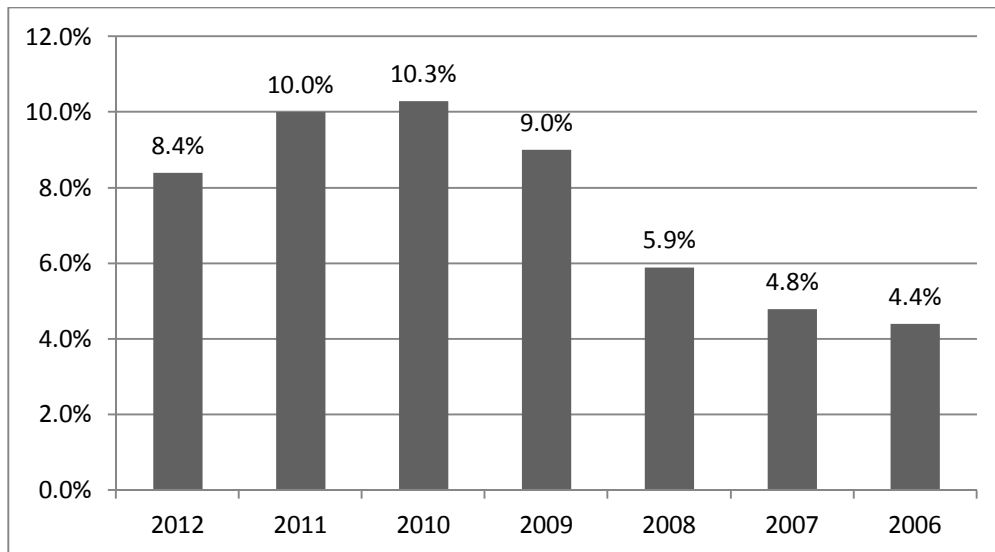
Beyond those three sectors, which account for 83% of employment, Mono County may have some viable industry segment opportunities, including agriculture. Although it may not contribute significantly in terms of employment or gross regional product, the development of locally branded and sold agricultural products could strengthen support for the Mono County brand among consumers.

Additionally there is a proposal by Cougar Gold for mining in the Bodie Hills. The proposal indicates that approximately 900 jobs would be created. This proposal is still in the review process with the federal government and its outcome is uncertain.

Unemployment

Overall Mono County, like many regions throughout the state and country, has felt the impact of the economic downturn during the recession. **Unemployment increased from 4.4% in 2006 to 10.3% in 2010, and since then the unemployment rate has decreased to 8.4% in 2012.**

Figure 4: Mono County Unemployment

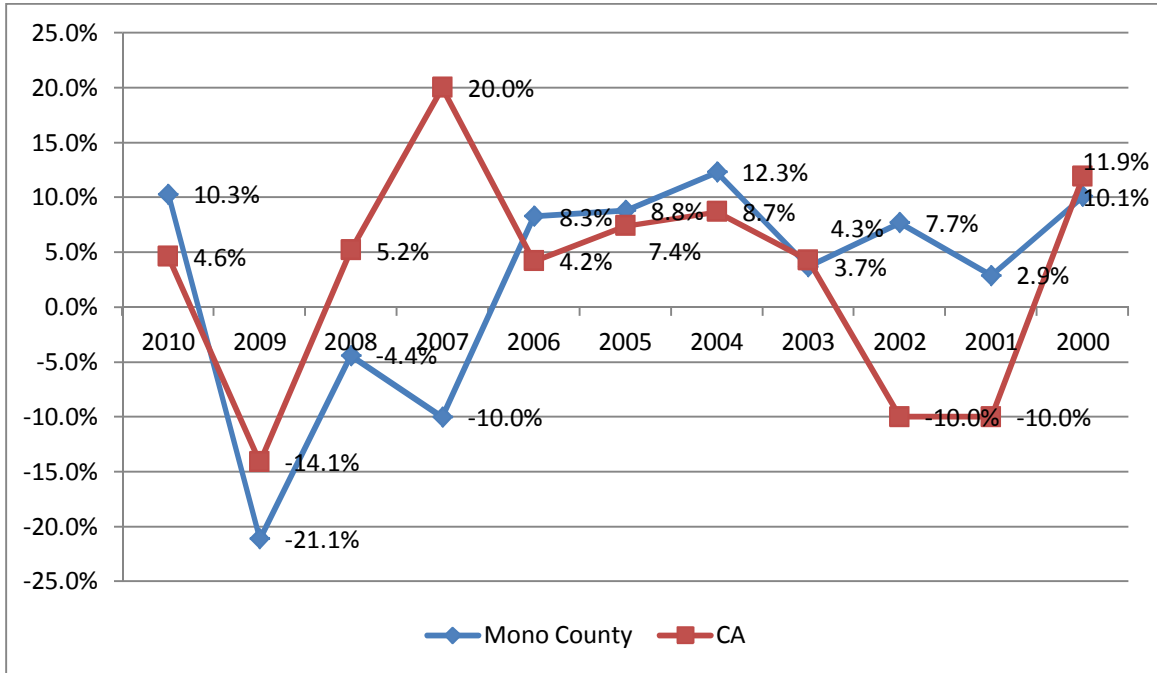


Source: State of California Economic Development Department

Retail Sales

Retail sales for Mono County fell between 2006 and 2009, though they have since increased. In 2010, the most recent year data is available, retail sales had rebounded by 10.3%. **The pattern of retail sales changes was very similar to the state of California as a whole as can be seen below.**

Figure 5: Retail Sales % Change Mono County vs. State of California



Source: State of California, Department of Finance

When compared with other counties that border Mono County, between the years 2000 and 2010 Mono County lost a small percentage of its retail sales “share” as did Alpine County, Inyo County and Tuolumne County. In contrast, Madera County and Mariposa County increased their share of retail sales during the same time frame.

Table 5: Selected County Retail Sales Share

	2010	Pct	2000	Pct	Change
Alpine	\$22,658	0.93%	\$23,301	1.17%	-0.25%
Inyo	\$306,049	12.51%	\$258,717	13.02%	-0.51%
Madera	\$1,201,908	49.13%	\$880,970	44.34%	4.79%
Mariposa	\$163,850	6.70%	\$127,257	6.41%	0.29%
Mono	\$222,128	9.08%	\$195,758	9.85%	-0.77%
Tuolumne	\$529,833	21.66%	\$500,759	25.20%	-3.55%
	\$2,446,426	100.00%	\$1,986,762	100.00%	0.00%

Source: State of California, Department of Finance

Military

Mono County is also home to a key military base, the Mountain Warfare Training Center (MWTC) located on Highway 108. The area provides one of the most unique locations for mountain warfare training in the United States and hosts military visitors not only from the United States Armed Forces but armed forces from a variety of countries. **The economic impact of this facility is estimated to be \$79 million, with 77% occurring in Mono County.** The facility also has 591 employees and generates over \$1.2 million in state and local taxes.

Table 6: Summary of Economic and Employment Benefits Attributed to MWTC

Impact Metric	Mono County	Carson City	Douglas County	Lyon County	Study Area
Total contribution	\$61,471,865	\$4,096,259	\$9,507,939	\$4,856,275	\$79,932,338
Value added to regional productivity	\$44,015,624	\$2,630,576	\$5,820,579	\$2,916,819	\$55,383,598
Payroll of all jobs	\$30,118,987	\$1,314,994	\$2,530,929	\$1,238,756	\$35,203,666
Employment	591	36	86	49	762
Taxes	\$3,154,856	\$553,335	\$1,269,215	\$679,924	\$5,657,330
Federal taxes	\$1,932,061	\$278,051	\$644,443	\$341,341	\$3,195,896
State/Local taxes	\$1,222,795	\$275,284	\$624,772	\$338,583	\$2,461,434

Source: The Impacts of the Marine Corps Mountain Warfare Training Center

Summary

Mono County can be seen as having two separate clusters within the county. Population is focused in two distinct segments, with those under 35 years representing 47% of the population and those in the 45-64 segment representing 29.8%. Likewise household income is also segmented, with 38% of residents with a household income above \$75,000 and 30% having a household income under \$30,000.

In terms of education, 30% of residents have a bachelor's degree or above while 23% indicated they have some level of college, 22% indicated they have a high school diploma or equivalent and 14% percent indicated they have no high school diploma or equivalent. Fully 36% of residents either have not graduated from high school or have only a high school diploma or equivalent, suggesting a need for skills training and supplemental education.

With regard to employment, **fully 62% of residents are employed in the tourism or related industry,** or related professional services. This high concentration makes it incumbent upon the county to maintain and strengthen the tourism sector and encourage additional travel spending.

Mono County has followed the business cycle, with unemployment climbing from 4.4% in 2006 to 10.3% in 2010. Since 2010, unemployment has decreased but has failed to reach pre-recession levels.

Retail sales have climbed from \$195 million in 2000 to \$222 million in 2010, **representing an increase of 14%**. During this time Mono County's share of retail sales has fallen slightly, by -.77% when compared to other neighboring counties.

Overall Mono County exhibits several characteristics, including the following:

1. A traditional recreation-based, tourism-dominated economy that follows the business cycle and employs a younger part of the local market that is attracted by the available recreational lifestyle, with lower household income levels. Additionally, this sector contains a smaller, higher paid level of senior managers and owners.
2. A professional services sector of the market that exists primarily as a result of tourism activities that employ higher paid employees and owners.
3. A social/government sector that that includes federal, state and local government employment.

As noted, the tourism sector is dominant in Mono County and as such needs to be strengthened. Leveraging the industry and taking advantage of the quality of life the area affords is instrumental in attracting new business.



Photo: Flickr user jasonrjonas <http://www.flickr.com/photos/jasonrjonas/>

Part 3 – Mono County Community Perspectives

Mono County Area Plans

Over the past decade Mono County has conducted a number of community area plans within the county. Each of these plans was designed to identify key issues impacting their community. These plans include the following: June Lake Economic Issues and Conditions, Mono Basin Community Plan, Bridgeport/Antelope Valley Economic Development Element, Benton Community Vision and Chalfant Community Vision. A summary of economic issues from each of these plans is below.

Table 7: Mono County Area Plans Economic Issues Summary

Benton	<ul style="list-style-type: none"> • Recreation access – maintain and increase access to recreation • Parcel sizes as a limiting factor • Large lots where they can keep and raise animals • Retain recreation and access to lands
Chalfant	<ul style="list-style-type: none"> • Support existing agricultural policies • Lot sizes cannot support economically viable agriculture • Protect and enhance environmental, cultural and historic resources • Provide strategic access to public open space
Antelope Valley	<ul style="list-style-type: none"> • Expand and improve tourist-oriented recreation facilities • Visitor center • Expand and diversify the tourist base to provide for the needs of multiple groups while retaining the character of the area and protecting its resources.
Bridgeport	<ul style="list-style-type: none"> • Main street revitalization • Preserve fisheries • Develop network of bike trails • Maintain existing USFS and BLM roads
Mono Basin	<ul style="list-style-type: none"> • Develop a more diversified economy • Enhance and support existing tourism-related economy • Support a sufficient bed base • Diversify and promote recreation opportunities during shoulder season and winter • Keep public roads open • Promote collaboration to enhance tourism • Keep up-to-date airport planning documents
June Lake	<ul style="list-style-type: none"> • Establish and document the community vision • Use financial tools and incentives (tax increment financing, municipal bonds, federal and state grants, county assistance, including tax abatements) • Continual work on community issues (affordable housing, infrastructure and education)

Source: June Lake Economic Issues and Conditions, Mono Basin Community Plan, Bridgeport/Antelope Valley Economic Development Element, Benton Community Vision and Chalfant Community Vision

As can be seen in Table 7, there are number of themes that were identified within these plans, including access, tourism, recreation and planning. **The primary themes revolve around tourism and recreation, the largest part of the Mono County employment base.** Within tourism and recreation there are a number of important issues, including access to public lands, expanding and improving recreation facilities, visitor centers, expanding and diversifying the tourist base, bike trails, maintaining existing bike trails, supporting the tourism industry, collaborating to enhance tourism, and preserving fisheries.

Many of these issues and suggestions are critical to strengthening the tourism segment of the economy.

Community Profiles

Table 8 on page 21 provides summary community level data within Mono County. As can be seen there are distinct differences within the county. The overall Gross Regional Product (GRP) for Mono County is estimated to be approximately \$783 million.

Summary Findings:

- The primary source of Gross Regional Product contribution is **driven by the tourism sector of the economy.**
- The **Town of Mammoth Lakes is the largest contributor to the Gross Regional Product** revenues of Mono County at 77%, or approximately \$604 million. Bridgeport is the second largest contributor and accounted for 7.1% of the area’s Gross Regional Product, followed by June Lake at 5.9%, Lee Vining at 4.3%, Coleville at 4.19%, and Benton and Topaz at less than 1%.
- Of the \$179 million of GRP that is generated in the unincorporated part of the county, **fully 95% is generated in the four largest areas mentioned above.**
- Within the unincorporated area (not including Mammoth Lakes), tourism employment in the top three categories is detailed below.

Sector	Employment	% of Total County
Food services and drinking places	360	22.40%
Hotels and motels, including casino hotels	531	41.40%
Amusement parks, arcades, and gambling industries	128	33.20%

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

- It is also worth noting that in terms of productivity as measured by Gross Revenue per Square Mile, **both Mammoth and June Lake far exceed the remainder of the county**. Mammoth generates \$1.4 million per square mile and June generates approximately \$65,000 in gross regional product per square mile. The remainder of the communities throughout the county generate between \$22,000 and \$53,000 in gross regional product per square mile.
- It should be noted that the four largest areas in the unincorporated part of the county, including Bridgeport, June Lake, Lee Vining and Coleville, **are all heavily dependent upon seasonal tourism**. While all have strong recreation-based economic elements, there are nuanced differences that currently help to define each region, as each has a slightly different appeal, as illustrated below.

Area	Primary Positioning Elements
Bridgeport	Gateway to Bodie
June Lake	Ski resort
Lee Vining	Yosemite gateway/Mono Lake
Coleville	Walker River gateway/Outdoor fun

From a strategic perspective, it will be critical for these **areas to be as competitive as possible within their niche** so as to strengthen and enhance tourism employment, which is the primary source of employment in the area.

Table 8: Community Summary

	Mono County	Bridgeport	Benton	Coleville	June	Lee Vining	Mammoth	Topaz
Gross Regional Product	\$783,548,834	\$55,977,874	\$6,762,475	\$32,811,458	\$46,828,898	\$33,676,905	\$604,075,761	\$3,415,375
Percent of Total	100%	7.14%	0.86%	4.19%	5.98%	4.30%	77.09%	0.44%
Total Personal Income	\$581,054,400	\$30,004,350	\$12,404,780	\$56,829,140	\$28,347,390	\$20,107,390	\$428,435,300	\$4,926,088
Percent of Total	100%	5%	2%	10%	5%	3%	74%	1%
Land Area (Sq miles)	3045	1398	305	210	72	631	406	30
Percent of Total	100%	46%	10%	7%	2%	21%	13%	1%
Gross Regional Product/Acre	\$257,323	\$40,041	\$22,172	\$156,245	\$650,401	\$53,371	\$1,487,871	\$113,846
Population	14,309	739	305	1,399	698	495	10,551	121
Percent of Total	100%	5%	2%	10%	5%	3%	74%	1%
Households	5,901	305	126	577	288	204	4,351	50
Percent of Total	100%	5%	2%	10%	5%	3%	74%	1%
Median Age	37.2	46	47	36	41	37.7	34	45

Source: IMPLAN Planning, SMG

Regional Employment, Labor Income and Output

Table 9 below identifies the top ten industry sectors for employment in Mono County. **Tourism-related sectors account for a substantial level of employment**, followed closely by real estate, another industry sector dependent upon tourism.

Table 9: Mono County Regional Employment, Labor Income and Output

Mono County					
Top Ten Industries					
Sector	Description	Employment	Labor Income	Output	
413	Food services and drinking places	1,607	\$38,069,970	\$96,573,540	
411	Hotels and motels, including casino hotels	1,282	\$46,483,080	\$148,303,600	
360	Real estate establishments	727	\$11,485,430	\$120,199,800	
438	* Employment and payroll only (state & local govt, education)	694	\$47,121,480	\$53,748,600	
437	* Employment and payroll only (state & local govt, non-education)	547	\$48,013,640	\$54,589,580	
409	Amusement parks, arcades, and gambling industries	385	\$13,632,430	\$38,479,140	
440	* Employment and payroll only (federal govt, military)	303	\$38,558,040	\$51,833,730	
328	Retail Stores - Sporting goods, hobby, book and music	217	\$5,930,475	\$11,444,300	
425	Civic, social, professional, and similar organizations	202	\$6,844,635	\$9,281,137	
412	Other accommodations	198	\$5,773,874	\$16,203,660	

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

Regional Profiles

The following tables are regional profiles within Mono County.

Table 10: Benton Regional Employment, Labor Income and Output

Benton					
Top Ten Industries					
Sector	Description	Employment	Labor Income	Output	
438	* Employment and payroll only (state & local govt, education)	15	\$1,005,985	\$1,147,465	
335	Transport by truck	13	\$431,351	\$1,521,385	
10	All other crop farming	4	\$347,232	\$2,719,610	
437	* Employment and payroll only (state & local govt, non-education)	4	\$363,740	\$413,558	
38	Construction of other new residential structures	4	\$197,509	\$437,372	
37	Construction of new residential permanent site single- and multi-family	2	\$110,624	\$324,455	
440	* Employment and payroll only (federal govt, military)	2	\$292,106	\$392,680	
36	Construction of other new nonresidential structures	2	\$90,421	\$218,774	
14	Animal production, except cattle and poultry and eggs	2	\$12,885	\$429,350	
39	Maintenance and repair construction of nonresidential structures	2	\$78,118	\$171,428	

Source: IMPLAN Planning, SMG

Table 11: Bridgeport Regional Employment, Labor Income and Output

Bridgeport					
Top Ten Industries					
Sector	Description		Employment	Labor Income	Output
413	Food services and drinking places		249	\$5,907,410	\$14,985,550
411	Hotels and motels, including casino hotels		188	\$6,802,401	\$21,702,970
324	Retail Stores - Food and beverage		47	\$1,861,523	\$3,248,073
412	Other accommodations		46	\$1,332,432	\$3,739,306
369	Architectural, engineering, and related services		44	\$1,302,747	\$3,302,769
409	Amusement parks, arcades, and gambling industries		43	\$1,514,714	\$4,275,460
437	* Employment and payroll only (state & local govt, non-education)		37	\$3,273,657	\$3,722,017
438	* Employment and payroll only (state & local govt, education)		36	\$2,433,248	\$2,775,458
440	* Employment and payroll only (federal govt, military)		21	\$2,628,957	\$3,534,118
328	Retail Stores - Sporting goods, hobby, book and music		14	\$370,655	\$715,269

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

Table 12: Coleville Regional Employment, Labor Income and Output

Coleville					
Top Ten Industries					
Sector	Description		Employment	Labor Income	Output
438	* Employment and payroll only (state & local govt, education)		68	\$4,608,645	\$5,256,800
409	Amusement parks, arcades, and gambling industries		43	\$1,514,714	\$4,275,460
411	Hotels and motels, including casino hotels		31	\$1,133,734	\$3,617,162
413	Food services and drinking places		28	\$656,379	\$1,665,061
38	Construction of other new residential structures		18	\$904,835	\$2,003,701
331	Retail Nonstores - Direct and electronic sales		17	\$376,698	\$1,837,294
10	All other crop farming		15	\$1,190,510	\$9,324,377
400	Individual and family services		14	\$241,368	\$419,965
437	* Employment and payroll only (state & local govt, non-education)		13	\$1,182,154	\$1,344,062
410	Other amusement and recreation industries		13	\$141,272	\$563,153

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

Table 13: June Regional Employment, Labor Income and Output

June					
Top Ten Industries					
Sector	Description		Employment	Labor Income	Output
411	Hotels and motels, including casino hotels		156	\$5,668,668	\$18,085,810
412	Other accommodations		46	\$1,332,432	\$3,739,306
409	Amusement parks, arcades, and gambling industries		43	\$1,514,714	\$4,275,460
360	Real estate establishments		40	\$626,478	\$6,556,351
437	* Employment and payroll only (state & local govt, non-education)		35	\$3,091,788	\$3,515,238
438	* Employment and payroll only (state & local govt, education)		34	\$2,298,875	\$2,622,186
440	* Employment and payroll only (federal govt, military)		20	\$2,482,904	\$3,337,778
383	Travel arrangement and reservation services		16	\$613,185	\$2,203,656
51	Confectionery manufacturing from purchased chocolate		15	\$551,822	\$5,446,515
369	Architectural, engineering, and related services		15	\$434,249	\$1,100,923

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

Table 14: Lee Vining Regional Employment, Labor Income and Output

Lee Vining					
Sector	Description		Employment	Labor Income	Output
411	Hotels and motels, including casino hotels		156	\$5,668,668	\$18,085,810
413	Food services and drinking places		83	\$1,969,137	\$4,995,183
437	* Employment and payroll only (state & local govt, non-education)		27	\$2,364,308	\$2,688,124
438	* Employment and payroll only (state & local govt, education)		24	\$1,630,639	\$1,859,971
324	Retail Stores - Food and beverage		23	\$930,762	\$1,624,037
412	Other accommodations		23	\$666,216	\$1,869,653
440	* Employment and payroll only (federal govt, military)		15	\$1,898,691	\$2,552,419
400	Individual and family services		14	\$241,368	\$419,965
328	Retail Stores - Sporting goods, hobby, book and music		14	\$370,655	\$715,269
326	Retail Stores - Gasoline stations		10	\$321,318	\$1,219,449

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

Table 15: Mammoth Lakes Regional Employment, Labor Income and Output

Mammoth Lakes					
Top Ten Industries					
Sector	Description		Employment	Labor Income	Output
413	Food services and drinking places		1,247	\$29,537,050	\$74,927,750
411	Hotels and motels, including casino hotels		751	\$27,209,600	\$86,811,890
360	Real estate establishments		674	\$10,650,130	\$111,458,000
438	* Employment and payroll only (state & local govt, education)		512	\$34,744,600	\$39,631,050
437	* Employment and payroll only (state & local govt, non-education)		430	\$37,738,000	\$42,906,580
409	Amusement parks, arcades, and gambling industries		257	\$9,088,284	\$25,652,760
440	* Employment and payroll only (federal govt, military)		238	\$30,306,040	\$40,740,530
425	Civic, social, professional, and similar organizations		202	\$6,844,635	\$9,281,137
328	Retail Stores - Sporting goods, hobby, book and music		176	\$4,818,511	\$9,298,496
388	Services to buildings and dwellings		172	\$4,452,867	\$9,773,827

Source: IMPLAN Planning, SMG

Note: Amusement parks, arcades, and gambling industries include recreation industry employment.

Table 16: Topaz Regional Employment, Labor Income and Output

Topaz					
Top Ten Industries					
Sector	Description		Employment	Labor Income	Output
10	All other crop farming		7	\$545,650	\$4,273,673
438	* Employment and payroll only (state & local govt, education)		6	\$399,489	\$455,672
14	Animal production, except cattle and poultry and eggs		3	\$20,248	\$674,693
11	Cattle ranching and farming		2	\$2,090	\$934,994
38	Construction of other new residential structures		2	\$78,433	\$173,686
37	Construction of new residential permanent site single- and multi-family		1	\$43,930	\$128,845
6	Greenhouse, nursery, and floriculture production		1	\$144,745	\$452,520
3	Vegetable and melon farming			\$102,009	\$388,854
13	Poultry and egg production			\$39,299	\$953,545
4	Fruit farming			\$46,582	\$149,377

Source: IMPLAN Planning, SMG

Summary

The regional profiles identify characteristics within the county in terms of the size of the local economy and the similarities and differences within the county. Employment in the four core unincorporated areas, including Coleville, Bridgeport, Lee Vining and June, have a much higher number of people employed and a larger percentage of employment in tourism-related industries. Benton and Topaz in contrast, have much smaller employment that is not tourism based.

Part 4 – Strategic Challenges and Opportunities

There are a wide variety of challenges and opportunities that face Mono County. The following are strategic level challenges that confront the county from an economic development perspective. There are also unique opportunities that are available to take advantage of at this particular moment in time. Below is a summary of both those challenges and opportunities.

Challenges

- **Mono County is a remote location with limited access from major population bases**

Analysis:

Located on the eastern side of California, Mono County's location creates significant challenges from an economic development perspective. Tourism, which is the largest part of the economy, is dependent primarily on the Southern California market, which is located approximately 300-400 miles away via Highway 395. As such, Mono County is disadvantaged when compared to other Southern California-proximate competitor destinations.

The county generates visitation to a lesser extent from Northern California. It is at a geographic disadvantage, as there are many competitive destinations, both in the Sierra as well as the coast, that are much easier to access. Seasonal accessibility is considered a deterrent for access from Northern California, as winter routes do take longer to travel.

Beyond tourism, the location is also challenging for those businesses that need closer access to markets or air service to access geographically dispersed markets.

- **National and state economic uncertainty**

Analysis:

Slowly, recession is giving way to an improved economic picture. As can be seen below, economic indicators for both the national and state economy are showing signs of improvement. However, many believe that economic trends are changing. As such, an economy based on tourism is always challenged **given that travel spending is often discretionary spending** and subject to consumers' changing needs.

Table 17: Key California Economic Indicators

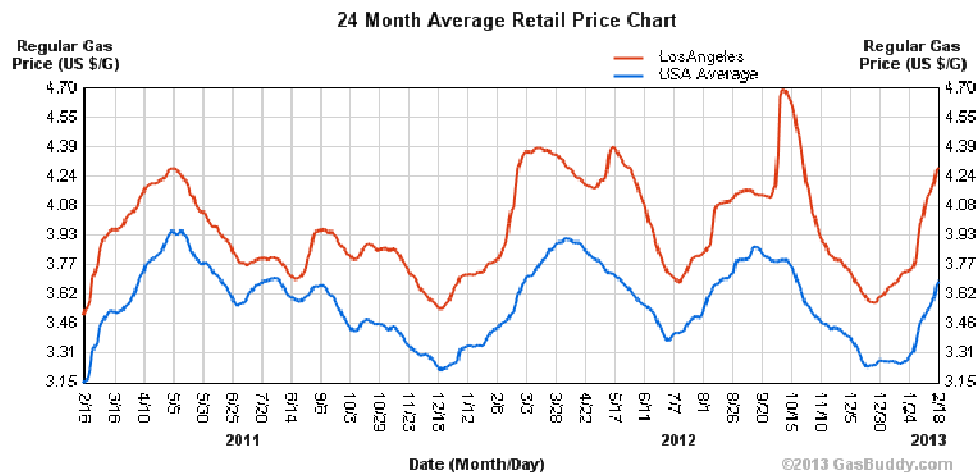
	2011	2012	2013	2014
U.S. Gross Domestic Product	1.7	2.2	2.4	3.4
Unemployment CA	11.8%	10.9%	10.4%	9.5%
Unemployment U.S.	9.0	8.2	7.9	7.3
Personal Income Growth CA	6.0	4.9	3.4	5.4
Personal Income Growth U.S.	5.1	3.7	4.2	5.0
Consumer Price Index CA	2.6	2.0	2.0	2.2
Consumer Price Index US	3.2	2.1	2.0	2.1

Source: State of California, Department of Commerce

In addition, the lack of consistent economic growth constrains many businesses and/or organizations for increased job hiring.

One additional important economic issue that has been an ongoing concern is the price of fuel, **which can impact the travel decisions of price sensitive consumers.** The price of gas in the primary Southern California feeder market is significantly higher than the U.S. average. It is not known at this time if this issue will be of short-term concern or if the issue presents a longer-term threat to destination travel.

Figure 6: Gas Prices



Source: Gas Buddy.com

Should gas prices continue to increase, it could be a concern for Mono County given its reliance on tourism and auto travel to access the region.

- **Lack of qualified work force**

Analysis:

Finding qualified workers is challenging and Mono County is not alone in this issue. A recently completed survey by the Gallup organization found that “In spite of the slow economy and associated high unemployment rate, 53% of U.S. small-business owners in January reported finding it very (23%) or somewhat difficult (30%) to find the qualified employees they need.”³

It is also important to remember that a large portion of employment within Mono County, approximately 38%, is generated by the tourism-related sector (see previous section in this report). Also recall that approximately 36% of residents indicated they have a high school diploma or equivalent or less. As such, with limited training programs available, **local potential employees may not in fact have the skills needed for local employment.**

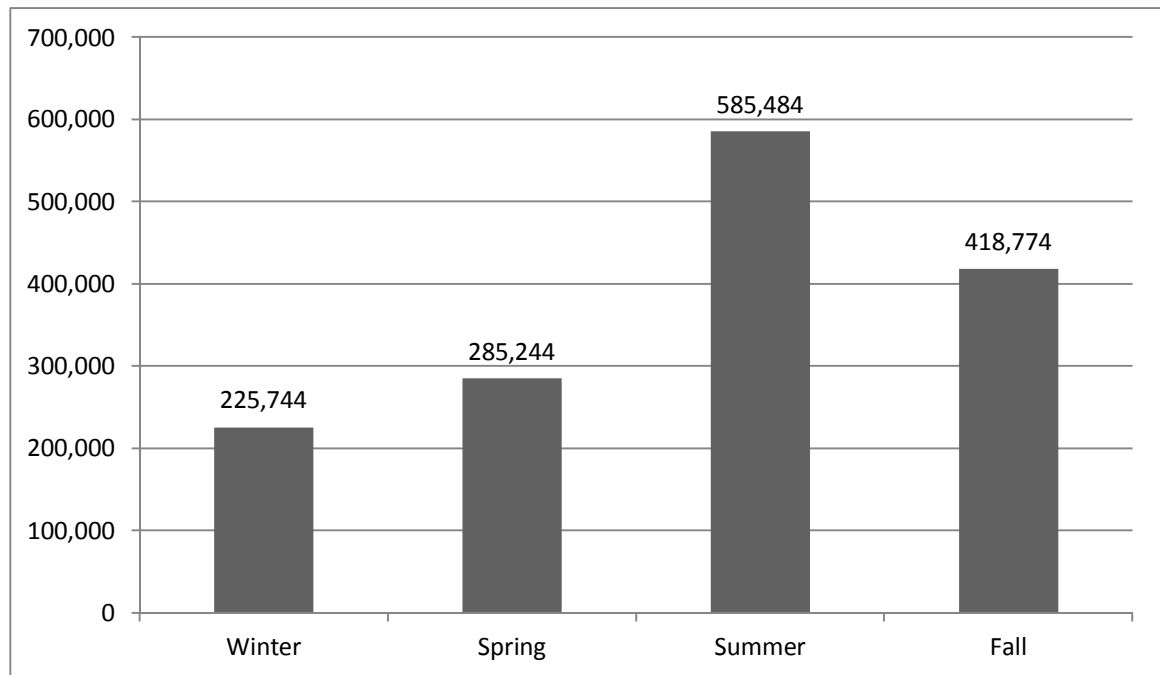
³ Jacobe, Dennis, “U.S. Small Businesses Struggle to Find Qualified Employees”, Gallup Economy, February 13, 2013, <http://www.gallup.com/poll/160532/small-businesses-struggle-find-qualified-employees.aspx>

- **Seasonal mindset**

Analysis:

One of the key challenges in any tourism-based economy is the seasonality and the seasonal mindset. While sustainable year-round employment may be a desired goal of the county, it may not in fact be the desired goal of employees or employers. The overall seasonality of Mono County can be seen below.

Figure 7: Mono County Seasonality (Visitors by Season)



Source: Economic and Fiscal Impacts and Visitor Profile Study of Mono County Tourism 2009

Within this overall seasonality trend, there are many local businesses that are open year-round. There are also many that operate seasonally, either open during the summer and winter season or just the non-winter months. In some cases many of the commercial businesses in Walker, Bridgeport and Lee Vining are not open on a year-round basis. Many of these businesses close for several reasons. The most prominent reason is a lack of demand, as tourism slows significantly during the winter months. Additionally, there are several businesses that close seasonally because it has become part of their lifestyle. **Given this dynamic, it is challenging to provide services and employment on a sustainable year-round basis.**

- **Tourism funding is limited**

Analysis:

It is a given that **tourism is the primary economic driver within Mono County**. That said, there is limited funding for tourism promotion within the county's current economic development budget allocation.

Currently the county allocates approximately \$200,000 for tourism promotion funding on an annual basis. This equates to \$56 per available lodging unit in the unincorporated areas of the county. In contrast Santa Barbara allocates \$756 per available lodging unit and South Lake Tahoe allocates \$333 per available lodging unit⁴. **These examples, while much bigger destinations, both compete for the Mono County visitor in Southern and Northern California.**

- **Public land ownership**

Analysis:

One of the biggest obstacles facing Mono County from a traditional economic development perspective is **the fact that over 95% of the land is publicly owned**. This compares with 90% in Inyo County and 85% in Alpine County.⁵ Public ownership includes the Bureau of Land Management, United States Forest Service, National Park Service, and California State Parks. Given the lack of land available for traditional private development, economic development strategies for Mono County are significantly limited. Beyond tourism, land use is limited to ranching, farming, and some energy development. **Given the regulatory and permitting process, the opportunity for further development is extremely narrow.**

Opportunities

- **Highway 395 Scenic Byway Designation**

Analysis:

Perhaps one of the biggest opportunities for Mono County is the potential for a National Scenic Byway designation for Highway 395. **National Scenic Byway** is a road designation recognized by the United States Department of Transportation for containing one of six identified "intrinsic qualities": archeological, cultural, historic, natural, recreational, and/or scenic. The program was established by Congress in 1991 to preserve and protect the nation's scenic but often less-traveled roads and promote tourism and economic development. The National Scenic Byways Program (NSBP) is administered by the Federal Highway Administration (FHWA).⁶

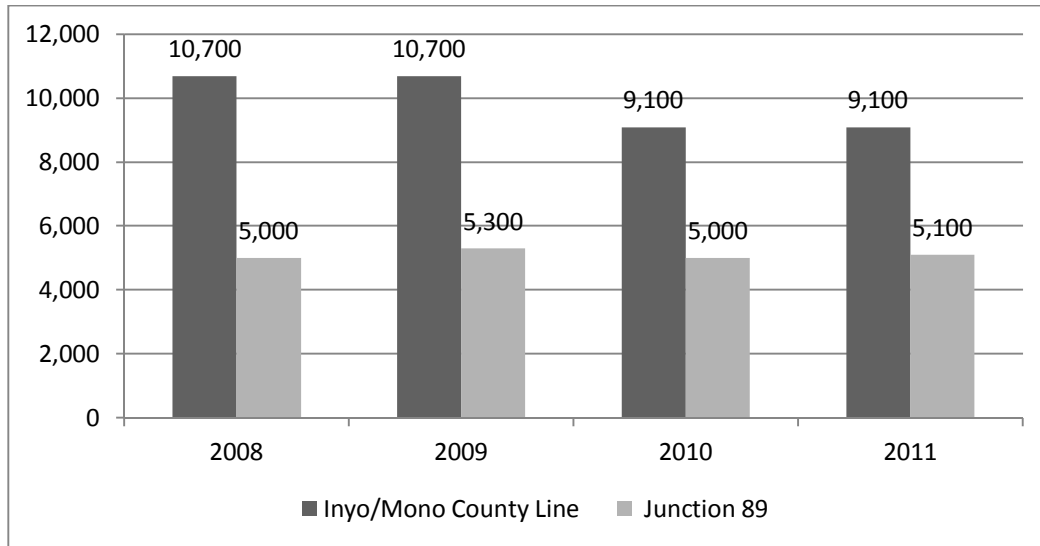
⁴ Strategic Marketing Group

⁵ Wikipedia, http://en.wikipedia.org/wiki/Alpine_County,_California

⁶ Wikipedia, http://en.wikipedia.org/wiki/National_Scenic_Byway

Table 18 below identifies current traffic levels on Highway 395. The potential exists to increase visitation to Mono County with the addition of the National Scenic Byway designation.

Figure 8: Highway 395 Average Annual Daily Traffic



Source: Caltrans

- **Increased focus on outdoor recreation**

Analysis:

More and more consumers are participating in outdoor recreation. According to the recently published Outdoor Recreation Economy Report, **outdoor recreation spending is approximately \$646 billion in the United States and generates 6.1 million American jobs.** Of that \$646 billion, fully \$524 billion was spent on trips and travel-related spending.⁷

Given that Mono County has significant opportunities to provide outdoor recreation to consumers, **the market opportunity to attract visitors for recreational experiences is substantial.**

- **June Lake ski resort closing**

Analysis:

While the June Lake community has experienced a significant economic impact as a result of the closing of June Lake Ski Resort for the 2012-13 winter season (though it will be reopening for the 2013/14 season), it presents an opportunity to potentially rethink the future strategic direction of the area. As was mentioned previously, June Lake is one of the largest communities in the

⁷ The Outdoor Recreation Economy Report, Outdoor Industry Association, http://www.outdoorindustry.org/images/researchfiles/OIA_OutdoorRecEconomyReport2012.pdf

unincorporated areas of Mono County in terms of Gross Regional Product. As such its economic future is critical to the local economy.

The ski and snowboard market has been essentially flat for the past 20 years, generating approximately 50-55 million skier days. **Thus any growth has to come at the expense of another resort. This type of market share change can be very costly.** Looking ahead, projections for the industry are challenging in that under the best scenarios growth will be below current levels.⁸ Should Mammoth Mountain ever be sold there is no guarantee a new owner would operate June Mountain. So it's important for the June Lake community and the county to begin the process of envisioning a new future and **repositioning the area beyond ski and snowboarding.**

- **Economic development as a higher priority**

Analysis:

Historically, economic development has not been seen as a high priority within Mono County, and the reasons for this are varied. Given the challenges of the recession and its impact on the local economy, along with a Board of Supervisors that has expressed an interest in making economic development a higher priority, it effectively positions the county to take better advantage of this opportunity.

- **Air service**

Analysis:

Though Mono County hosts three airports, including Bridgeport, Lee Vining and Mammoth, historically these airports have provided just general aviation services. Over the past three years the Town of Mammoth Lakes and Mammoth Mountain Ski Area have developed commercial service to the area. **Deplanements have grown to over 10,000**, with air service serving both Southern and Northern California and through other markets via connections in those markets. The growth and stability of this service offers important access for tourists, as well as those business owners who need access and find driving to Reno-Tahoe International Airport too far and time-consuming. The potential for increased services, combined with the potential of Digital 395 (see below), **provide a unique opportunity to attract small businesses and telecommuting individuals** looking for a high quality of life that Mono County can provide.

- **Digital 395**

Analysis:

The Digital 395 Middle Mile project goal is to construct a 583-mile fiber network that primarily follows U.S. Highway 395, the primary transportation corridor between Southern and Northern California through Mono County. The new service will provide upgraded internet access to a large area that includes two military bases (one in Mono County), 26,000 households and 2,500

⁸ Nate Frisco, RRC Associates, Presentation at "The Gathering," Denver 2013

businesses, along with 47 K-12 schools, 13 libraries, two community colleges, two universities, 15 healthcare facilities and 104 government offices. The Sierra Nevada Aquatic Research Lab, the White Mountain Research Station and the California Institute of Technology Owens Valley Radio Observatory will also benefit.⁹

The project will potentially upgrade internet access through the unincorporated areas of Mono County via the Last Mile providers. Improved internet access for both traditional brick and mortar businesses, as well as digital businesses, can serve Mono County's economic development interest by **not only helping existing businesses streamline business processes and reach a wider marketplace, but to also serve to attract those independent and telecommuting service providers that can live anywhere.**

- **Regional approach to economic development**

Analysis:

In addition to taking a sector approach to economic development (tourism, professional services, etc.), Mono County has an opportunity to collaborate both locally and regionally (including Inyo County, the Town of Mammoth Lakes, Bishop and Native American tribes).

Mono County can take advantage and promote its assets, including its geographic location, natural setting and recreational opportunities, and work with other partners throughout the eastern side of the Sierra in leveraging resources, such as staff and funding.

Mono County can pursue regional approaches to economic development across the eastern slope that allows the county to focus on the unique needs of each region. The approaches should also be large enough to leverage opportunities to promote new jobs and spur economic growth. A regional approach offers an important opportunity to engage local stakeholders. **By considering economic development on a regional level and working with local businesses, chambers of commerce, economic development, education and workforce entities, Mono County and its partners can develop a strategy that encompasses specific retention, expansion and growth models for each community.**

⁹ Digital395.com

Part 5 – Economic Development Strategy Goal and Objectives

Economic Development Strategy Goal

Develop a more diverse and sustainable year-round economy by strengthening select economic sectors and by pursuing business retention, expansion and attraction in Mono County.

Economic Development Strategy Objectives

1. Make economic development a priority throughout the county.
2. Expand tourism and marketing efforts.
3. Integrate Digital 395 into the local communities.
4. Secure the Highway 395 National Scenic Byway designation.
5. Provide education, training and resources to help retain and expand current businesses.
6. Be a catalyst for business idea sharing and networking.
7. Review ways to reduce the regulatory burden.
8. Develop regional food systems over the long term.
9. Develop targeted business attraction.
10. Identify funding sources to support the economic development strategy.
11. Develop a regional economic development corporation.



Part 6 – Economic Development Strategy Platform

In an effort to implement the Mono County goals and objectives, the following strategic platform has been developed. **This platform is a framework with which to view the implementation of specific strategies and how they work together.** The overall strategy contains three important elements, including strengthening the existing economic sectors, retaining and expanding existing businesses, and attracting new businesses. The figure below provides a visual framework with which to view the strategic objectives that support the overall goal.

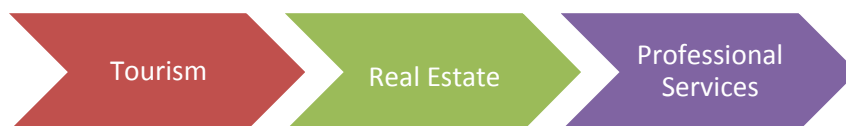
Mono County EDS Strategic Platform



The framework is based on the following elements:

- 1. Strengthening the existing economic sectors** – As was identified previously, the two largest elements of the Mono County economy were tourism and professional services. Therefore, it is essential to strengthen those economic sectors and solidify the base of the Mono County economy.

It is important to understand the relationship between these two economic sectors within the Mono County economy. **The anchor is tourism, which attracts visitors and visitor spending.** This spending spurs employment and helps to generate real estate sales, which in turn generates professional services employment.



It’s worthy to note that there are a variety of other factors, including quality of life, education quality, technology availability, regulation, etc., that help provide a strong environment for economic development.

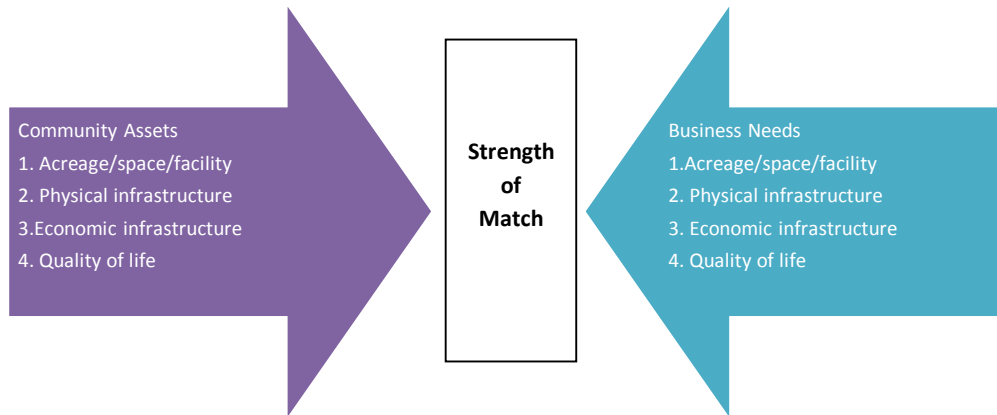
2. Retain, expand, attract businesses – A second critical element of the economic development strategy is the need to retain, expand and attract businesses.

A. Retaining and expanding business

This includes providing services that assist existing businesses to both retain and help them through a variety of education and training programs, such as loan programs, skill building programs, and functional expertise (marketing, accounting, finance).

B. Business attraction

This consists of identifying the resources the county can offer and use them to target specific business segments in order to attract those segments. The key is to match the resources of the county with the needs of potential businesses.

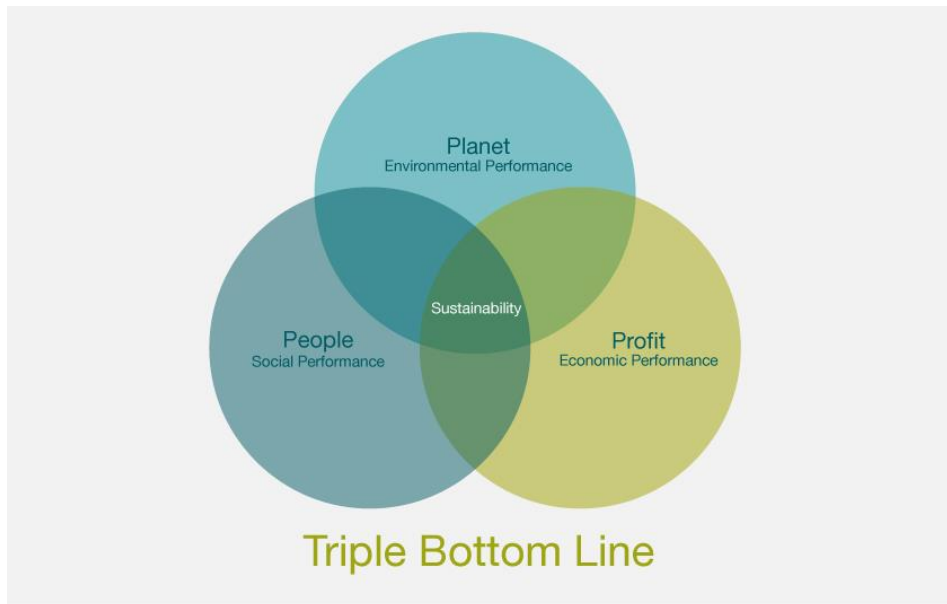


3. Identifying funding sources – Underlying these efforts is the need for funding. Funding sources include general fund investment, grant programs and private sector contributions.

What is a sustainable economy?

The foundation of the EDS platform is sustainability. In a sustainable economy **individuals live and do business in a way that complements the economy, the environment and the local community**. This approach seeks a balance between the areas that provide long-term sustainability.

Sustainable Economy Elements



Source: Carbon Design.com

By focusing on sustainability, businesses tend to be **more efficient, innovative and competitive**, both regionally and nationally. Because Mono County is so resource reliant, Mono County businesses and government have long reinforced their commitment to sustainability and should continue to do so. Achieving a sustainable economy also depends on the county's commitment to continued research and planning, which serves as the underpinning for an informed county policy development.

Part 7 – Economic Development Strategies

It should be noted the following strategies and action step recommendations reflect the comprehensive approach that was developed in the economic development strategy platform in the previous section. Mono County will ultimately have to decide which are of the highest priority and the funding needed for each priority. The report includes specific discussion on funding sources and the appendix section includes a list of those sources.

Strengthening Key Existing Sectors

Strategy 1 – Economic development and growth needs to be a priority with the Mono County supervisors. Their overall county leadership in this area is essential.

Analysis:

It is important for county leadership to demonstrate that it is developing senior level relationships with outside state and federal agencies, private sector businesses, and state and federal level elected officials.

The county supervisors or their designees must be advocates for the county's economy and support those efforts that further the interest of the local economy. When agencies outside the county unilaterally make decisions—such as closing facilities early or not dealing with transportation/road issues in a timely manner—that will impact the local economy without consulting the county, it sends a clear message of non-engagement. **Interviews across a number of convened stakeholder groups indicated frustration that the county had failed to step in with a number of similar type situations involving a variety of outside organizations and agencies.**

County supervisors need to take the lead in making economic development a priority and provide overall direction for the organization. Supervisors must also be advocates for the county economy when dealing with other agencies that work within Mono County. Finally, the county supervisors must take the lead in identifying opportunities with potential economic development partners.

Action Steps:

- 1.1 Make economic development a priority with the new Chief Administrative Officer.
- 1.2 Instill the importance of economic development across all departments within Mono County, creating a more entrepreneurial culture.

- 1.3 Identify key agency leaders (National Park Service, U.S. Forest Service, Bureau of Land Management, and Caltrans) and proactively seek out ongoing relationships in an effort **to educate them about the importance of economic development in Mono County and the potential impacts of their policy decisions.**
- 1.4 Host an annual meeting with senior agency leaders identifying priority issues related to economic development.
- 1.5 Reach out to regional partners to develop cooperative strategies to improve economic development for the county.
- 1.6 Use recommendations from existing community-based plans to begin implementing prioritized projects that enhance and expand the recreation product that drives the tourism economy throughout Mono County. This includes working across jurisdictional boundaries to develop connected, year-round accessible trail systems, expanded staging and parking areas, branded signage, and wayfinding systems throughout the respective communities.

Measurement:

- ✓ Develop a target agency contact report and assign to appropriate county supervisors and staff. Develop a plan for ongoing contact and discussion.
- ✓ Develop annual summit target dates, invitation list, agenda and content.
- ✓ Develop a capital improvement plan that includes the prioritized facility and infrastructure needs within each community and track implementation and construction schedules.

Strategy 2 – Expanding efforts in tourism and marketing is critical given that tourism and its component elements currently provide the largest number of jobs within the county.

Analysis:

Despite the importance of tourism to Mono County, promotional funding needed to generate tourism demand is somewhat limited. One way to increase the available funding for tourism promotion is by the formation of a Tourism Business Improvement District (TBID) that can be combined with existing public funding. Currently tourism generates approximately \$451 million in travel spending throughout the county.¹⁰ Of that it is estimated that 41% or \$184 million is generated in the unincorporated areas of the county.¹¹ **Every \$95,000 in travel spending creates one job.** As such it is imperative to consider how to increase travel spending in the county. If travel spending can be increased by 25% over the next 10 years it would add approximately 1,100 jobs.¹² In addition there would be additional tax receipts that would flow through to federal, state and local government.

It is essential that Mono County focus on increasing demand through more aggressive promotion and continual product improvement, which will enhance visitor travel spending. As the example below illustrates, the incremental gains from increasing occupancy can be seen. Using data from the Economic and Fiscal Impacts and Visitor Profile of Mono County Tourism for FY 2008, which estimated occupancy at 51% and average Daily Revenue at \$48, with lodging revenue at \$31M, the following scenarios projected at 3%-10% show the potential for increased revenue and Transient Occupancy Tax.

	Base Scenario	3% Scenario	5% Scenario	7% Scenario	10% Scenario
Rooms	3543	3543	3543	3543	3543
Occupancy	51%	54%	56%	58%	61%
Average Daily Rate	\$48	\$48	\$48	\$48	\$48
Estimated Revenue	\$31,657,414	\$33,519,614	\$34,761,082	\$36,002,549	\$37,864,750
Incremental Change		\$1,862,201	\$3,103,668	\$4,345,135	\$6,207,336
TOT Rate		12%	12%	12%	12%
Incremental Tax Revenue		\$223,464.10	\$372,440.16	\$521,416.22	\$744,880.32

There is an opportunity for Mono County to take advantage of a number of trends and opportunities in an effort to increase visitation and travel spending.

¹⁰ Visit California, Economic Impact of Tourism 2013

¹¹ Ibid Economic and Fiscal Impacts and Visitor Profile of Mono County Tourism for FY 2008

¹² SMG Estimates

Action Steps:

2.1 **Funding** – Perhaps one of the most crucial steps needed to strengthen the tourism economic sector is to increase funding for tourism promotion. This increase can happen in one of several ways, including increased funding from Mono County and an assessment for private sector funding through the formation of a Tourism Business Improvement District (TBID). A TBID is a self-assessment that lodging owners can impose on their businesses, with all the assessed monies going to tourism promotion. Currently there are over 70 TBIDs in California and they have become a primary source of tourism funding throughout the state. Specific estimates of what a TBID could generate are beyond the scope of this project. However, an estimate based on data from Strategic Marketing Group could see in excess of \$1 million generated based on a collected \$2 per occupied night (3,543 rooms x 365 x 51% annual occupancy x \$2 per occupied room = \$1,285,551). These funds could then be programmed to effectively promote the county and generate increased demand.

It should be noted there are some expected upfront costs in the implementation of the TBID, such as approximately \$30,000-\$50,000 in legal/consultant fees. However, these costs are minimal compared with the potential TBID funds that could be generated. The TBID is typically voted on every 5 years and assures the organization is responsive to the needs of the lodging industry. Given that funding is voted on periodically, there is the potential that it could be voted down, though that is highly unlikely as TBIDs through California continue to be renewed without issue.

We recommend the county fund the TBID start-up costs and be paid back out of collected funds. Should the TBID not be successful, the county will have to determine internally the source of these funds.

2.2 **Develop *Visit Mono County*** – With TBID funding it is recommended **that tourism promotion be spun out from county government into a separate *Visit Mono County* organization**. The new organization would be funded by TBID and county dollars, with a board representing the unincorporated part of the county. This approach of having a separate organization outside of the government entity totally focused on tourism promotion was recently successfully implemented by the Town of Mammoth Lakes.

It is recommended that *Visit Mono County* absorb the functions that are currently being implemented by Mono County Tourism, including all tourism promotion activities, as well as film commission activities. The priorities should be established by the new board of directors.

It is recommended the TBID process (above) include a transition plan that includes board of director membership, bylaws, banking organizational policy, staffing, proposed marketing activities, and an operational budget. The new organization can expect typical overhead and

operational costs. The figure below is used to illustrate potential budget scenarios and included funding at the \$1 per occupied night level and \$2 per occupied night level.

	Scenario 1	% of Total	Scenario 2	% of Total
	\$1/Per Night		\$2/Per night	
Revenue:	\$642,771	100%	\$1,285,551	100%
Expenses:				
Administration:				
Wages	\$134,982	21%	\$257,110	20%
Overhead	\$64,277	10%	\$128,555	10%
Marketing:				
Advertising	\$192,831	30%	\$385,665	30%
Photo/Video	\$12,855	2%	\$25,711	2%
Sales (Trade Shows)	\$19,283	3%	\$38,567	3%
Website/Maintenance	\$32,139	5%	\$64,278	5%
Public Relations	\$38,566	6%	\$77,133	6%
Visitor Information	\$19,283	3%	\$38,567	3%
Collateral	\$12,855	2%	\$38,567	3%
Interactive	\$64,277	10%	\$128,555	10%
Training	\$6,428	1%	\$12,856	1%
TBID Collections	\$6,428	1%	\$12,856	1%
Research	\$12,855	2%	\$25,711	2%
Other	\$25,711	4%	\$51,422	4%
Total	\$642,771	100%	\$1,285,551	100%

There is also the potential to expand tourism promotion efforts regionally to include Mono and Inyo County. It is recommended Mono County consider approaching Inyo County with a proposal.

- 2.3 Set up educational meetings with the local lodging community about TBIDs. These would help business owners understand the benefits of TBIDs, as well as the implementation process. Such meetings would help ensure stakeholder buy-in.
- 2.4 Retain an outside consultant to develop funding options and a marketing plan outlining goals, objectives, strategies, action plans and measurement.

Case Study: Mendocino TBID



There are over 70 Tourism Business Improvement Districts (TBIDs) in California to fund tourism promotion, and they exist in all county and/or city situations. Visit Mendocino, located on California's North Coast, promotes the county using funds from a TBID and from the county. This is a great example of a highly rural county using a mix of TBID and county funding to promote tourism.

www.visitmendocino.com

2.5 Outdoor recreation – As previously mentioned in this report, national spending on outdoor recreation is in excess of \$650 billion annually. With additional tourism funding, Mono County will be well positioned to attract a greater share of that spending. Past research indicated visitors participate in a wide variety of recreational activities while in Mono County. In a recently completed survey of Mono County visitors, over 80% indicated they participated in a recreation activity while visiting the county,¹³ as illustrated in the table below.

¹³ SMG Survey of Highway 395 Travelers

Table 18: Activity Participation within the County

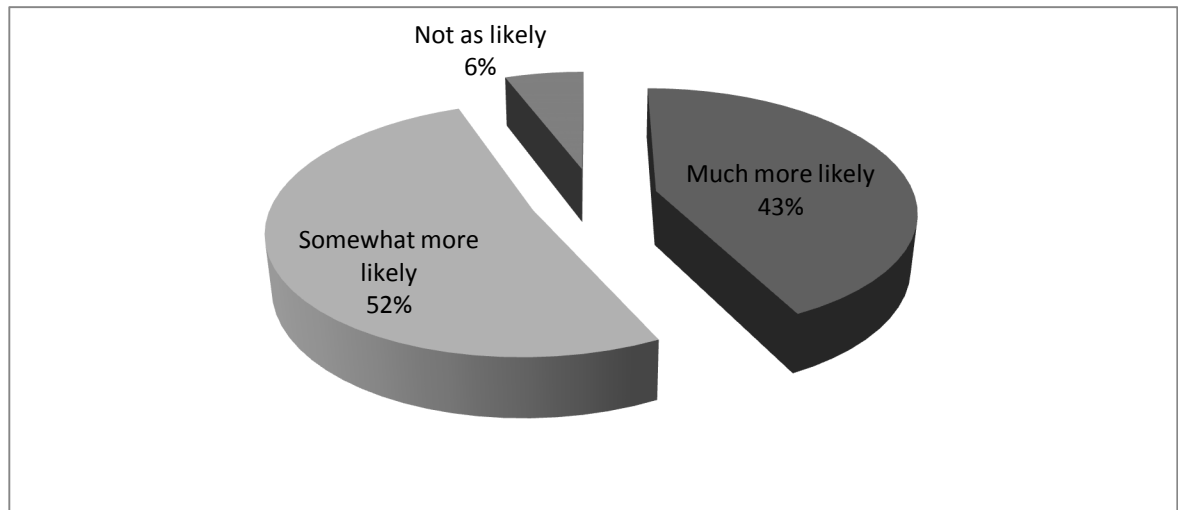
Activity	
Stopped to enjoy scenic views/vistas of the area	86.8%
Stopped in communities and explored what they have to offer	58.4%
Experienced the local culture and history	50.5%
Learned about the natural history of the area	56.4%
Visited a local museum	37.4%
Stopped to view wildlife, bird watching, etc.	60.0%
Participated in outdoor recreation activities	80.7%
Shopped for locally made crafts or artwork	28.3%
Participated in an interpretive tour	12.4%
Shopped for souvenirs	38.4%
Attended a special event, performance, festival, etc.	14.5%
Shopped for locally grown fruits, vegetables or other foods	20.7%
Attended demonstrations, workshops, ranger talks or instruction	8.7%
Stopped to dine in coffee shops, restaurants or cafes	86.2%
Spent one or more nights in a hotel/motel/campground	71.5%
Stopped at medical facilities	2.6%
Stopped to attend a church/religious service/place of worship	5.6%

Mono County should develop additional focus on the promotion of outdoor recreation, including video and photo assets that depict available activities.

- 2.6 National Scenic Byway – A major program that is currently being developed is a national scenic byway designation for Highway 395. **The goal is to increase demand for Mono County with the designation.** The national scenic byway designation can be influential in travelers’ decisions to select one route of travel over another. In a survey of Highway 395 travelers who visited Mono County, **fully 42.7% indicated they were much more likely to use a route that was a national scenic byway¹⁴.**

Figure 9: Likelihood of Choosing a Travel Route if a National Scenic Byway

¹⁴ Ibid



If the national scenic byway designation is secured, Mono County needs to effectively market Highway 395 as outlined in the Marketing Plan Element (MPE) of the Corridor Management Plan.

2.7 Capacity Development – Should Mono County receive increased funding for tourism, it is important to implement capacity-building programs that will enhance its capabilities to promote the unincorporated tourism magnets of Coleville, Bridgeport, Lee Vining, and June, including the following:

- **Website** – As part of the core tourism marketing strategy, the development of a website is critical to educating and influencing potential visitors to visit Highway 395 and Mono County. A website is the most effective way to provide education on the scenic assets, local communities and culture, recreational opportunities and information on environmental stewardship that can effectively influence visitors to the area.
- **Mobile site** – With more and more consumers shifting to mobile devices, including smart phones and tablets, it will be critical to take advantage of this trend and develop a mobile site to educate and influence travelers. **In many cases responsive website design will allow a website to be easily viewed on a mobile device, eliminating the need to build a mobile-specific website.**
- **Destination promotion** – This will require the use of increased promotional funding to create awareness for the destination, including public relations/website content development, advertising and sales efforts.

2.8 June Lake – As was mentioned earlier in this report, **the closure of June Mountain presents a unique opportunity to consider a repositioning of the area beyond ski and**

snowboarding. June Lake generates approximately \$46 million in Gross Regional Product, the third highest in the county behind Mammoth Lakes and Bridgeport. Opportunity exists to reinvent June Lake in a way that can attract more visitors that spend more. The important question should be **how to increase Gross Regional Product within the sustainability framework** and develop a plan to achieve those goals.

It is recommended **the county create a tourism development process and plan to energize the community to review the opportunity for increasing Gross Revenue Product over the next 20 years** by effectively positioning June Lake beyond ski. The potential is there for June Lake to become a higher-end niche resort by taking advantage of its natural assets in an effort to generate increased visitor spending.

- 2.9 Promote air service – As noted previously, Mammoth Lakes has been implementing air service from both Northern and Southern California. **Mono County should continue to promote this service to potential visitors.** Additionally, the air service, combined with improved internet access provided through Digital 395, can help local businesses become more effective in promoting their products and services, as well as potentially attracting new businesses to Mono County.

Measurement:

- ✓ Develop and implement TBID process.
- ✓ Increase outdoor recreation marketing and messaging. Review in periodic visitor profile studies.
- ✓ Implement National Scenic Byway designation, review with periodic travel impact studies of those utilizing Highway 395.
- ✓ Implement June Lake tourism strategic plan, measure long-term Gross Regional Product.
- ✓ Measure air access deplanements and impact in the unincorporated county.

Strategy 3 – Digital 395 strategies must be integrated into the local communities throughout the county.

Analysis:

While the potential of with Digital 395 is a unique opportunity for the county as a whole, it is critical for local communities to capitalize on these efforts. The connection to provide improved internet access is critical to reach a global market no matter the economic sector. This access is also essential to attract individuals that can live in Mono County and connect their work globally. The county is developing a Last Mile Provider plan which will identify infrastructure needs and possible policy recommendations for the supervisors to consider. County officials should support the training and education programs being developed by the Eastern Sierra Regional Broadband Coalition and help introduce those programs into communities throughout the county.

Action Steps:

- 3.1 Monitor the completion of Digital 395 (tentatively July 31, 2013) for completion.
- 3.2 Integrate the benefits of Digital 395 into Mono County Economic Development communications. This increased infrastructure can be a key asset to the professional services part of local business. It's also a key issue when potential businesses look to locate in Mono County.
- 3.3 Stakeholder/small business training on how best to take advantage of Digital 395.
- 3.4 Integrate Digital 395 into the strategy to attract new business (tech companies, telecommuters, etc.)
- 3.5 Work with local chambers of commerce to make them aware of Digital 395 benefits and how existing new businesses can take advantage it.
- 3.6 Develop and implement services based on the Last Mile Provider Plan.

Measurement:

- ✓ Measure the potential number of internet subscriptions vs. actual number of Digital 395 subscriptions.
- ✓ Develop ongoing technology needs and uses survey with the local business community to understand how to build on Digital 395.

Strategy 4 – The development of a Corridor Management Plan and the National Scenic Byway Designation and is another opportunity related to Highway 395.

Analysis:

This designation will further increase awareness of Mono County and differentiate the area from its competitors. The designation provides a unique opportunity to showcase Mono County and its assets. It also facilitates increased partnerships in tourism and has the potential to further leverage promotional efforts in creating increased tourism spending, employment and tax revenues.

Action Steps:

- 4.1 Complete corridor management plan and submit for Scenic Byway designation.
- 4.2 Brand development – As has been discussed, the development of a National Scenic Byway brand is critical for creating awareness of the highway.
- 4.3 Website – As part of the core marketing strategy. the development of a website is critical to educating and influencing potential visitors to Highway 395 and Mono County. A website is the most effective way to provide education on the scenic assets, local communities and culture, recreational opportunities and information on environmental stewardship.
- 4.4 Mobile site – With more and more consumers shifting to mobile devices, including smart phones and tablets, it will be critical to take advantage of this trend and develop a mobile site to educate and influence travelers. **In many cases responsive website design will allow a website to be easily viewed in a mobile device, eliminating the need to build a mobile-specific website.**
- 4.5 Implement the marketing plan for the National Scenic Byway.

Measurement:

- ✓ Measure increased traffic volumes on Highway 395.
- ✓ Implement periodic user studies to determine awareness and travel impact of Highway 395 users.
- ✓ Implement periodic awareness and perception studies of travelers.

Retaining and Expanding Business

Strategy 5 –In order to improve the skill level of existing small businesses throughout the county and encourage and support the formation of other new small businesses, **the county should facilitate education and training for those businesses.**

Analysis:

Business resources, skills training, and mentoring programs can all provide important support to either retain or grow businesses in a very challenging local business environment. It is important to provide a range of services to improve the skill level of existing businesses in order to retain them or help them expand.

Action Steps:

5.1 **Develop a small business resource center** within the economic development office of the county to provide education, financing and training for small businesses. Specifically the small business resource center should consider offering the following services:

- Technical assistance – Assists communities in moving projects from the idea stage to reality. Provide technical assistance in the following areas: development feasibility studies, business attraction and retention plans, housing needs studies, marketing studies, social service needs assessments, technical assistance for specific businesses, and infrastructure needs assessments.
- Small business loans – Small business loans are available to help businesses create and retain jobs, while at the same time encouraging investment into low- to moderate-income communities. Small business loans are usually made to small businesses that experience capital access barriers. Through this program, a small business can establish a favorable credit history with a lender and obtain access to future loans on its own, independent of the program.
- Micro loans – Typically a microloan program provide loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand.

5.2 Consider becoming a California Enterprise Zone – California’s Enterprise Zone Program targets economically distressed areas throughout the state. Special state and local incentives encourage business investment and promote the creation of new jobs. The purpose of the program is **to provide tax incentives to businesses and allow private sector market forces to revive the local economy.**

5.3 Improve Economic Development Department efforts to market its services – It will be important for the county to effectively market the services it can provide to small businesses. Efforts to promote the services should include a wide variety of media, including the following:

- **Website** – Expand the county economic development section of the website to allow users to self-select information based on their needs. This could include the following sections: new business development, loan program, training programs, and so on. Update the website with appropriate economic development content, including “how to” information, success stories, resource information, and more.
- **Newsletter** – Develop a quarterly newsletter that is sent to businesses throughout the county with ongoing information about the county’s services. Include news, upcoming training and relevant events, “how to” information, and success stories.
- **Public relations** – Consider developing press releases for local media, as well as provide guest columns with information on services, new trends, and other relevant information.
- **Advertising** – Where appropriate, consider advertising about county services.
- **Public presentations** – Develop and give regular presentations on county economic development services at the chambers and service clubs to inform about the county services.

5.4 Work with the chambers of commerce and the college to develop specific topics pertinent to small business in the county. Topics could include finance, accounting, taxes and marketing.

Measurement:

- ✓ Measure the number of client contacts obtained at the resource center.
- ✓ Survey resource center clients to determine effectiveness and satisfaction levels.
- ✓ Form a California Enterprise Zone.
- ✓ Track economic development marketing efforts, including number of inquiries and website users.

Strategy 6 – Create a networking environment within Mono County.***Analysis:***

Given the dispersed nature of Mono County, an opportunity exists to increase incremental sales among local Mono County businesses. Key to developing a healthy local economy is the opportunity to bring different economic sectors together to share ideas, learn new skills and identify new opportunities.

Networking is vital in creating growth for local businesses; making new contacts, identifying potential sales leads and generally marketing local brands and products to a wider audience.

Networking also adds value to local businesses by being able to project a local brand within Mono County.

Action Steps:

6.1 Develop an annual Mono County Business Expo and invite businesses and the public to showcase their products and services.

Measurement:

- ✓ Track Business Expo participants and attendees.
- ✓ Track event growth over time.

Strategy 7 – Review ways to reduce the county regulatory burden/process.**Analysis:**

In order to support the local economy, Mono County supervisors should proactively set up a process to review local regulatory ordinances. The goal is to identify those that can be modified or eliminated so as to not reduce or hamper local economic activity **but to enable it**. Given the fragmented nature of the county, consideration should be given to look **at ways to customize regulation (where possible) to local communities** instead of just relying on a one-size-fits-all approach.

Action Steps:

- 7.1 Task the County regulatory department to review county ordinances with a view of **their impact on economic development efforts**.
- 7.2 Identify ways to streamline the approval process within the county. It's important to note that streamlining should not just focus on the cost (fees should be competitive) but also to reduce the length of time of the approval process.
- 7.3 Review the potential for adopting place-based planning throughout the county to best tailor ordinances to better service the local communities. Place-based planning is a way to shape the future of Mono County by concentrating on the look and feel of the different areas, along with their form and their character, instead of focusing only on conventional categories of land use.

Measurement:

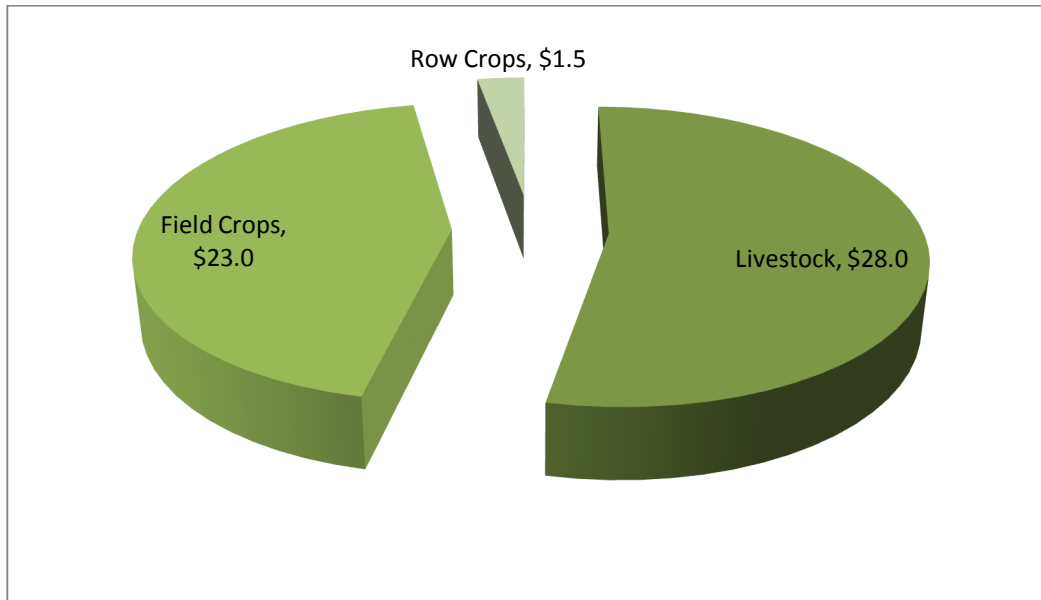
- ✓ Conduct regular reviews of the ordinances and track the number of recommended changes vs. actual changes.
- ✓ Follow-up survey of applicants and developers to assess the process and whether specific changes have been helpful.

Strategy 8 – Buy local | Regional food systems

Analysis:

Currently Mono County ranching and agriculture includes livestock, row crops (alfalfa, hay) and field crops (garlic, potatoes). The value of these crops can be seen below.

Figure 10: Mono County Livestock and Crop Values (Millions)



Source: Mono and Inyo County Agriculture Commissioner

Mono County agriculture and livestock sales occur using a business-to-business model, with production being shipped outside the county. Today, more consumers want to know where their food is coming from. They are also more aware of how livestock is being raised, including its living conditions and what it is being fed, since both these factors influence nutrition as well as taste. As the popularity of the “Buy Local” trend continues to grow, there may be a point in the future that the economic incentives will be strong enough for local ranchers and farmers to also adopt a business-to-consumers marketing model. According to the USDA, “direct-to-consumer marketing amounted to \$1.2 billion in current dollar sales in 2007, compared with \$551 million in 1997.”¹⁵ Visitors to Mono County could provide a natural market for local producers.

A strong ranching and agricultural sector also helps to maintain the ambiance and feel of Mono County.

¹⁵ Wikipedia, http://en.wikipedia.org/wiki/Local_food

Action steps:

- 8.1 Continue to monitor and liaise with the agriculture and ranching community to understand their needs, as well as to educate them on the **increasing value of the business-to-consumer market model**.
- 8.2 Work with the agriculture and livestock producers to **develop a co-brand for their products** that would include their individual ranch or farm brand and the county brand.
- 8.3 Investigate how a buy local program could work within Mono County **through different distribution channels**, including restaurants, farmers markets and farm visits. Work with the USDA Rural Development office to consider the development of a regional food distribution channel in the Eastern Sierra that includes Inyo and Alpine Counties, along with South Lake Tahoe. Small food hub systems are beginning to develop and the USDA has resources to fund infrastructure needs for regional systems.
- 8.4 In association with the Environmental Health Division, work to convert existing county community centers into commercial kitchens in order to lease space to local owners wanting to grow their food preparation businesses. The county could lease the space to interested businesses while providing commercial grade facilities for baking, canning, and preserving of products to be sold and distributed on a local basis.

Measurement:

- ✓ Continue to monitor the value of Mono County agriculture.
- ✓ Track the growth of businesses in the food distribution sector.

Business Attraction

Strategy 9 – Develop a targeted approach to attracting businesses to Mono County.

Analysis:

The advent of Digital 395, combined with the natural environment and quality of life, creates an opportunity to identify specific businesses that could potentially be attracted and motivated to move and relocate to Mono County.

Business attraction and recruitment in rural communities is vital to develop a sustainable economy. As such **business attraction is an important job creation strategy for Mono County.** As was previously mentioned, business attraction is about **how the resources of the region match with the prospective business.** Mono County has some specific limitations given the amount of public land ownership, which in many cases leaves very little land available for traditional business attraction and development. Therefore, Mono County must focus on clearly defining its niche and working to attract businesses that are complementary to the county.

It is important to keep in mind **business retention and entrepreneurship programs are the most cost-effective economic development investment.** Mono County should concentrate on serving the economic base businesses that are already in place and developing a culture that supports new business ideas. These basic elements can be developed without overly taxing resources. **Perhaps one of the best strategies for business attraction is to create and sustain quality communities, but also communicate that you have them.**

Action Steps:

9.1 In an effort to attract new businesses to the area, it is essential to inventory the assets the region can offer. In addition, the county needs to understand the needs of target businesses. Specific inventory elements include the following:

- Acreage/space/facilities
- Physical infrastructure
- Economic infrastructure
- Quality of life – schools, health care services, social services

9.2 Based on the collected information, the county should identify potential business attraction target segments (also consistent with rural community character). Given the limitations of the region, potential opportunities for attraction include the following:

- Businesses that are related to current clusters, including tourism/recreation, professional services, education, and, to a lesser degree, healthcare and agriculture.
- Businesses that are unrelated but want to take advantage of the lifestyle.
- Retail to add to or upgrade current retail offerings.
- Independents, namely those individuals who can work wherever they like.

Case Study: Business Attraction Wholesale Solar



Wholesale Solar, located in Mt. Shasta, California, is a small solar panel manufacturer that ships all over the world.

The owners indicated they chose Mt. Shasta for lifestyle reasons after visiting the area. They currently employ 38 people and are employee owned.

www.wholesalesolar.com

9.3 Develop the appropriate marketing tools, including a business attraction toolkit with the following types of information.

- Description of Mono County
- Pertinent demographic data
- Quality of life elements (recreation, culture, etc.)
- Schools and district information
- Business support components
- Digital information

9.4 Develop a targeted marketing approach to business recruitment utilizing local resources:

- Upgrade Mono County’s website to welcome new business development inquiries and include appropriate information. Include a way for an inquiry to contact appropriate staff for assistance.
- Educate the local business community and engage them to help bring the message to potential businesses to relocate to Mono County.
- Work through targeted clusters in Mono County to identify potential related leads for business recruitment
- Reach out to Mono County visitors with a message “Relocate Your Business” to Mono County.

Measurement:

- ✓ Track the number of new business contacts and the number of conversions.

Part 8 – Funding Sources

The following are potential state and federal sources that can be considered to help fund specific economic development projects.

State Funding Programs

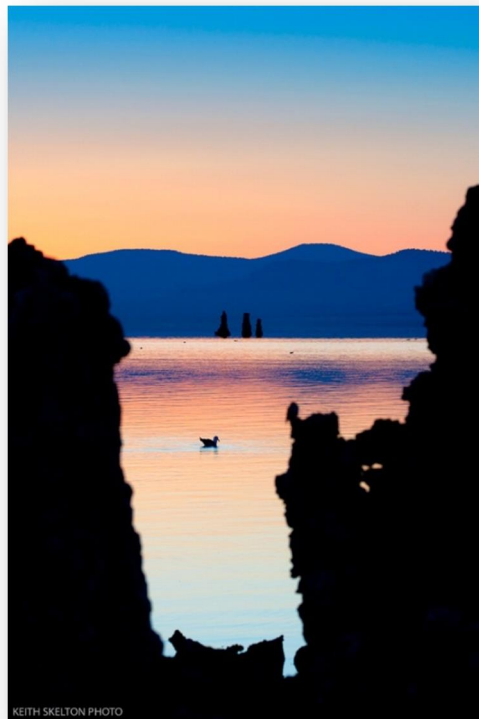
The three primary types of state funding programs are Community Development Block Grants, the Rural Economic Development Infrastructure Program (REDIP), and the Small Business Loan Guarantee Program. They are detailed in the Appendix.

Federal Funding Programs

There are several types of federal programs to assist with economic development and growth. Two types of federal programs are Microloans and the USDA Rural Development Grant Assistance Program. Additional federal funding programs are detailed in the Appendix.

Tourism Funding

As was mentioned, one key source of potential tourism funding is the formation of a Tourism Business Improvement District. Complete information can be found at www.Civitas.com.



Part 9 – Organization

When reviewing the proposed economic development strategies, it is important to consider the best structure with which to implement these and future efforts. SMG has identified three potential economic development structures, which include the following:

1. Maintain economic development within the current county economic development structure.
2. Develop a Mono County Economic Development Corporation.
3. Develop a regional Eastern Sierra Economic Development Corporation.

Option 1 – Maintain economic development within the current economic development structure.

This option assumes that the economic development strategy will be implemented by the economic development department within Mono County.

Pros:

- **County maintains control of the economic development strategy**, with its employees providing implementation

Cons:

- The current county economic development department **does not have enough capacity** as it currently exists to implement the economic development strategy. At a minimum, the implementation would be stretched out over a long timeline unless the county makes additional funding available for staff and resources.
- There is not a singular focus on economic development, as **the current department includes both tourism and economic development**. This would change if tourism promotion were spun out into a free-standing organization with TBID and county funding.

Option 2 – Develop a Mono County Economic Development Corporation.

This option includes the formation of a separate Economic Development Corporation (EDC) for Mono County. Currently there is an Economic Development Corporation for Bridgeport, and steps could be taken to make this county-wide. (An **economic development corporation** is an organization common in the United States, usually a 501(c)(3) non-profit whose mission is to promote economic development within a specific geographical area.) Within California there are over 150 Economic Development Corporations.

Pros:

- An EDC would be **singularly focused on countywide economic development issues**.
- This format **would engage the private sector** in support of economic development.
- It could provide the organization with resources **for pursuing grants and other outside funding to leverage county funding**.

Cons:

- **It would require start-up time** to build the organization infrastructure.
- **It is not clear if the private sector support is there** to support and engage the organization.

Option 3 – Develop a regional Eastern Sierra Economic Development Corporation.

This option would include the formation of an economic development corporation as identified in Option 2, but one that would encompass the Eastern Sierra. Potential partners could include Inyo County, Mammoth, Bishop and the local Native American tribes. The final configuration of partners would depend on receptivity and ability to fund its share of costs.

Pros:

- **There are very similar needs across the Eastern Sierra** region, including remote location, public ownership and natural assets.
- **It would reduce duplication of efforts** and create greater economies of scale with overhead costs.
- A regional approach would **significantly increase the leverage of county funding** with other funding partners.

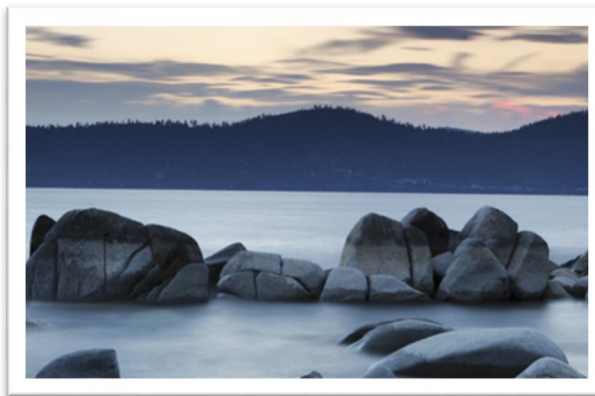
- A regional approach could **create an opportunity for outside grants** and funding by working together instead of competing with each other.
- It would have a much **bigger area to attract private sector businesses**.
- It could **facilitate more support for other regional projects**.

Cons:

- Mono County would have **less control**.
- **It will require start-up time**, including organization of funding, and organizational and infrastructure development

Recommendation:

SMG recommends the county consider **the formation of a regional EDC**. Many communities have used a regional approach to this, and given the potential partners' limited asset base and similarity of needs, a regional approach makes sense to consider.

**Case Study: Regional Development
Lake Tahoe Prosperity Center**

The Lake Tahoe Prosperity Center is a regional solution to economic development. The organization includes two states, four counties and an incorporated city all working together to provide regional economic solutions. Their efforts are focused on economic development, infrastructure improvements and capital generation.

www.tahoeprospertiv.org

Case Study: Regional Economic Development Approach



The Roanoke Regional Partnership was founded in August 1983. It includes both the public and private sectors—including multiple governments—that come together to help advance the greater region. This approach allows the region to speak with one voice and serve as a one-stop shop for companies seeking to locate or expand in the region.

www.roanoke.org

Part 10 – Potential Public and Private Sector Participation

Below are a number of potential public and private sector projects that have been identified within the Economic Development Strategy.

- **Tourism Business Improvement District (TBID)**

As has been previously identified in the Economic Development Strategy, **the TBID is a critical tourism promotion funding strategy that needs to be presented to and then championed by the private sector lodging properties.** Mono County can initially take the lead in presenting the concept, but the lodging industry must champion the TBID formation process. Working together, the public and private sector can implement a critical new funding strategy.

- **Joint Agriculture and Ranching Brand**

Mono County can work with the agriculture and ranching sector **to develop a Mono County brand that could be used to co-brand with individual producers** in the promotion of their products. Such a co-brand would help to develop a further point of brand differentiation with other counties.

- **Business Networking**

The county, working together with the local business community, can implement business networking programs designed to expose different products and services to businesses and residents alike. **Mono County should work with local chambers of commerce and businesses to shape these activities.**

- **Business Attraction**

Mono County and local businesses need to work together **in an effort to attract new business to Mono County.** Mono County should develop a relationship with key businesses to identify potential ancillary businesses to Mono County. Additionally, Mono County needs to implement a communication program through local tourism-related businesses letting visitors know that Mono County is “Open for Business” by touting the area’s assets. Such communication should help build awareness for those who have an interest in moving their business or starting a business in Mono County.

- **Review Ordinances**

Mono County should engage local businesses to assist in a review of county ordinances and approval processes **in order to make county policies and ordinances more business-friendly** and more fully support economic development.

- **National Scenic Byway Designation**

The National Scenic Byway designation provides an excellent opportunity to engage both the public and private sector. While Mono County effectively is a part of the promotion of the Scenic Byway **there is ample opportunity for the private sector to support the designation**, including the formation of a Scenic Byway management board. This could engage private sector participants, as well as private sector entities already working to market the Scenic Byway, by promoting its awareness and use through their own marketing efforts.



Part 11 – Strategic Projects, Programs and Activities

The following is a summary of county-wide strategic projects, programs and economic development activities that are either proposed or potentially being prepared for implementation.

Strategic Projects

- **Region-Wide Economic Development Corporation**

The formation of a region-wide economic development corporation would provide Mono County and potential partners Inyo County, Bishop, Town of Mammoth Lakes and Native American tribes **with a unique vehicle to pursue economic development funding and programs** that could be implemented across the region.

This regional approach takes advantage of the similarity of the partners involved. It also provides a unique opportunity for leveraging the financial participation of not just the partners but also the funding that could be acquired through the economic development corporation.

- **Digital 395**

The Digital 395 project offers Mono County a unique opportunity **to provide the technology capacity to improve the internet accessibility for businesses, residents and visitors alike.** Digital 395 also offers the potential to attract new business to Mono County by providing high-quality connection and bandwidth that will enable businesses to conduct and transact activities from Mono County's remote location.

Digital 395 also provides regional benefit, as it has been implemented in Inyo County and could be considered in a regional approach to economic development.

- **Scenic Byway Designation**

The addition of the Scenic Byway designation can be **a strong boost to Mono County's tourism promotion.** The addition of this designation fully differentiates Highway 395 from other north-south routes (including Highway 99 and Highway 5) by emphasizing its intrinsic values.

- **Tourism Business Improvement District (TBID)**

The formation of a TBID would be a strategic change in the funding and organizational operation of tourism promotion for Mono County. **Funding developed by the TBID would allow Mono County to reduce its investment in tourism promotion and use those funds for other economic development investments, providing a strategic opportunity for the county.**

Programs

- **Business Resource Center**

The formation of a business resource center can be an important and ongoing program designed to offer small businesses a variety of services **to assist them in improving and/or growing their business operations.**

- **Buy Local Agriculture and Ranching**

This potential long-term project can help co-brand Mono County with individual agriculture and livestock producers, as well as encourage local county residents to support their community.

- **Business Attraction**

Mono County business attraction is an ongoing program through existing businesses and organizations both working to attract new business to the county.

Economic Development Activities

- **Networking**

Networking activities are designed to periodically connect the different economic sectors to each other, as well as introduce local residents to the businesses operating throughout the county. The objective is to both sell products and services, as well create potential synergies for businesses to work cooperatively together.

- **Regulatory Review**

A periodic regulatory review of county ordinances and procedures offers an opportunity for the county to seek private sector input on the challenges and unintended consequences of such ordinances.

Appendix

Appendix 1: California Block Grants

The three primary types of block grants are Economic Development Allocation Enterprise Fund, Economic Development Allocation Over the Counter, and Planning And Technical Assistance Allocation.

The following descriptions of California Development Block Grants come from the Community Development Block Grant (CDBG) Program, as described on the California Community Economic Revitalization Team website¹⁶:

Economic Development Allocation Enterprise Fund: Grants of up to \$500,000 are available to capitalize local revolving loan funds to provide loans to businesses to promote business expansion and result in the creation and/or retention of permanent private sector jobs. Lending criteria is determined at the local level. Program operators can tailor loan terms and conditions to meet the financial needs of each business. Loan assistance and public infrastructure improvements must result in jobs being created or retained.

Economic Development Allocation Over the Counter: Grants of up to \$500,000 to capitalize a local business loan or finance a public infrastructure project which will promote business expansion and result in the creation and/or retention of permanent private sector jobs. Eligible uses of funds include business loans and grants to cities and towns. Business loans can be made for the following purposes: a) purchase of land and existing improvements, b) construction and rehabilitation of buildings and leasehold improvements, c) purchase of equipment, inventory, furniture, fixtures, materials and supplies, and d) working capital. Grants to cities and counties can be provided for publicly owned infrastructure improvements and business incubators.

Planning and Technical Assistance Allocation (P/TA): P/TA grants are available for both General and Economic Development activities. Grants are intended to help communities move projects from the idea stage to reality. A total of \$70,000 is available annually to each eligible community - \$35,000 on the economic development side and \$35,000 on the general side. Typical activities/projects include the following: business development feasibility studies, business attraction and retention plans, housing needs studies, marketing studies, social service needs assessments, technical assistance for specific businesses, and infrastructure needs assessments.

¹⁶ California Community Development Block Grant (CDBG) Program, <http://ceres.ca.gov/cert/grants/block.html>

Appendix 2: Rural Economic Development Infrastructure Program (REDIP)

The following description of the Rural Economic Development Infrastructure Programs comes from the description provided by California Community Economic Revitalization Team on its website¹⁷.

Program Description: The purpose of REDIP is to provide financing for the construction, improvement or expansion of public infrastructure with the intent of creating jobs in rural cities and counties with an unemployment rate either equal to or above the State's average unemployment rate. The funds can be used for publicly owned infrastructure required for the construction or operation of a private development. In most cases that means that the construction or use permit for the private development contain a requirement that the project be completed. Eligible infrastructure projects include the construction, rehabilitation, alteration, expansion, or improvement, including but not limited to: Sewer and water facilities (including expansion of central plant capacity); Street storm drains, bridges, railroad spurs, utility connections; Wastewater treatment plants and collection lines; Water treatment plants and distribution lines; Roads, street, highways, and related improvements (e.g. curbs, gutters, sidewalks); Other public facilities or other infrastructure improvements necessary for industrial or commercial activity.

Private development is acceptable when a private company requires the infrastructure in order to undertake a project that will retain or create employment. The development can be a new facility or remodeling of an existing one. Housing is not an eligible private development. Except for public owned development sites, the company providing the private development must provide a binding commitment letter as part of the application. In some cases, an industrial park, incubator or other area providing a unique development space may be eligible.

Eligible Communities:(1) The following counties and cities within the counties: Alpine, Butte, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Imperial, Inyo, Kern, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Plumas, San Benito, San Joaquin, Shasta, Sierra, Siskiyou, Stanislaus, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yuba. (2) A county or city with a project outside of an urbanized area (an area with a population density of at least 1,000 persons per square mile) anywhere in California. (3) Any city with a population less than 100,000 located in the following counties: Amador, Fresno, Napa, Riverside, San Bernardino, San Luis Obispo, Santa Barbara, Santa Cruz, Solano, Sonoma, Ventura, Yolo.

Funding Information: Loan amount maximum of \$1 million at 6.5% interest rate amortized over 15 years. Unless the community has lease obligations currently rated by Standard & Poor's Rating Group, the source of repayment must be a water enterprise fund, a sewer enterprise fund or, if the borrower is a redevelopment agency, a tax increment fund. A water or sewer enterprise fund cannot be used to repay a loan used to build roadways. Funding is available on a continuous basis until all funds - bond proceeds and other available funds - are committed, at which time it is estimated that another revenue bond will be sold.

¹⁷ Rural Economic Development Infrastructure Program (REDIP), <http://ceres.ca.gov/cert/grants/tcredip.html>

Appendix 3: Small Business Loan Guarantee Program

The following description of the California Small Business Loan Guarantee Program comes from the California Governor's Office of Business and Economic Development website¹⁸.

The California Small Business Loan Guarantee Program (SBLGP) is administered by the Business, Transportation and Housing Agency in partnership with the Governor's Office of Business and Economic Development (GO-Biz) and works to help businesses create and retain jobs, while at the same time encouraging investment into low- to moderate-income communities. Business size eligibility for the SBLGP generally follows the U.S. Small Business Administration 7(a) program guidelines.

The SBLGP provides loans to small businesses that experience capital access barriers. Through this program, a small business can establish a favorable credit history with a lender and obtain access to future loans on its own, independent of the program.

Qualifying small businesses owners may apply for an SBLGP loan by contacting a Financial Development Corporation (FDC).

¹⁸ California Governor's Office of Business and Economic Development , Small Business Loan Guarantee Program <http://business.ca.gov/Programs/SmallBusiness/SmallBusinessLoanGuaranteeProgram.aspx>

Appendix 4: Federal Programs

The following descriptions of federal programs come from the Small Business Administration website¹⁹.

1. Microloan Program²⁰

The Microloan program provides loans up to \$50,000 to help small businesses and certain not-for-profit childcare centers start up and expand. The average microloan is about \$13,000.

The U.S. Small Business Administration provides funds to specially designated intermediary lenders, which are nonprofit community-based organizations with experience in lending as well as management and technical assistance. These intermediaries administer the Microloan program for eligible borrowers.

Eligibility Requirements

Each intermediary lender has its own lending and credit requirements. Generally, intermediaries require some type of collateral as well as the personal guarantee of the business owner.

Use of Microloan Proceeds

Microloans can be used for:

- Working capital
- Inventory or supplies
- Furniture or fixtures
- Machinery or equipment

Proceeds from an SBA microloan cannot be used to pay existing debts or to purchase real estate.

Repayment Terms, Interest Rates, and Fees

Loan repayment terms vary according to several factors:

- Loan amount
- Planned use of funds
- Requirements determined by the intermediary lender
- Needs of the small business borrower

The maximum repayment term allowed for an SBA microloan is six years. Interest rates vary, depending on the intermediary lender and costs to the intermediary from the U.S. Treasury. Generally, these rates will be between 8 and 13 percent.

¹⁹ U.S. Small Business Association, SBA Loan Programs, <http://www.sba.gov/content/microloan-program>

²⁰ Ibid

2. USDA Rural Development Grant Assistance

USDA provides a wide variety of grants. Program assistance is provided in many ways, including direct or guaranteed loans, grants, technical assistance, research and educational materials.

RURAL BUSINESS ENTERPRISE GRANTS (RBEG) PROGRAM

The RBEG program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBEGs may fund a broad array of activities.

How much are the grants?

There is no maximum level of grant funding. However, smaller projects are given higher priority. Generally grants range \$10,000 up to \$500,000.

Who is eligible?

Rural public entities (towns, communities, State agencies, and authorities), Indian tribes and rural private non-profit corporations are eligible to apply for funding. At least 51 percent of the outstanding interest in any project must have membership or be owned by U.S. citizens or resident aliens

What types of projects are eligible?

The RBEG program is a broad based program that reaches to the core of rural development in a number of ways. Examples of eligible fund use include: Acquisition or development of land, easements, or rights of way; construction, conversion, renovation, of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities; pollution control and abatement; capitalization of revolving loan funds including funds that will make loans for start ups and working capital; training and technical assistance; distance adult learning for job training and advancement; rural transportation improvement; and project planning. Any project funded under the RBEG program should benefit small and emerging private businesses in rural areas. Small and emerging private businesses are those that will employ 50 or fewer new employees and have less than \$1 million in projected gross revenues.

RURAL BUSINESS OPPORTUNITY GRANTS (RBOG) PROGRAM

The primary objective of the RBOG program is to promote sustainable economic development in rural communities with exceptional needs. Grants are awarded on a competitive basis.

Who is eligible?

Public bodies, nonprofit corporations, Indian tribes, institutions of higher education, and rural cooperatives are eligible to apply.

What types of projects are eligible?

Grant funds must be used for projects in rural areas and they can be used for:

- Community economic development
- Technology-based economic development
- Feasibility studies and business plans
- Leadership and entrepreneur training
- Rural business incubators
- Long-term business strategic planning

COMMUNITY CONNECT GRANTS

The Community Connect program serves rural communities where broadband service is least likely to be available, but where it can make a tremendous difference in the quality of life for citizens. The projects funded by these grants will help rural residents tap into the enormous potential of the Internet.

Eligibility

The following entities are eligible for funding:

- Incorporated Organizations;
- Indian Tribes or Tribal Organizations, as defined in 25 U.S.C. 450b(e);
- State or local units of government; or
- Cooperatives, private corporations or limited liability companies organized on a for-profit or not-for-profit basis.

Fund Uses

Grant funds may be used to finance the following:

- The construction, acquisition, or leasing of facilities, including spectrum, land or buildings, used to deploy service at the Broadband Grant Speed to all residential and business customers located within the Proposed Funded Service Area (PFSA) and all participating Critical Community Facilities, including funding for up to 10 Computer Access Points to be used in the Community Center. Buildings constructed with grant funds must reside on property owned by the awardee. Leasing costs will only be covered through the advance of funds period included in the award documents;
- The improvement, expansion, construction, or acquisition of a Community Center and provision of Computer Access Points. Grant funds for the Community Center will be limited to 10% of the requested grant amount. If a community center is constructed with grant funds, the center must reside on property owned by the awardee; and
- The cost of providing the necessary bandwidth for service free of charge to the Critical Community Facilities for 2 years.