



STAFF REPORT

DATE: April 21, 2017

TO: The Honorable Rick West, Mayor
Members of the City Council of the City of Wheatland

FROM: Brynda Stranix, District Director
Yuba-Sutter Economic Development District

SUBJECT: Yuba-Sutter Economic Development District
2017 Comprehensive Economic Development Strategy (CEDS)

BACKGROUND

This Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the economic growth of the Yuba-Sutter region. The CEDS process helps create jobs, foster a more stable and diverse economy, and improve living conditions. It provides a mechanism for coordinating the efforts of individuals, organizations, local governments, and private industry concerned with economic development.

An annually updated CEDS is required to qualify for U.S. Department of Commerce, Economic Development Administration (EDA) assistance under its public works, economic adjustment, and most planning programs.

This document represents the goals and objectives of the Yuba-Sutter Economic Development District which is comprised of Yuba and Sutter counties and the cities of Marysville, Live Oak, and Wheatland.

DISCUSSION

The CEDS process is a continuing economic development planning process, developed with broad-based and diverse community participation. The CEDS document contains:

- An analysis of economic and community development problems and opportunities;
- An economic development background of the Yuba-Sutter district, with a discussion of the economy, including geography, population, labor force, resources and the environment;
- A section setting forth goals and objectives for taking advantage of the opportunities and solving the economic development problems based on a SWOT analysis conducted in March 2015 with the participation of all five jurisdictions and private sector business leaders; and,
- A plan of action, including suggested projects to implement objectives and goals set forth in the strategy.

The CEDS reflects the specific challenges and opportunities of the Yuba-Sutter Economic Development District and assesses the state of the regional economy, the opportunities and threats posed by external trends and forces and the availability of partners and resources for economic development. The community's vision and goals, together with an appraisal of the region's competitive advantages set the strategic direction of the action plan. The action plan establishes program priorities for implementation.

I would also like to point out that in this analysis, many of the goals and projects included in the final document are supported by all jurisdictions in the District. Those specific goals and projects are wastewater treatment facilities, regional



March 28, 2017

Ms. Lisa Thomason
City Clerk
313 Main St.
Wheatland, CA 95692

Dear Ms. Thomason

Yuba-Sutter Economic Development Corporation requests to be placed on the Wheatland City Council meeting agenda of May 30th, 2017 to present the Yuba-Sutter Comprehensive Economic Development Strategy (CEDS) as happens every year.

As done last year, I will submit all required forms and CEDS documents for review by Board Committee by May 20th, 2017 unless you need them earlier.

Please forward this request to Greg Greeson, City Manager

Thank you for your assistance.

Sincerely,

A handwritten signature in cursive script that reads "Cynthia L. Roderick".

Cynthia Roderick
Grant Specialist

RESOLUTION NO. ____-17

**RESOLUTION APPROVING THE 2017 COMPRESHENSIVE ECONOMIC
DEVELOPMENT STRATEGY AND PROGAM PROJECTION FOR THE
YUBA-SUTTER ECONOMIC DEVELOPMENT DISTRICT AS PREPARED AND
RECOMMENDDD BY YUBA-SUTTER ECONOMIC DEVELOPMENT CORPORATION
AND THE COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY
COMMITTEE**

WHEREAS, U.S. Department of Commerce, Economic Development Administration (EDA) requires the preparation and adoption of a Comprehensive Economic Development Strategy (CEDS) by the local Comprehensive Economic Development Strategy Committee to contain public works projects approved by the County of Yuba, the CEDS Committee, Yuba-Sutter Economic Development District and EDA prior to consideration of federal funding of said public works projects; and

WHEREAS, the CEDS Committee began preparation of the required annual report in March 2017, and approved and adopted said document April 21, 2017; and

WHEREAS, said action also directed the CEDS document be submitted to the Yuba County Board of Supervisors for its review and action;

NOW THEREFORE BE IT RESOLVED, that the Yuba County Board of Supervisors, after reviewing said CEDS document, hereby approves the report and authorizes its submittal to the Economic Development Administration.

Passed and adopted this 23rd day of May 2017 by the following vote:

AYE:

NO:

ABSTAIN:

Rick West, Mayor

ATTEST:

Lisa J. Thomason, City Clerk

2017 COMPREHENSIVE ECONOMIC DEVELOPMENT

YUBA-SUTTER ECONOMIC DEVELOPMENT DISTRICT

This report was prepared under an award from and approved by the U.S. Department of Commerce Economic Development Administration.

Data current at June, 2017.

THIS PUBLICATION WAS PREPARED BY YUBA-SUTTER ECONOMIC DEVELOPMENT CORPORATION. THE STATEMENTS, CONCLUSIONS AND RECOMMENDATIONS ARE THOSE OF THE AUTHOR AND DO NOT NECESSARILY REFLECT THE VIEWS OF U.S. DEPARTMENT OF COMMERCE ECONOMIC DEVELOPMENT ADMINISTRATION.



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COMMITTEE & STAFF

The CEDS Committee's purpose was to formulate a regional economic strategy for the District. It incorporated direction from representatives of Sutter County, Yuba County, City of Live Oak, City of Marysville and City of Wheatland. The committee was comprised of community and business leaders representing a diverse cross section of the region. The committee began meeting March 2017 and concluded June 2017.

Yuba-Sutter Economic Development District CEDS Committee Members and Staff 2017

Name	Representation	YSEDD/CEDS Start Date
Kimberly Armstrong	Finance	2017
Leah Caldwell	Beale Air Force Base	2017
Jessica DeCoito	Agriculture	2017
Kevin DeHoff	Wholesale & Retail Trade	2013
Rachel Farrell	Healthcare	2012
Chris Gabriel	Manufacturing	2017
Renee Garcia	Finance	2002
Jim Goodwin	Government – City of Live Oak	2008
Greg Greeson	Government – City of Wheatland	2015
Bob Harlan	Non-profit Organizations	2011
Kary Hauck	Information	2013
Lee Jones	Leisure & Hospitality	2011
Neal Hay	Government – Sutter County	2017
Cathy LeBlanc	Nonprofit Organization	2017
Doug Libby	Government – Sutter County	2017
Kevin Mallen	Government – Yuba County	2010
Steve Miller	Information	2014
Scott Mitnik	Government – Sutter County	2017
Coleen Morehead	Natural Resources, Mining & Construction	2011
Walter Munchheimer	Government – City of Marysville	2013
John Nicoletti	Nonprofit Organizations	2017
Cynthia Roderick	YSEDC Staff/Economic Development	2016
Satwant Takhar	Government – City of Marysville	2017
Rikki Shaffer	Yuba-Sutter Chamber of Commerce/Tourism	2014
Brynda Stranix	Economic Development & Chamber of Commerce	2001
Jon Walz	Beale Air Force Base	2016
Kevin Yount	Transportation	2017

SECTION 1: SUMMARY BACKGROUND

This Comprehensive Economic Development Strategy (CEDS) is the result of a local planning process designed to guide the economic growth of the Yuba-Sutter region. The CEDS process will help create jobs, foster a more stable and diverse economy and improve living conditions. It provides a mechanism for coordinating the efforts of individuals, organizations, local governments and private industry concerned with economic development.

The CEDS is required to qualify for U.S. Department of Commerce, Economic Development Administration (EDA) assistance under its public works, economic adjustment, and most planning programs, and is a prerequisite for designation by EDA as an Economic Development District. Jurisdictions seeking EDA funding for public works and planning projects must first be included in an EDA-approved CEDS to be considered for funding.

This update is in accordance with guidelines specified by EDA and funded by financial assistance award Number 07-83-07229 from U.S. Department of Commerce, Economic Development Administration.

The CEDS represents the Yuba-Sutter Economic Development District; the District represents Yuba and Sutter counties in northern California and the cities of Live Oak, Marysville and Wheatland.

The CEDS process is a continuing economic development planning process, developed with broad-based and diverse community participation. CEDS reflects the specific challenges and opportunities of the Yuba-Sutter Economic Development District and contains this background summary, SWOT analysis and strategic direction comprised of goals, objectives, action plan and progress evaluation.

The analysis assesses the state of the regional economy, the opportunities and threats posed by external trends and forces and the

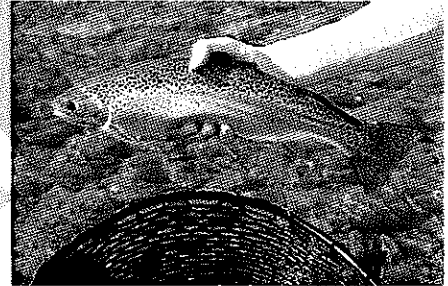
REGIONAL ANALYSIS

Marysville and Yuba City lie in Northern California's Sacramento Valley within the Greater Sacramento area and are approximately 125 miles northeast of San Francisco and 125 miles west of Reno, Nevada. Nearly 11 million people live within a two-hour drive of the Yuba-Sutter area.

Environment

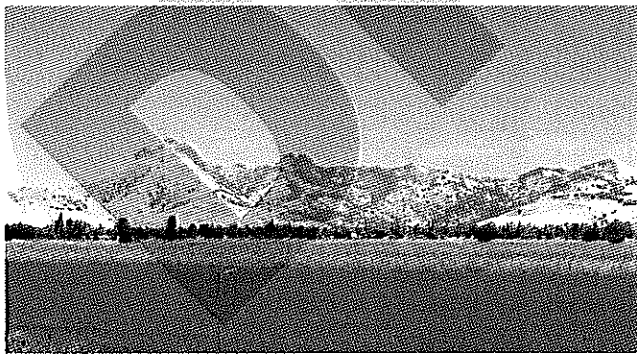
The Yuba-Sutter area is 1,252 square miles and is geographically diverse, offering many recreational opportunities, such as fishing, boating, hunting, water skiing, hiking, and camping. Some of the best duck hunting and trophy fishing in the country can be found minutes from the downtown areas.

The climate is typically one of warm, dry summers and moderately cold winters. January low temperatures average in the high 30s while July high temperatures average in the mid-90s. Average annual rainfall is 22.17 inches with the majority falling from December through March.



The Yuba-Sutter region typically enjoys a plentiful water supply, 19 square miles or more than 12,000 acres, although the region had been experiencing severe drought conditions over the past few years. Drought conditions have ended this year with an overabundance of rain which caused some flooding in low lying areas and failure of both the

emergency spillway and the main spillway at Oroville Dam. The Sacramento, Feather and Yuba rivers are predominant with many smaller tributaries that feed these larger rivers. Dams, lakes and reservoirs provide debris control, diversion, regulation and storage. Water uses include domestic, irrigation, municipal, industrial, power and recreation.



the apron. The Yuba County Industrial Park, adjacent to the airport, is available for development. Currently, the airport is seeking EDA funding for an additional taxiway to serve the Skyway Business Park. The Skyway Business Park has eight buildings on five acres suitable for manufacturing or distribution. Each building is 7,920 SF and brand new spec development with all utilities is in place. Easy access to highways 70, 65, 99, and 20 and is half an hour from I-5, I-80 and the Sacramento International Airport.

Sutter County Airport, 170 acres, accommodates smaller aircraft such as crop dusters and private single-engine aircraft with one runway. Control of day-to-day airport operations has been transferred to a nonprofit group of local pilots to reduce costs and operate at a surplus, ending historic operational deficits associated with government control of the airport.

Union Pacific Railroad connects the Yuba-Sutter area to the nation's railway system. The rail system is used primarily to transport agricultural goods and other goods produced in the region. Amtrak serves passenger travel needs and is connect by Yuba-Sutter Transit.

The inland Port of Sacramento, now known as the Port of West Sacramento, is centered in one of the richest agricultural regions in the world. Cargo ships access the Port through San Francisco Bay and passage up the Sacramento River and the Sacramento deep-water channel.

Yuba and Sutter counties are close enough to the major markets of the 13 western states to be an economically viable location for business and industry.

Yuba-Sutter Transit, the public transportation agency that serves the region, runs six local bus routes in Marysville, Yuba City and surrounding communities that run from Monday to Saturday. There are also two express commuter lines to Sacramento available on weekdays in addition to three rural routes to Live Oak, the Yuba County Foothills, and Wheatland. Dial-a-Ride service is made available to seniors and those with disabilities as both a paratransit and door-to-door service.

Strategic Air Command, and since June 1, 1992, the Air Combat Command. From 1959 until 1965 Beale was support base for three Titan I missile sites near Lincoln, Chico and the Sutter Buttes and in 1979 the Phased Array Warning System (Pave Paws) was brought to the base. Beale AFB was the home of two of the world's most unique aircraft: the supersonic reconnaissance aircraft, SR-71 "Blackbird" and reconnaissance aircraft, the U-2. Today, covering 23,000 acres, Beale AFB with its unique name and mission, historic past, and promising future is home for the U-2 Dragon Lady, T-38 Talon, RQ-4 Global Hawk, and KC-135 Refueling Wing.

Local Economic Impact:

Beale AFB has a huge economic impact on the Yuba-Sutter community. The base supports 4,926 military personnel, 1,339 civilians and 5,118 dependents with total payroll of \$323,501,136.00. Beale expended over \$160 million in local contracts in 2015. There were a total 1,778 jobs created with an estimated annual dollar value of \$77.6 million. (Source: BAFB Economic Impact Statement Fiscal Year 2015. The next report will be available in 2018.) Beale AFB provides the community with a trained workforce with its 30,000 retirees living within a one-hour drive.



population, more than 79 percent reside in the unincorporated areas. The population in Yuba County is projected to reach 88,285 by the year 2025, an increase of 21 percent above the 2010 census. Yuba County's population is projected to increase 73 percent by 2060.

As the area's population is expected to increase 73 percent over the next 40 years, the cities and counties are working to manage this growth by improving infrastructure elements such as roads, water, wastewater, and levee systems. Special attention to major transportation arteries will be especially critical.

Households

A household includes all the persons who occupy a housing unit as their usual place of residence. A housing unit is a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from outside the building or through a common hall. The occupants may be a single family, one person living alone, two or more families living together, or any other group of related or unrelated persons who share living arrangements. (People not living in households are classified as living in group quarters.)

According to the 2010 Census, of the 55,744 households in Yuba-Sutter, the average number of persons per household is 2.95 and is similar to that of the state at, 2.90; 73.2 percent are family households, 53.1 percent are married.

Income and Poverty

A household includes the related family members and all the unrelated people who occupy a housing unit. A person living alone in a housing unit or a group of unrelated people sharing a housing unit is also counted as a household. The 2011-2015 American Community Survey estimates California's median household income at \$61,818; Yuba County's at \$46,892; and Sutter County's at \$52,017.

Employment

Job growth creates opportunity and is considered one measure of economic health. Within the Yuba City MSA, the total civilian labor force in December 2016 was estimated by California Employment Development Department to be 72,100, down from 72,200 a year ago. The area's total industry employment gained 300 jobs in the same time period.

From 2000 to 2016 the annual average unemployment rate for the Yuba-Sutter region was at a high of 18.1 percent in 2010 and dropped as low as 8.89 percent in 2000; the current jobless rate is 9.8 percent for December 2016.

**LABOR
FORCE
72,100**

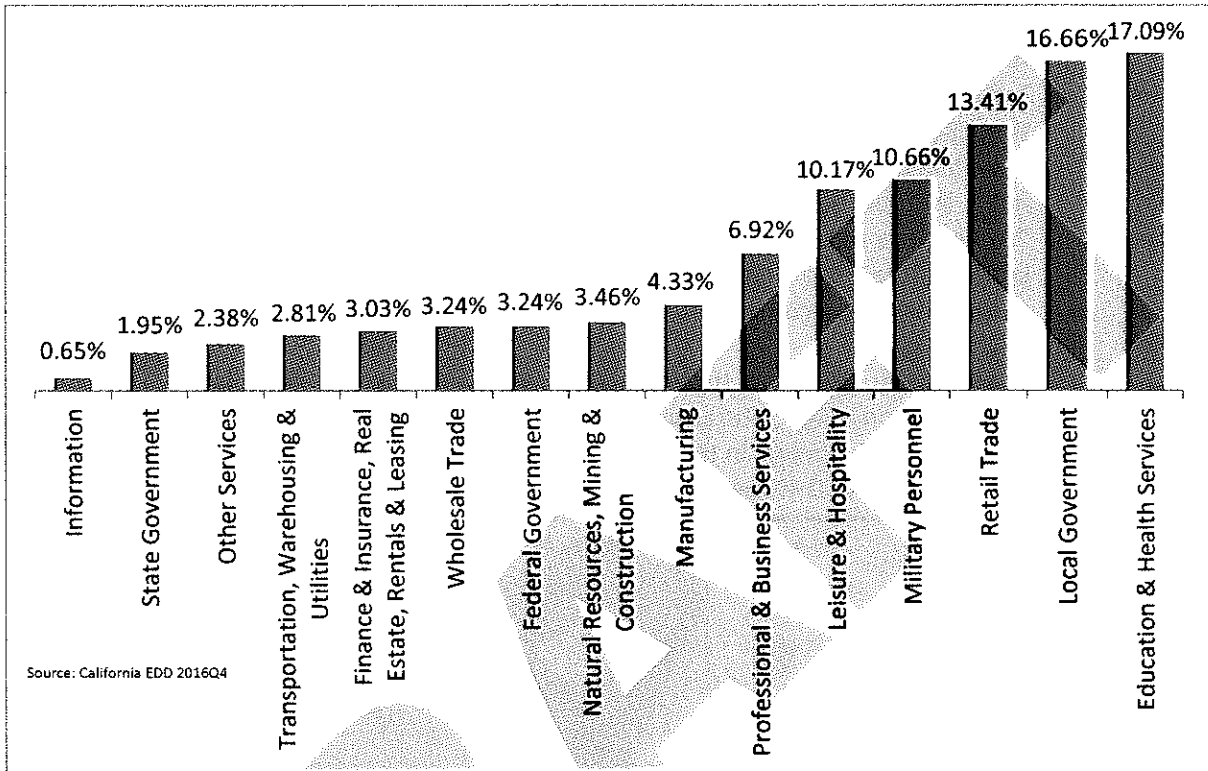
Yuba-Sutter has a labor force of 72,100 people, with a job growth rate of .67% for 2016, and an average unemployment rate of 9.8% at December 2016.

**JOB GROWTH
.67%
2016**

Source: California EDD 2016Q4

Industry **Employment**, which includes self-employment, unpaid family workers, private household workers, farm, and non-farm employment is expected to reach 54,300 by 2022, an increase of 14.6 percent over the projections period. Eleven of 12 non-farm industry sectors are projected to grow between 2012 and 2022. Total non-farm employment is projected to grow by 6,500 jobs by 2022. Sixty-Eight percent of all non-farm job growth is concentrated in four industry sectors:

- Educational services, healthcare, and social assistance is projected to add 1,600 jobs, leading all sectors in job gains and account for 25 percent of non-farm job growth.
- Government is expected to add 1,300 jobs while growing 12.6 percent over the projection period.
- Retail trade will grow 14.5 percent over the projection period by adding 800 jobs.
- Professional and business services will add 700 jobs.



Industry

California Employment Development Department reported the highest concentration of civilian employment in the district in 2014 was as shown in the chart above.

In the last year, a net of 1,500 jobs were gained in the district: 300 were gained in goods producing, 500 were gained in service providing, and government gained 200; agriculture gained 200.

TOP 5 INDUSTRIES BY JOBS



EDUCATION &
HEALTH SERVICES
7,900



GOVERNMENT
7,700



RETAIL TRADE
6,200



LEISURE &
HOSPITALITY
4,700



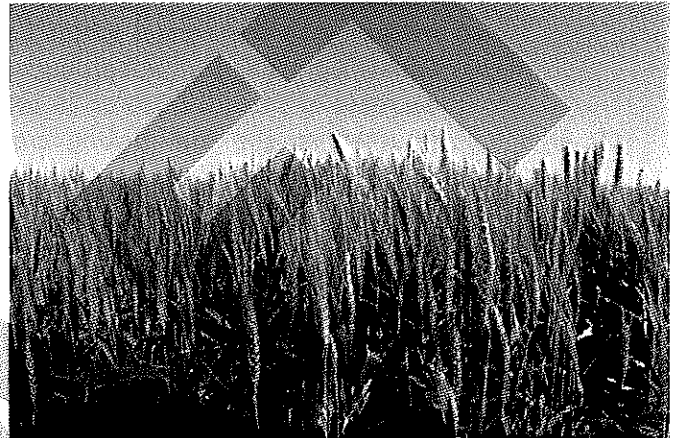
AGRICULTURE
3,200

Source: California EDD 2016Q4

Agriculture

The agriculture, forestry, fishing and hunting sector comprises establishments primarily engaged in growing crops, raising animals, harvesting timber, and harvesting fish and other animals from a farm, ranch, or their natural habitats.

The establishments in this sector are often described as farms, ranches, dairies, greenhouses, nurseries, orchards, or hatcheries. A farm may consist of a single tract of land or a number of separate tracts that may be held under different tenures. For example, one tract may be owned by the farm operator and another rented. It may be operated by the operator alone or with the



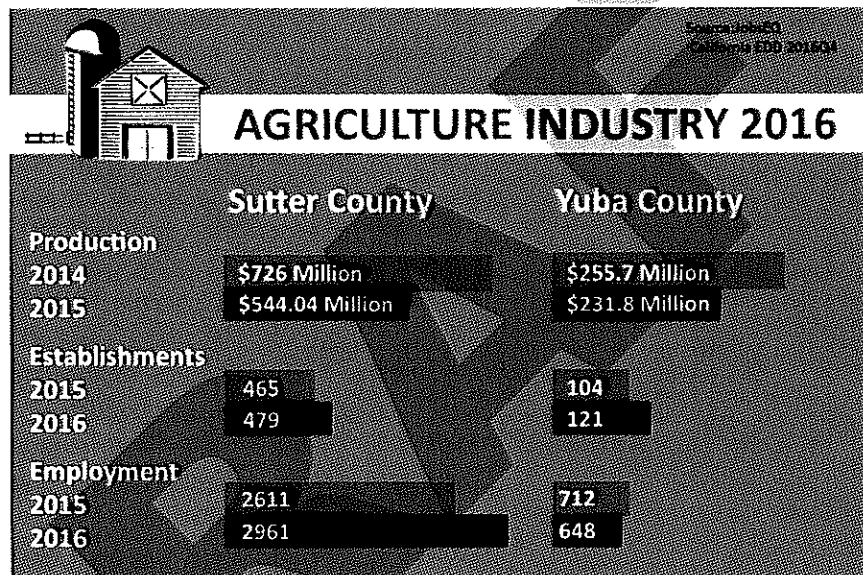
assistance of members of the household or hired employees, or it may be operated by a partnership, corporation, or other type of organization. When a landowner has one or more tenants, renters, croppers, or managers, the land operated by each is considered a farm.

The sector distinguishes two basic activities: agricultural production and agricultural support activities. Agricultural production includes establishments performing the complete farm or ranch operation, such as farm owner-operators, tenant farm operators, and sharecroppers. Agricultural support activities include establishments that perform one or more activities associated with farm operation, such as soil preparation, planting, harvesting, and management, on a contract or fee basis.

Excluded from the agriculture, forestry, hunting and fishing sector are establishments primarily engaged in agricultural research and establishments primarily engaged in administering programs for regulating and conserving land, mineral, wildlife, and forest use.

Yuba and Sutter counties are among the leading counties of California that produce sorghum, kiwi fruit, honeydew melons, peaches, pears, rice, walnuts, wool, and mohair.

In 2016 there were 600 agriculture establishments in Yuba-Sutter; 479 in Sutter County employing 2961 and 1021 in Yuba County employing 648. The agriculture industry employment increased 14.9 percent over the last decade and increased 8.6 percent from 2014.

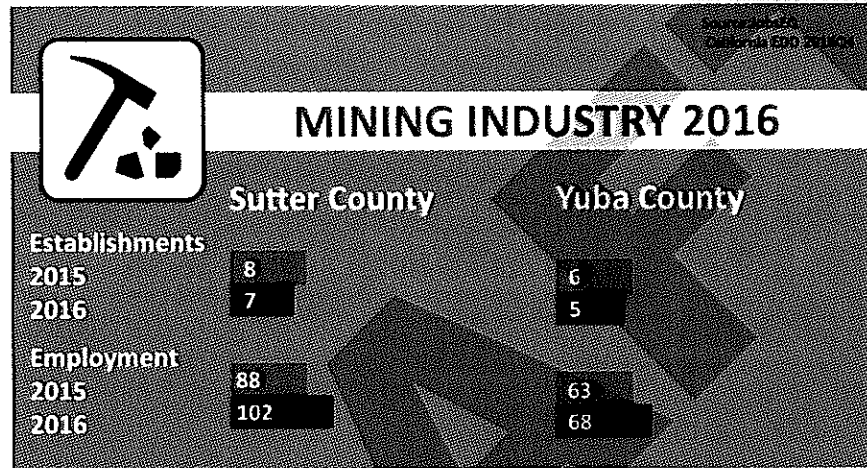


The number of agriculture positions peak during August and decline to lowest position numbers in January.

Mining

The mining sector comprises establishments that extract naturally occurring mineral solids, such as coal and ores; liquid minerals, such as crude petroleum; and gases, such as natural gas. The term mining is used in the broad sense to include quarrying, well operations, beneficiating (e.g., crushing, screening, washing, and flotation), and other preparation customarily performed at the mine site, or as a part of mining activity.

manufactured products are classified based on the primary activity of the establishment. A mine that manufactures a small amount of finished products will be classified in the mining sector. An establishment that mines and whose primary output is a more finished manufactured product will be classified in the manufacturing sector.



In 2016, there were 12 mining establishments in Yuba-Sutter; seven in Sutter County employing 102 and five in Yuba County employing 68. The mining industry employment decreased 11.5 percent over the last decade but has increased 12.58 percent since 2015.

Utilities

The utilities sector comprises establishments engaged in the provision of



the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal. Within this sector, the specific activities associated with the utility services provided vary by utility: electric power includes generation, transmission, and distribution; natural gas includes distribution; steam supply includes provision and/or distribution; water

managed at a fixed place of business, but they usually perform construction activities at multiple project sites. Production responsibilities for establishments in this sector are usually specified in contracts with the owners of construction projects or contracts with other construction establishments.

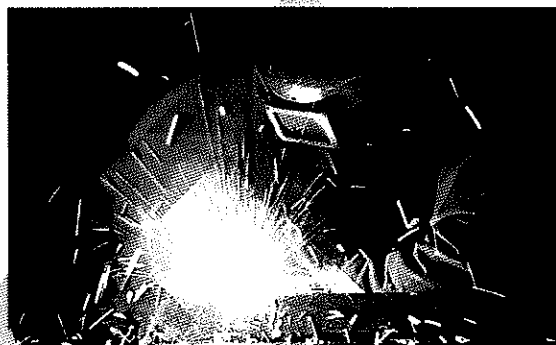


Establishments primarily engaged in contracts that include responsibility for all aspects of individual construction projects are commonly known as general contractors, but also may be known as design-builders, construction managers, turnkey contractors, or (in cases where two or more establishments jointly secure a general contract) joint-venture contractors. Construction managers that provide oversight and scheduling only (i.e., agency) as well as construction managers that are responsible for the entire project (i.e., at risk) are included as general contractor type establishments. Establishments of the "general contractor type" frequently arrange construction of separate parts of their projects through subcontracts with other construction establishments.

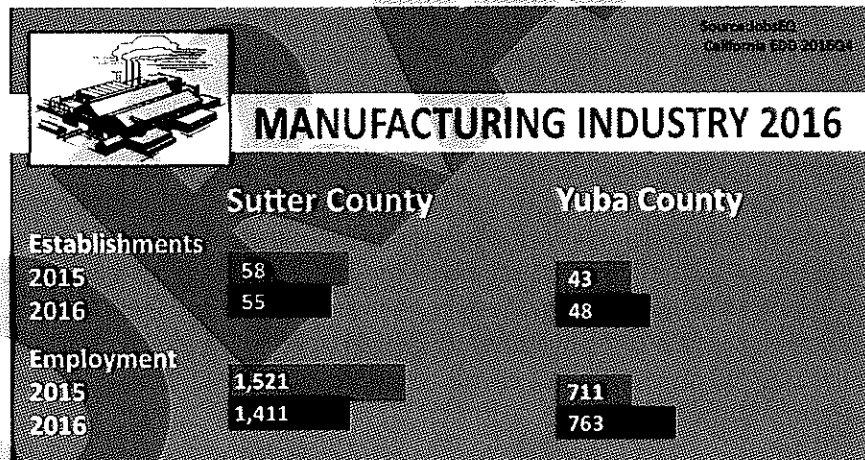
Establishments primarily engaged in activities to produce a specific component (e.g., masonry, painting, and electrical work) of a construction project are commonly known as specialty trade contractors. Activities of specialty trade contractors are usually subcontracted from other construction establishments but, especially in remodeling and repair construction, the work may be done directly for the owner of the property.

Establishments primarily engaged in activities to construct buildings to be sold on sites that they own are known as operative builders, but also may be known as speculative builders or merchant builders. Operative builders produce buildings in a manner similar to general contractors, but their production processes also include site acquisition and securing of financial backing. Operative builders are most often associated with the

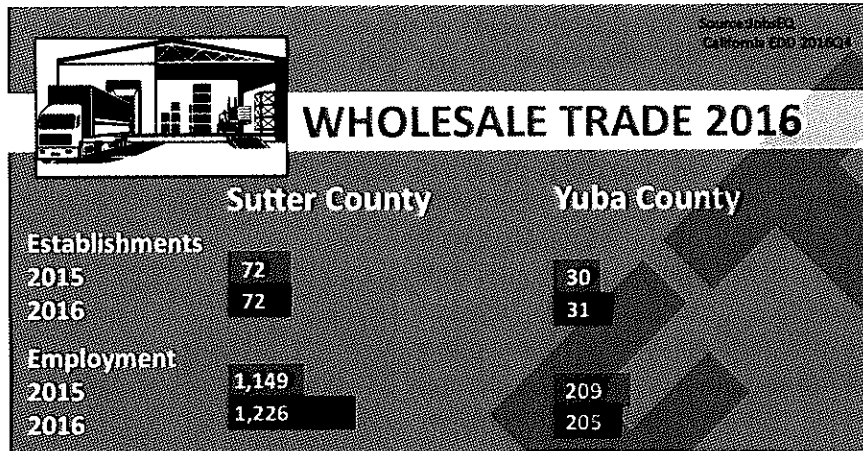
Establishments in the manufacturing sector are often described as plants, factories, or mills and characteristically use power-driven machines and materials-handling equipment. However, establishments that transform materials or substances into new products by hand or in the worker's home and those engaged in selling to the general public products made on the same premises from which they are sold, such as bakeries, candy stores, and custom tailors, may also be included in this sector. Manufacturing establishments may process materials or may contract with other establishments to process their materials for them. Both types of establishments are included in manufacturing.



The materials, substances, or components transformed by manufacturing establishments are raw materials that are products of agriculture, forestry, fishing, mining, or quarrying as well as products of other manufacturing establishments.



In 2016 there were 103 manufacturing establishments in Yuba-Sutter; 55 in Sutter County employing 1,411 and 48 in Yuba County employing 763. The manufacturing industry employment decreased 10.04 percent over the last decade but increased 4.12 percent from 2015.



In 2016 there were 103 wholesale trade establishments in Yuba-Sutter; 72 in Sutter County employing 1,226 and 31 in Yuba County employing 205. The wholesale trade sector increased 15.4 percent over the last decade and 7.14 percent over 2015.

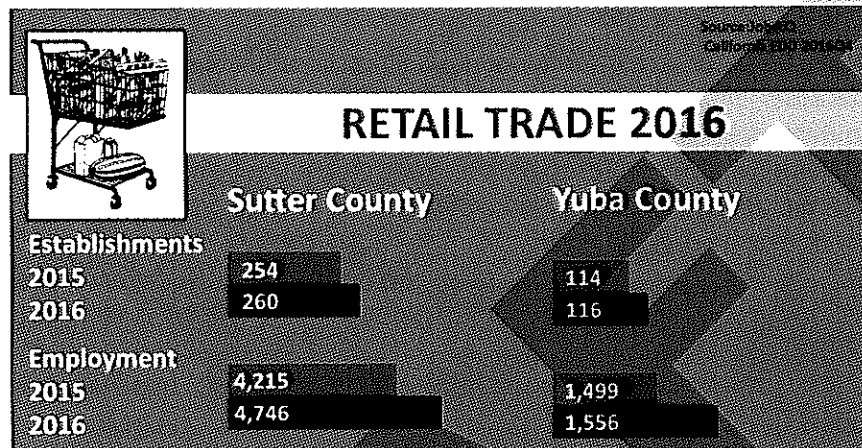
Retail Trade

The retail trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and non-store retailers.

Store retailers operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use various forms of mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. These include establishments, such as office supply stores, computer and software stores, building materials dealers, plumbing supply stores, and electrical

optical goods stores that do in-store grinding of lenses, and meat and seafood markets.



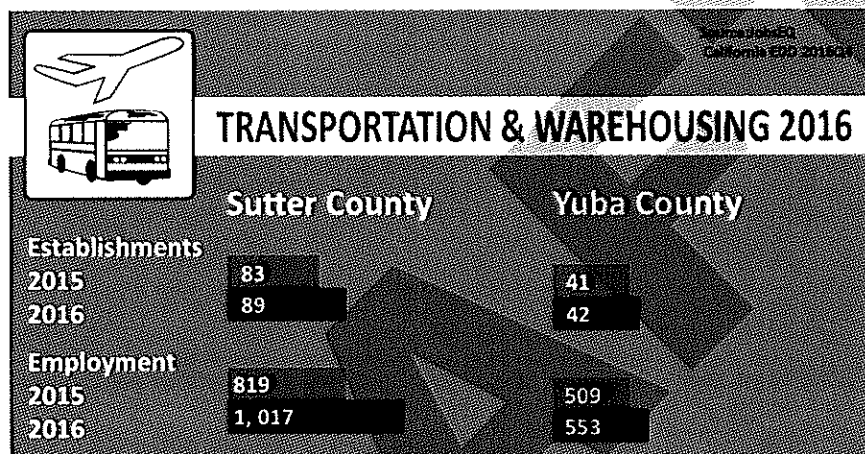
In 2016 there were 376 retail trade establishments in Yuba-Sutter; 260 in Sutter County employing 4,746 and 116 in Yuba County employing 1,556. The retail trade industry employment decreased 4.6 percent in the last decade but increase 5.1 percent over 2015.

Transportation and Warehousing

The transportation and warehousing sector includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation. Establishments in these industries use transportation equipment or transportation related facilities as a productive asset. The type of equipment depends on the mode of transportation. The modes of transportation are air, rail, water, road, and pipeline.

The transportation and warehousing sector distinguishes three basic types of activities: subsectors for each mode of transportation, a subsector for warehousing and storage, and a subsector for establishments providing support activities for transportation. In

establishments, such as hotels, businesses, and government agencies. These establishments are classified in the administrative and support and waste management and remediation services sector. Also, establishments primarily engaged in providing rental and leasing of transportation equipment without operator are classified in the rental and leasing services sector.



In 2016 there were 131 transportation and warehousing establishments in Yuba-Sutter; 89 in Sutter County employing 1,017 and 42 in Yuba County employing 563. The transportation and warehousing industry employment has increased 8.8 percent in the last decade and 18 percent since 2015.

Information

The information sector comprises establishments engaged in the following processes: producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and processing data.

The main components of this sector are the publishing industries, including software publishing, and both traditional publishing and publishing exclusively on the internet; the motion picture and sound

- Pooling of risk by underwriting insurance and annuities. Establishments engaged in this activity collect fees, insurance premiums, or annuity considerations; build up reserves; invest those reserves; and make contractual payments. Fees are based on the expected incidence of the insured risk and the expected return on investment.
- Providing specialized services facilitating or supporting financial intermediation, insurance, and employee benefit programs.

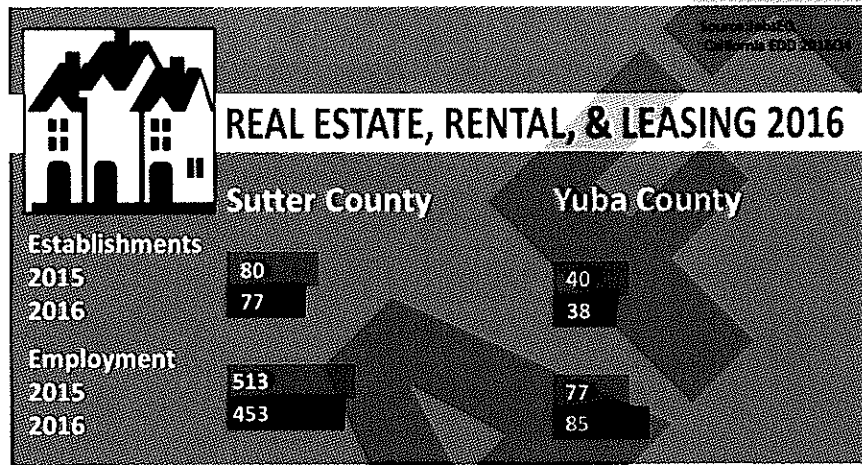
In addition, monetary authorities charged with monetary control are included in this sector.

The finance and insurance sector has been defined to encompass establishments primarily engaged in financial transactions; that is, transactions involving the creation, liquidation, change in ownership of financial assets; or in facilitating financial transactions. Financial industries are extensive users of electronic means for facilitating the verification of financial balances, authorizing transactions, transferring funds to and from transactor accounts, notifying banks (or credit card issuers) of the individual transactions, and providing daily summaries. Since these transaction processing activities are integral to the production of finance and insurance services, establishments that principally provide a financial transaction processing service are classified to this sector, rather than to the data processing industry in the Information sector.



industries (including motor vehicles, computers, and consumer goods); and lessors of nonfinancial intangible assets (except copyrighted works).

Excluded from this sector are establishments primarily engaged in renting or leasing equipment with operators.



In 2015Q2 there were 115 real estate, rental and leasing establishments in Yuba-Sutter; 77 in Sutter County employing 453 and 38 in Yuba County employing 85. The real estate, rental and leasing industry employment decreased 24.44 percent over the last decade and has decreased 8.81 percent since 2015.

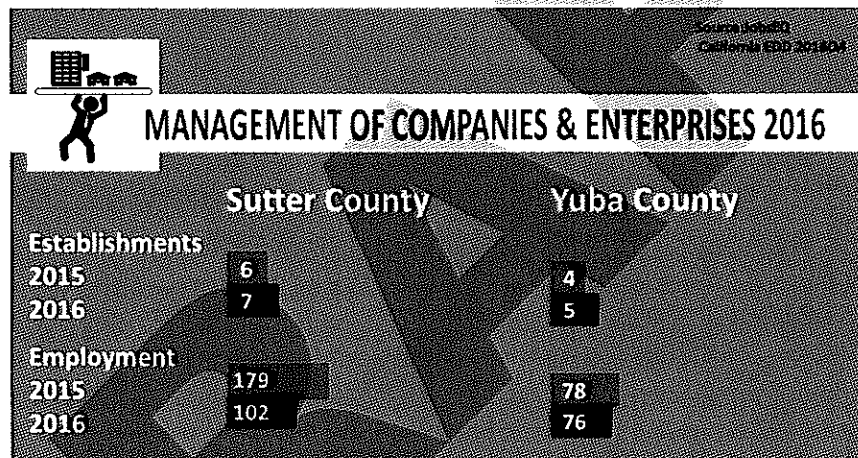
Professional, Scientific and Business Services

The professional, scientific, and technical services sector comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training. The establishments in this sector specialize according to expertise and provide these services to clients in a variety of industries and, in some cases, to households. Activities performed include: legal advice and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and

oversee, and manage may hold the securities of the company or enterprise.

Establishments in this sector perform essential activities that are often undertaken, in-house, by establishments in many sectors of the economy. By consolidating the performance of these activities of the enterprise at one establishment, economies of scale are achieved.

Government establishments primarily engaged in administering, overseeing, and managing governmental programs are classified the public administration sector.



In 2016 there were 12 management of companies and enterprises establishments in Yuba-Sutter; seven in Sutter County employing 102 and five in Yuba County employing 76. The management of companies and enterprises industry employment decreased 25.9 percent over the last decade; employment decreased 28.8 percent from 2015.

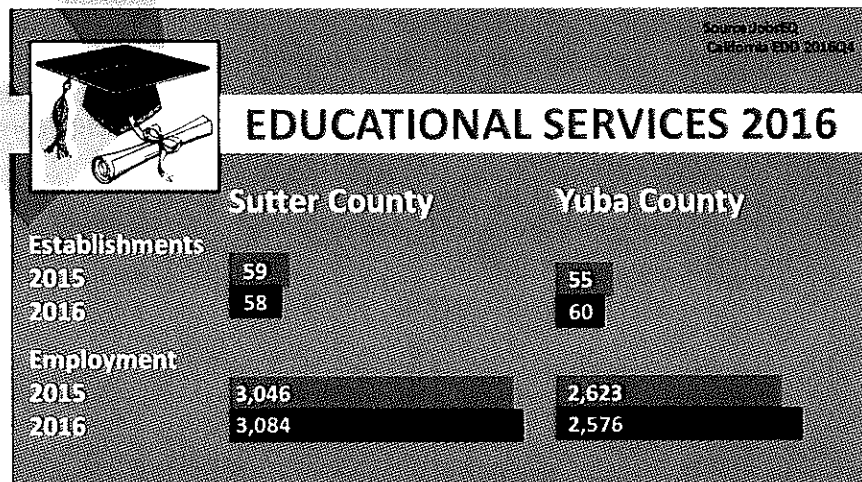
In 2016, there were 136 administrative and support and waste management and remediation services establishments in Yuba-Sutter; 94 in Sutter County employing 1,347 and 42 in Yuba County employing 453. The percentage change of administrative and support and waste management and remediation services industry employment since 2006 has decreased 7.02 percent; employment decrease 1.21 percent from 2015.

Educational Services

The educational services sector comprises establishments that provide instruction and training in a wide variety of subjects. Specialized establishments, such as schools, colleges, universities, and training centers, provide this instruction and training. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and accommodation services to their students.

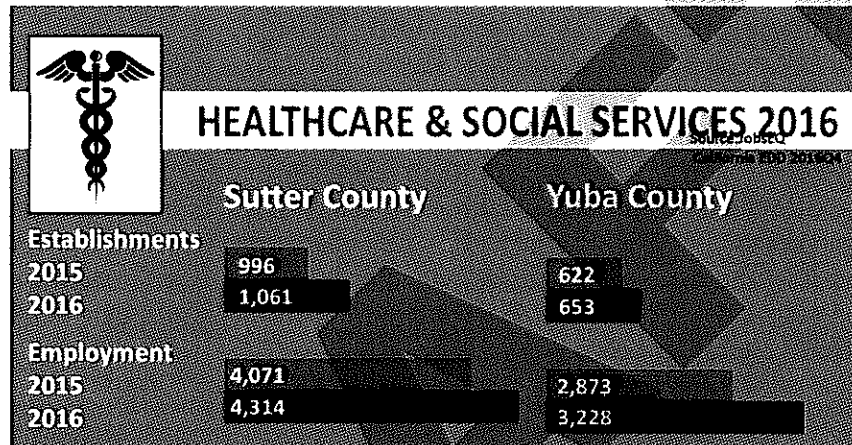


Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means. It can be adapted to the particular needs of the students; for example, sign language can replace verbal language for teaching students with hearing impairments. All industries in the sector share this commonality of process, namely, labor inputs of instructors with the requisite subject matter expertise and teaching ability.



recreation industries and nonmedical diet and weight reducing centers; and, personal and laundry services.

In 2016 there were 1,714 healthcare and social assistance establishments in Yuba-Sutter; 1,061 in Sutter County employing 4,314 and 653 in Yuba County employing 3,228. The healthcare and



social assistance industry employed 7,542 and increased 41.48 percent over the last decade; employment increased 8.6 percent from 2015.

Arts, Entertainment and Recreation



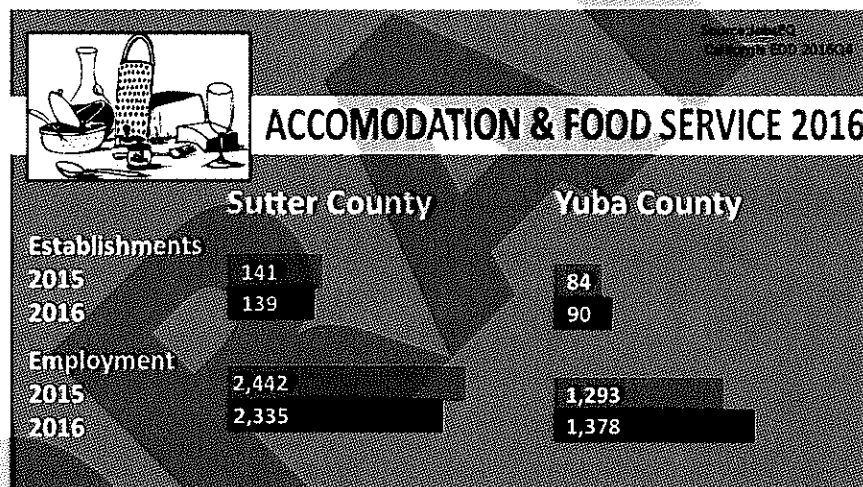
The arts, entertainment, and recreation sector includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector is comprised of establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; establishments that operate facilities or provide services that enable

industry employment increased 68.9 percent over the last decade and increased 0.144 percent from 2015.

Accommodation and Food Services

The accommodation and food services sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

Excluded from this sector are civic and social organizations; amusement and recreation parks; theaters; and other recreation or entertainment facilities providing food and beverage services.



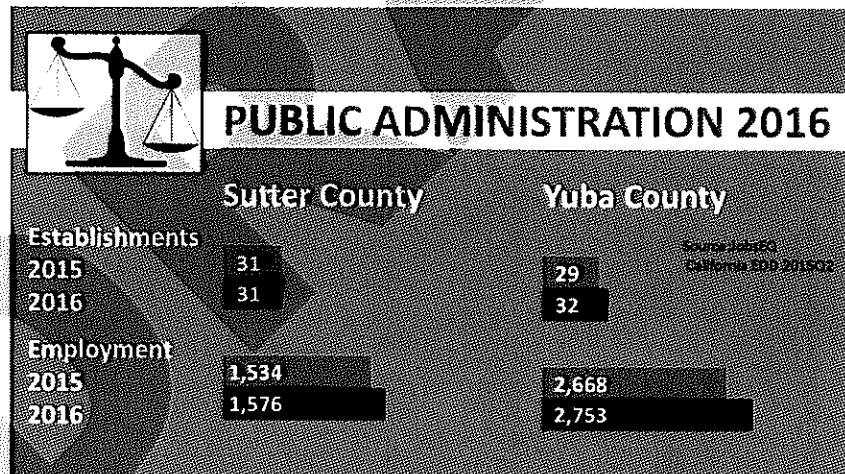
In 2016 there were 229 accommodation and food services establishments in Yuba-Sutter; 139 in Sutter County employing 2,335 and 90 in Yuba County employing 1,378. The accommodation and food services industry employment increased 12.1 percent over the last decade and increased .5 percent from 2015.

employing 257. The other services industry employment decreased 35.6 percent over the last decade but increased 16.6 percent from 2015.

Public Administration

The public administration sector consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, provide for public safety and for national defense. In general, government establishments in the public administration sector oversee governmental programs and activities that are not performed by private establishments. Establishments in this sector typically are engaged in the organization and financing of the production of public goods and services, most of which are provided for free or at prices that are not economically significant.

Government establishments also engage in a wide range of productive activities covering not only public goods and services but also individual



goods and services similar to those produced in sectors typically identified with private-sector establishments. In general, ownership is not a criterion for classification in NAICS. Therefore, government establishments engaged in the production of private-sector-like goods

SECTION 2: SWOT ANALYSIS

Process

Beginning in February 2015, the CEDS committee recognized a need to help regional stakeholders understand how the Yuba-Sutter region's economy functions and how individual counties and cities working closely together can develop an economically viable community by recognizing its strength, weakness, opportunities, and threats. In order to develop a comprehensive set of goals for regional strategic direction, sustainability, growth and economic resilience, Yuba-Sutter Economic Development Corporation/District conducted an in-depth SWOT analysis March 4, 2015 attended by a broad representation of the community stakeholders from both counties and six cities:

Roger Abe, Yuba County Supervisor
Jim Arkens, Sutter County
Dana Burroughs, YSEDC/YSEDD
Rachel Farrell, Harmony Health
Renee Garcia, US Bank
Jim Goodwin, City of Live Oak
Bob Harlan, United Way
Kary Hauck, Sapphire Marketing Group
Kevin Mallen, Yuba County

Coleen Morehead, Sutter Buttes Regional Land Trust
Mitch Rosenberg, M.M. Rosenberg & Associates
Harl Sanderson, Beale Air Force Base
Jackie Slade, YSEDC/YSEDD
Satwant Takhar, City of Marysville
Rikki Shaffer, Yuba-Sutter Chamber of Commerce
Brynda Stranix, YSEDC/YSEDD
Claudia Street, Yuba-Sutter Farm Bureau
Stephen Wright, City of Wheatland

The committee assessed the area's strengths, weaknesses, opportunities, and threats forming focus areas of the economy, culture, education, and geography.

With more than 200 topics identified in the SWOT analysis, the District formulated a survey and broadcast to more than 1,000 local citizens; the survey was completed by 107. The results of the survey, (please see Appendix A. 2015 Economic Development Planning Survey), along with economic and labor data derived from a variety of federal and state sources were used to define the new CEDS vision statement and goals.

EDA priority goals that were deemed relevant and achievable by the committee were as follows:

Weakness – Both counties underutilize most of their resources in a number of ways such as lack of promotion, community awareness, and an overall no growth attitude by some citizens of the counties.

Opportunity – With careful and well considered management, Sutter and Yuba counties are in a unique position to expand and promote their natural resources of agriculture, water, tourism, and others. This management and promotion of their natural resources would increase employment and business opportunities in the area.

Threats – Both counties can be adversely affected by flooding, drought and fire as weather conditions swing from one extreme to the other. Implementation and updates of county mitigation plans will aid in the rapid recovery or avoid completely, the adverse effects of natural disasters.

Infrastructure

Strengths – Both Yuba and Sutter are served by several major state highways. Sutter County is served by Highway 20 and 99 and Yuba County is served by Highway 65, 70, and 20. This system of highways allows for transportation of goods as well as the residents of the community enjoy a shorter than average travel to work time. Both counties are protected from flooding by a system of levees and have more than adequate water and sewage capacity.

Weakness – Both counties have major infrastructure needs especially in replacement of aging water and sewage lines, and degraded wastewater treatment facilities.

- ◆ On Beale AFB the waste water treatment facility has degraded to the point of near failure and roads that service the base are in need of upgrading and improvements.
- ◆ Cities in both counties are in dire need of road improvements and safe walking environments.

- ◆ Lack of promotion of emerging agri-tourism opportunities such as award winning wine and olive oil industries and the marketing of locally grown farm products such as walnuts, peaches, and prunes.
- ◆ Manufacturing and services are typically two of the largest contributing sectors to any region. In Yuba and Sutter counties these sectors are contributing below average proportions of jobs and earnings to the economy.

Opportunity – There are several opportunities for the region of Yuba-Sutter to exploit that would help with sustainability, economic growth and increased labor market.

- ◆ Tourism would be a great revenue generator for the region with a strong possibility to cluster growth surrounding the agricultural assets of the area. Air shows would also create a greater interest in the air force base and help to promote and maintain its position as a necessary facility for the military.
- ◆ The boundaries of Beale AFB lend itself to sustainability so that there is no encroachment to the base. The base also has the potential of providing a skilled workforce that would supply the region a labor force for technological industries. There are 30,000 Beale regional retirees living in Yuba and Sutter counties.
- ◆ With the area's strong agricultural presence there is an abundance of potential for agriculture commodities, export opportunities and value added ag-processing. This in turn would create additional employment for those who are already familiar and/or trained in agriculture while supporting the area's greatest asset.



Opportunity – Through careful management of housing and business development the area could produce long-term economic growth and improve the local infrastructure along with the development.

Threat – Continued opposition to growth and protracted legal battles to development threatens the potential of economic growth. Industries will not be interested in developing in the area if they cannot provide their employees with living accommodations.

Health, Public, Education, Safety

Strengths – The two regional areas partner with each other on a several levels: it has a shared medical facility which is expanding, collaborative law enforcement and strong inter-governmental cooperation.

- ◆ The area has three colleges, Yuba Community College, Cambridge Career College, and Chapman University that serve both counties. The area is in close proximity to Chico State University, UC Davis, Sacramento State, and William Jessup University.



- ◆ Medical community partners with UC Davis hospital and has a first rate cancer center and extended care services. Rideout Regional Medical Center has greatly expanded its facility to provide first-rate emergency service including a helipad, additional beds and services.
- ◆ Partnerships with federal and state agencies to promote and educate land conservation by providing an ongoing outdoor education program at Shady Creek Outdoor School, and within the Sutter Buttes via the Middle Mountain Interpretive Hikes and Education Program. This program brings in over 2500 students and additional 2000 plus visitors to the Sutter Buttes each year. Regional promotion land conservation and agriculture lands preservation

- ◆ Enhance regional healthcare through partnerships and collaboration of Rideout, Sutter North medical facilities, and other regional providers.
- ◆ Reduce terminal education, law enforcement and medical migration and attract young educated and skilled adults back to their familial community by providing similar pay and living condition opportunities as those elsewhere.

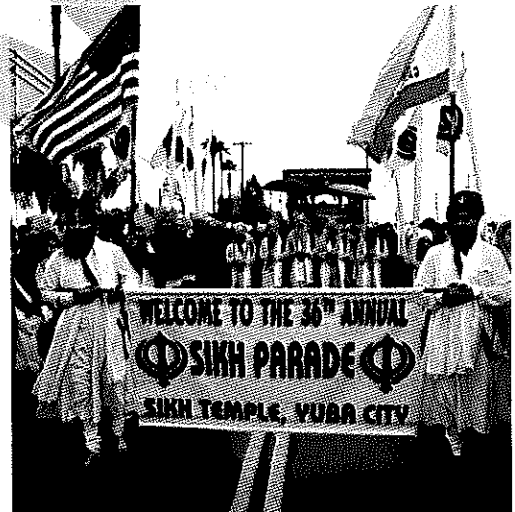
Threat – Apathy and lack of collaboration among community leaders will continue to affect the area’s image and public trust to the point where growth and opportunity will no longer be a viable option.

Culture and Recreation

Strengths – Both counties enjoy a profusion of natural resources for outdoor recreation such as fishing, boating, hiking, biking and camping as well as being in close proximity to amenities offered in San Francisco, at the coast or in the mountains.

- ◆ Yuba and Sutter offer several cultural events and festivals throughout the year that proclaim the regional diversity of the area. Some of these events/festivals are cultural, (The Sikh Festival and Parade, the Bok Kai Festival and Parade); some celebrate, educate, and promote agriculture (the Peach Festival, Bishop’s Pumpkin Farm); some educate and advocate our natural resources (The Swan Festival).

- ◆ Yuba and Sutter strongly support the arts and is home to Yuba-Sutter Regional Arts Council, Sutter Theater, and The Acting Company. Sacramento and San Francisco are an easy commute from the region.



foothills, and Wheatland. Dial-a-Ride service is available to seniors and those with disabilities as both a paratransit and door-to-door service, with general public availability offered after 6:30 pm.

Weakness – Highways into the towns and cities often create choke areas which often cause travel within the city limit areas long, congested, and frustrating. Public transportation is limited in terms of routes and frequency requiring riders to spend an hour on the bus to a destination that would normally take 15 minutes by car.

Opportunity – The region needs to develop and improve alternative routes to bypass inner city areas and encourage multimodal and intermodal distribution infrastructure to complement existing rail and truck transportation methods.

Threats – Continued congestion and limited routes in and out of the cities within the region prevent a positive image for growth and development of business opportunities.

Community Culture

Strengths – Yuba-Sutter citizens and businesses have a strong commitment to the community and demonstrate this dedication through volunteerism, involvement in civic organizations such as Kiwanis, Rotary, Lions Club, and a broad composition of support organizations (non-profits). The area has rich historical value as the gateway to the gold fields and the 1849 gold rush. There is a strong linkage between agriculture and natural resources and the farming community has been a good steward of the natural resources of the area.

Weakness – Lack of collaboration between non-profit organizations, service clubs and government entities which causes funding to be spread

