



CITY OF FORT BRAGG

ECONOMIC DEVELOPMENT OPPORTUNITIES PLAN

AUGUST 2025

DISCLAIMER

The analyses, projections, assumptions, rates of return, and any examples presented herein are for illustrative purposes and are not a guarantee of actual and/or future results. Project pro forma analyses are projections only. Actual results may differ from those expressed in this analysis, as results are difficult to predict as a function of market conditions, natural disasters, pandemics, significant economic impacts, legislation and administrative actions.

INTRODUCTION

The City of Fort Bragg (“City”) retained Kosmont Companies (“Kosmont”) to assist City with Economic Development Advisory Services. Kosmont prepared an Economic Development Opportunities Plan including demographic, market and opportunity site assessment and identification of economic development tools for the City (“EDOP”). Land uses assessed include retail / entertainment, multi-family residential, and hospitality; strategies centered on three strategic focus areas; and economic development tools include preview of special district financing such as a Community Resilience District (CRD).

Kosmont prepared the EDOP using a variety of resources such as ESRI Business Analyst, CoStar, Placer.ai, and Crexi, which are sourced throughout.

The following is an overview of Kosmont’s scope of work:

1. Project Kickoff & Meeting Coordination
2. Real Estate & Market / Trends Analysis
3. Opportunity Site Assessment
4. Economic Development Tools

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EXECUTIVE SUMMARY

CITY OF FORT BRAGG – EDOP

BACKGROUND

- The City is located in Mendocino County along California's scenic North Coast and is a small coastal community with a population of around ~6,800. The population has seen a slight decline since 2020 (6,941) but has generally maintained a population size of ~6,800 since 2000.
- Originally established as a military garrison in the 19th century, Fort Bragg developed into a logging and fishing hub. The City is popular for its coastline views, beaches like the popular Glass Beach, and redwood forests nearby. Fort Bragg's coastal location and cooler climate make it a popular destination for tourists during the summer.
- Over the past two decades, Fort Bragg has undergone economic transition with the closure of the Georgia-Pacific lumber mill in 2002, which marked the decline of the timber-based economy. In its place, tourism, healthcare, cannabis, and small-scale retail have emerged as economic drivers.
- The City attracts visitors driven by the Skunk Train, Mendocino Coast Botanical Gardens, and a historic downtown district, and primarily sees its peak season from June to September.
- Healthcare services have expanded to meet the needs of an aging population, and the City has supported the regulated cannabis industry to stimulate economic activity and generate tax revenues.



BACKGROUND (CONT'D)

- Fort Bragg faces both opportunities and challenges as it looks toward the future. The 400-acre former Mill Site is a focal point for long-term redevelopment, offering potential for blue economy and mixed-use projects, open space, and economic revitalization—though environmental cleanup remains a hurdle.
- Affordable housing and water security are also ongoing concerns, prompting infrastructure investments and research initiatives like the Oneka Seawater Desalination Buoy Pilot Study.
- Fort Bragg continues to position itself as a resilient, sustainability-focused community, leveraging its natural assets, small-town feel, and commitment to economic diversification.
- Given the City's recent decline in population and limited year-round tourism, the City has three (3) primary options as it seeks to chart a path forward toward economic growth:
 1. Attract retirement communities at diverse income levels that are drawn to the coastal and outdoor lifestyle with higher-end retail and entertainment offerings;
 2. Attract more tourists throughout the year with the inclusion of new retail / entertainment / attraction offerings that appeal to broader trade area beyond the current 250-mile capture range; and/or
 3. Attract young professionals through a comprehensive strategy of promoting innovative industries and employment options with low cost of living, and remote work all within a beautiful location.
- Kosmont provides preliminary economic development strategic focus areas for the City's consideration that addresses the above options aimed at capitalizing on existing assets, marketing the City's growth potential, and cultivating redevelopment of opportunity sites.



COMMUNITY ASSETS



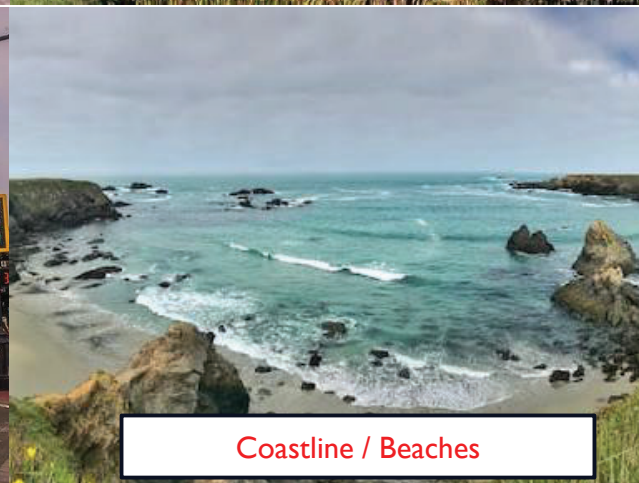
Skunk Train / Tourism



Botanical Gardens



Historic Downtown



Coastline / Beaches

FORT BRAGG AREA MAP AND DRIVE TIMES TO NEARBY CITIES



RESIDENT DEMOGRAPHIC FUNDAMENTALS

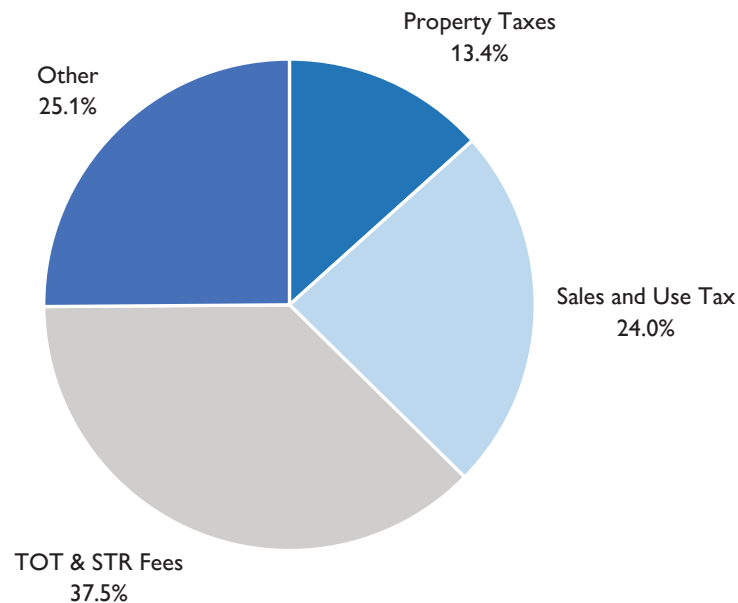
- Fort Bragg has a population of ~6,800, with population slightly decreasing by 4% since 2020 (6,941); The City saw a height of 7,010 population in 2022 but has decreased slightly since then.
- **Average Household Size** is 2.2 persons, the **Median Age** is 44.3 years, and, with ~16% achieved at least a Bachelor's degree or higher.
- City **Average Household Income** is \$75,693.
- The City is mostly (52%) a homeowner population with 77.5% of homes valued over \$500,000.
- Fort Bragg sees ~2,200 people coming into the City to work with ~1,800 commuting outside for work for a Net **Outflow** of ~390 jobs, with many workers living in Fort Bragg, Cleone, Ukiah, Caspar, Mendocino, Willits, and Sacramento amongst others.
- Main industries people of coming into Fort Bragg for work include Healthcare / Social Assistance (27%), Accommodation and Food Service (17%), Retail trade (16%), Manufacturing (5%), and Construction (3%).

VISITOR DEMOGRAPHIC FUNDAMENTALS

- Placer.ai data shows the City sees its **highest daily number of out-of-market visitors (32,100) during the month of July** followed by September (20,800). The lowest point of tourism is in November at 4,700 daily visitors.
- Visitor patterns highlight the dual role Fort Bragg plays in serving both everyday needs and tourism-driven experiences. Placer.ai data shows visitors frequent **Starbucks and Cowlick's** and visit key attractions like the **Skunk Train and Botanical Gardens** the most during their stay.
- Among visitors who visit the Skunk Train and Rail Bikes:
 - **78.6% of visitors come from within 250 miles** showing its strong regional service trade area.
 - **Top booked hotels in the City** were Harbor Lite Lodge, Beachcomber Motel, Holiday Inn Express, and Surf & Sand Lodge.
 - **Average household income** is \$98,000.
 - Based on a consumer lifestyle segmentation report by Mosaic, visitors are primarily classified as **Golden Year Guardians, Blue Sky Boomers, Autumn Years, Thriving Boomers, and Family Union**, which can generally be summarized as visitors who are an older/retired population with varying income / lifestyle choices, as well as middle-income families.

FISCAL & BUDGET FUNDAMENTALS

CITY & COUNTY



City of Fort Bragg

Fort Bragg collects ~37.5% of general fund revenues from TOT & STR fees, 24% from sales and use taxes, and 13.4% from property taxes.

Taxable sales in the City grew ~10% between 2019 and 2023 to \$169.2 million, with Clothing and Food Services / Drinking Places seeing the largest overall growth at 86% and 29% in the same period, respectively.

The City is seeking to identify opportunities that can spur economic development and increase revenues.

MARKET FUNDAMENTALS

Retail	Hotel	Multifamily
<ul style="list-style-type: none"> • Small retail market, primarily locally serving / dining during off season; tourist serving / dining during peak season • Tight retail market with a 0.5% vacancy rate • No new development activity in over 10 years • Opportunity: maximize sales volume with increase in tourist and visitor-serving uses throughout the year 	<ul style="list-style-type: none"> • Mid-size hotel market – primarily small independent properties, bed and breakfasts (950 total rooms) • Some vacant properties in need of renovation • No planned new development activity in Trade Area • Opportunity: selective redevelopment / repositioning; upgrading existing properties and rebranding aging facilities 	<ul style="list-style-type: none"> • Tight rental market (0.9% vacancy) • Inventory is small and comprised of 455 units across 20 properties • 93 total apartment units built in the past 10 years • No planned new development activity in Trade Area • Opportunity: Adding housing units may be a strategy to increase local demand and attract new businesses

MENDOCINO COUNTY ECONOMIC DEVELOPMENT ANALYSIS (2021)

	Economic Development Insights Related to Mendocino County
Economic Resilience & Structural Challenges	Identifies long-standing economic vulnerabilities in Mendocino County that were exacerbated by the COVID-19 pandemic. These include demographic stagnation, outmigration, an aging workforce, and the decline of key industries such as timber-based manufacturing. These trends have led to a shrinking labor force and limited economic diversity, leaving the region particularly susceptible to economic shocks. Recovery efforts must be centered on creating a more diverse and resilient economic ecosystem through coordinated local action and investment.
Strategic Industry Focus & Sector Diversification	While health care and tourism are major economic drivers in the county, they are nontraded sectors and thus limited in their potential for long-term economic expansion. Manufacturing and agriculture, although historically significant, have faced sharp declines, with timber and wine grapes being the leading agricultural commodities. The cannabis sector, despite notable taxable sales, faces uncertainty due to regulatory and market challenges. Moving forward, the County must prioritize export-oriented industry diversification, exploring emerging sectors like AgTech, green energy, and viticulture to enhance sustainable growth.
Workforce Development & Education	A central recommendation is to develop robust workforce training programs. These aim to build talent pipelines that align with future job opportunities, improve adult career mobility, and address gaps in digital, financial, and technological literacy. Emphasis is placed on upskilling underrepresented and lower-income individuals, improving access to technical and vocational training, and integrating support services like childcare and transportation to ensure program completion.
Housing & Infrastructure Barriers	Housing affordability remains a significant barrier, with a substantial portion of the population being housing-burdened. The report recommends regulatory reforms, increased housing supply through alternative housing types (like ADUs and workforce housing), and improved development processes. Similarly, broadband connectivity and road conditions are cited as critical infrastructure challenges. Expanded broadband is essential for education, small business operations, and digital equity, while poor road conditions hinder agricultural exports and logistics efficiency.
Climate Change & Environmental Sustainability	Mendocino County faces escalating threats from climate change, including wildfires, droughts, and water shortages, all of which directly impact its key sectors like agriculture, tourism, and cannabis cultivation. The report urges the integration of climate resilience into all aspects of economic planning. This includes investments in fire-safe infrastructure, sustainable water management, and leveraging opportunities in the green economy to build a more adaptable and future-ready economic base.

“SOMO STRONG 2025” COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (2022)

	CEDS Insights Related to the City of Fort Bragg
Blue Economy Development	Fort Bragg is at the forefront of the region's Blue Economy initiative, which aims to diversify traditional maritime activities into sustainable ventures. Key projects include the Mendocino Coast Blue Economy Initiative, the Noyo Center Ocean Science Center, and the Seawater Intake Project. These projects focus on climate-resilient fisheries, marine research, education, aquaculture, and harbor infrastructure upgrades to foster economic growth and job creation.
Green Economy Integration	Fort Bragg is also contributing to the regional Green Economy through initiatives like the Fort Bragg Food Products Incubator, Farmers Market Building, and other community agriculture-related ventures. These projects are designed to support local food entrepreneurs, strengthen the value-added agriculture sector, and promote sustainable production practices.
Tourism & Creative Synergies	Recognizing its potential as a coastal destination, Fort Bragg is aligning with efforts to blend tourism with creative and cultural assets. Projects such as the proposed Fort Bragg Performing Arts Center, Industrial Arts Center, and Recreational Playing Fields aim to elevate the city's attractiveness to both visitors and creative professionals, enhancing local quality of life and boosting economic diversification.
Workforce & Housing Priorities	The CEDS identifies affordable housing and workforce readiness as essential to Fort Bragg's sustainable growth. The City is involved in initiatives such as the Fort Bragg Home & Community Land Trust and the Mill Site Rezoning Project, which aim to increase workforce and affordable housing stock. These are paired with workforce training and education programs to upskill residents in sectors like green energy, healthcare, and construction.
Climate Resiliency & Infrastructure Planning	Fort Bragg's economic development strategy is deeply intertwined with climate resiliency. The City is actively engaged in projects that address sea level rise, fire safety, and drought preparedness. These include the Noyo Harbor Redevelopment and participation in the Safe Communities Planning Initiative and Business Rapid Assist Program, which aim to bolster community and economic resilience against environmental disruptions.

ECONOMIC DEVELOPMENT STRATEGIC FOCUS AREAS

Using the County's economic development plan (2021) and the SOMO Strong 2025 as a framework, the City has a variety of strategies it can implement to address its challenges, capitalize on its strengths, and pursue economic development opportunities. The strategies presented herein capitalize on existing assets, aim to market the City's growth potential, and cultivate redevelopment that prepares the City for the future. The City's economic opportunities center around three (3) Economic Development Strategic Focus Areas:

BEAR	Mill Site	Blue Economy
Business Expansion, Attraction, and Retention (BEAR) strategies to ensure City is supporting a business-friendly environment. These actions are designed to promote business growth, attract investment, and improve economic resilience while contributing to population and tourism growth.	Position Mill Site as a model for climate-resilient coastal development and mixed-use development. Utilize Tax Increment Financing (TIF), such as Enhanced Infrastructure Financing Districts (EIFD) or Climate Resilience Districts (CRD) to support the long-term growth of the site and City through the funding of critical infrastructure.	Opportunity to diversify from traditional extractive industries and maximize the City's access to its largest natural resource, the Pacific Ocean. Blue Economy can expand economic activity through business incubation, education, conservation, fisheries, aquaculture, ecotourism, and research & science.

The following section identifies potential strategies for the City to consider to pursue the goal of economic development. Action Items are also identified; these Action Items are meant to summarize potential actions the City can take to pursue the strategies, and are not listed in order of importance or chronologically.

FOCUS AREA 1: BUSINESS EXPANSION, ATTRACTION, AND RETENTION (“BEAR”)

The **BEAR strategy** focuses on the City of Fort Bragg being pro-active about messaging its overall business-friendliness to the broker, developer, and retailer/tenant community. It is critical for the City to monitor its current assets while maintaining an eye toward the future. Whether it's redevelopment, new development, addressing vacancies, or attracting new tenants/retailers to the area, the City must be pro-active in advancing its overall economic development goals while other initiatives are simultaneously underway. Examples of BEAR activities include the following:

- **Property Owner Outreach** – collaborate with property owners to understand their plans for properties, challenges that they face with development, and opportunities that may align with economic development goals. Regularly contact the top Sales Tax generators / employers / suppliers.
- **Rehabilitation / Renovation** – encourage rehabilitation and/or renovation of facilities, signage or store-front facades; can include public programs such as façade improvement loans / grants, or assisting with identifying other sources of funding.
- **Marketing** – Highlight the City as a business-friendly destination with community assets, talented workforce, and success stories.
- **Outreach** – Conduct targeted outreach to developers, businesses, and brokers with opportunity site marketing collateral, correspondence, meetings / site tours, and participation at industry events (e.g., ICSC).
- **Public-Private Partnerships (P3)** – Enter into formal partnerships with property-owners that commit City resources to fund improvements (e.g., infrastructure) that will advance both the property owner's goals for development and the City's goals for economic development.

FOCUS AREA 1: BUSINESS EXPANSION, ATTRACTION, AND RETENTION (“BEAR”)

There are a wide range of business and economic development incentive programs utilized by communities across the State. The City can create such a program, but first it is important to set specific goals (e.g. assist small business, expand job creation, attract major tax generator, attract specific type of development) and create a system to measure the success of each initiative.

Cost and method of implementing these program can vary, including job credits, façade improvements for local businesses and infrastructure development/repair, which are typically out of pocket costs. While tax sharing agreements and fee waivers can be utilized to catalyze development and are typically offset by new development tax revenues. It will be imperative for the City to maintain a pro-active partnership with the local business community (i.e., Chamber, union, trades, corporate, mom-and-pop, etc.) to ensure needs are understood and the City is able to facilitate direction of funds, remedies, or incentives to the business partner.

Examples of incentives include:

- Façade improvement program
- Infrastructure investment
- Tax sharing agreements / tax abatements
- Efficient permitting
- Job tax credits / Workforce training
- Fee waivers / deferrals in targeted areas

FOCUS AREA 1: BUSINESS EXPANSION, ATTRACTION, AND RETENTION (“BEAR”)

Action Items:

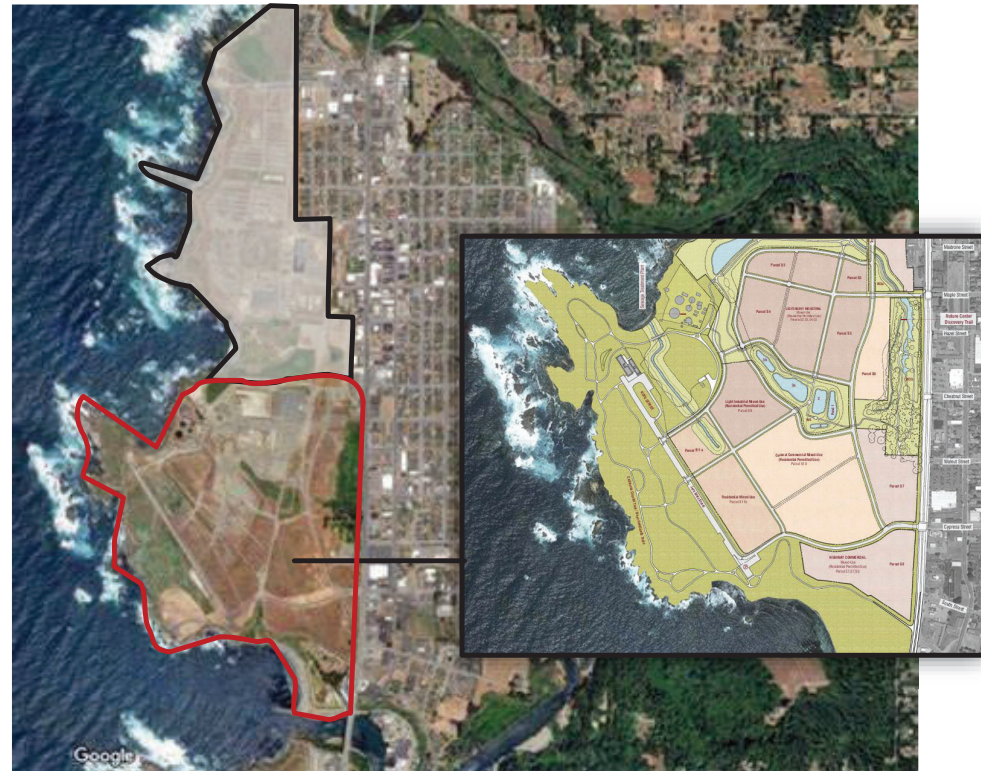
- Regularly engage with key property and business owners to understand redevelopment plans, vacancy challenges, and opportunities aligned with the City’s goals.
- Promote Fort Bragg as a business-friendly coastal City through targeted marketing campaigns, success stories, and site-ready property highlights.
- Conduct targeted outreach to developers, investors, brokers, and retailers/users through correspondence, site tours, and industry conference participation (e.g., ICSC Monterey; ICSC Western; ICSC Las Vegas). Prepare marketing materials such as site flyers/maps and workforce data to accelerate interest and decision-making, especially as it relates to key vacancies in the market.
- Maintain consistent contact with top employers, sales tax generators, and local suppliers to build proactive communication and collaboration.
- Launch or expand a mix of incentive programs, such as a façade improvement program with grants or low-interest loans to enhance storefronts, signage, and curb appeal, especially in high-visibility areas in the downtown.
- Assist property owners with identifying renovation funding sources and encourage upgrades to underutilized commercial properties.
- Collaborate closely with local business groups (e.g., Chamber of Commerce, unions, trades, and small business owners) to ensure programs meet real needs and deliver measurable value.
- Establish performance metrics to evaluate the success of business incentive programs in job creation, tax base growth, and vacancy reduction.

FOCUS AREA 2: FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

The City is currently undergoing a comprehensive planning and rezoning effort to envision the redevelopment opportunities for the former Georgia-Pacific Mill Site (“Mill Site”). Comprised of 192.5 acres of the entire Mill Site, the following preliminary illustrative plan (see map) highlights the development potential and vision for the southern portion:

- Zone for Light and Heavy Industrial
- General Commercial and Mixed-Use zoning
- Residential Mixed-Use
- Noyo Center
- Variety of open space including Nature Center

Its strategic location on the Pacific Ocean, combined with the City's commitment to forward-thinking planning efforts such as the Mill Site rezoning effort and Blue Economy initiatives, positions Fort Bragg to leverage this asset as a driver of long-term economic growth, sustainability, and community enhancement.



FOCUS AREA 2: FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

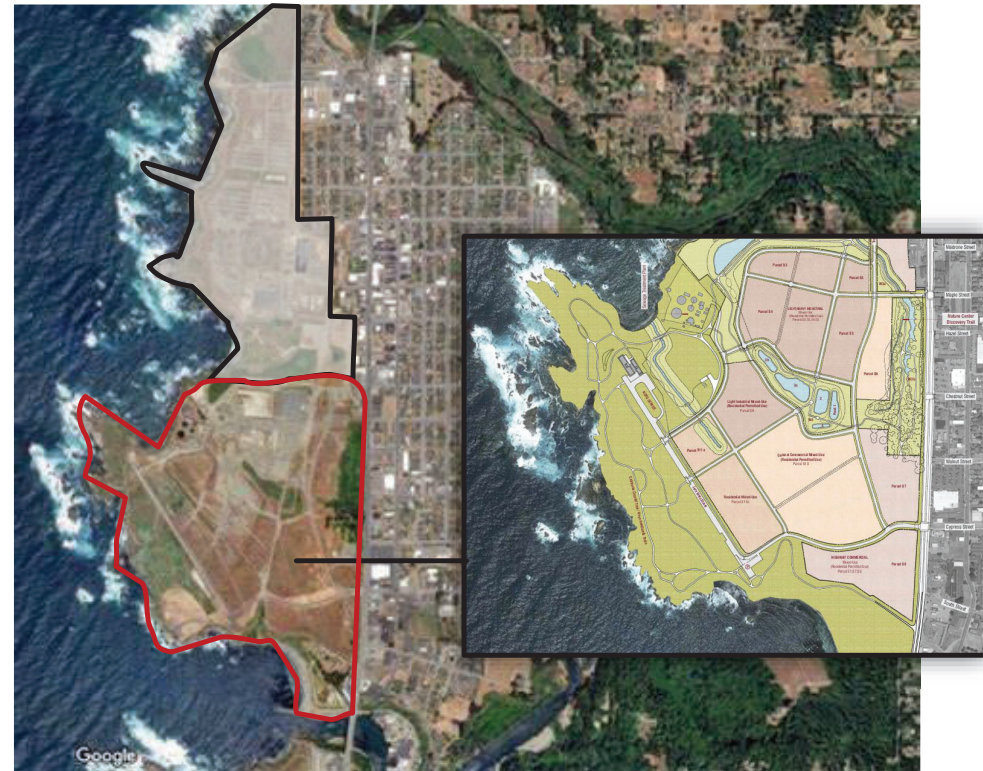
Overview of Mill Site Strategies:

Given the site's size, it offers the prospect for a transformative, mixed-use development that can attract talent and higher income individuals looking to take advantage of the City's lower cost of living and beautiful location.

With the City's demographic and market fundamentals in mind, the following are four (4) key areas/strategies for the City's consideration as it seeks to redevelop the Mill Site.

1. Tourism/Hospitality and Retail Development

- The Mill Site's scenic coastal frontage is an ideal setting for boutique hotels, eco-lodges, and tourism-driven retail and dining that can attract a broader visitor population from beyond the current 250-mile trade area.
- Additionally, with seasonal visitation among boomers and middle-income families, there's a unique opportunity to expand year-round amenities that attract a wider variety of visitor income levels while improving the City's overall retail and dining offerings for its current resident population.
- As population grows, new retail / entertainment / attraction offerings may be viable, which are more likely to support the interests of year-round tourists and young professionals / skilled labor relocating to the City.



FOCUS AREA 2: FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

2. Mixed-Use and Residential Growth

- With only 455 total multifamily units in the area and a less-than-one-percent (>1%) vacancy rate, demand for new residential options is high and the space availability is present to support the growth. Population growth will be critical for the City's long-term success, and the influx of new residents will require additional housing options.
- Introducing mixed-use housing on the Mill Site can support local workforce retention, attract new residents, and boost overall economic activity through additional property taxes and population growth.
- Similarly, for-sale development could provide opportunities for additional home ownership among a wider demographic (e.g., young professionals, families, and retirees) that are seeking long-term residency. The City is in a position to attract a new cohort of workers in expanding industries associated with the Blue Economy that will grow the City's overall population and thereby also improving business expansion and attraction efforts of popular retailers/businesses.

3. Innovation and Sustainability Leadership

- The City can establish the Mill Site as a model for climate-resilient coastal development, incorporating features like the Noyo Center for Ocean Science, sustainable food/fishery production, and open space for public use. The site can also serve as a hub for eco-industrial and marine research initiatives, reinforcing Fort Bragg's role in California's Blue and Green Economy.

4. Local Partnerships and Economic Inclusion

- By collaborating with organizations such as potentially the Fort Bragg Home & Community Land Trust in the future. The City can integrate affordable housing and job training programs into the development plan. These efforts will foster local inclusion, address housing needs, and enhance community well-being.

FOCUS AREA 2: FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

As evidenced by its investment of \$10.3 million in Build Back America Funds toward the development of broadband, the City understands the need for critical infrastructure improvements and modernization to support the growing need for distance learning, remote work, and business operations.

Similarly, other critical infrastructure will be required to support the variety of initiatives led by the City, including development of the Mill Site. Thus, the City should consider assessing the benefit of creating a Tax Increment Financing District (TIF). Two (2) specific TIF districts available in the state of California that could benefit the City of Fort Bragg includes, Enhanced Infrastructure Financing Districts (EIFDs) and Climate Resilience Districts (CRDs).

The creation of EIFDs and CRDs could be useful tool in supporting Fort Bragg's Blue Economy initiative and the Mill Site redevelopment opportunity by unlocking targeted, place-based financing to fund critical infrastructure (i.e., roads, utilities, broadband, etc.), environmental resilience, and sustainable economic development.



Most flexible, most widely used



NEW - focus on climate related mitigations & infrastructure

TIF Districts can elevate eligibility for State funding

FOCUS AREA 2: FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

WHAT IS A TAX INCREMENT FINANCING (TIF) DISTRICT?

TIF Fundamentals

TIF is a method of capturing increased property tax revenue from new development or property value increases within a designated area to fund public improvements or those that implement public policy, such as housing.

How it Works

As private property investment occurs, the resulting increase in property tax revenue is deposited into a separate TIF fund and used to pay for public improvements within a district.

The benefits of incorporating TIF districts include:

1. Return on Investment (“ROI”): Private sector investment induced by district commitment on a “but for” basis accelerates growth of net fiscal revenues, job creation, housing production, essential infrastructure improvements
2. Ability to attract additional funds / other public money (“OPM”) – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)

FOCUS AREA 2: FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

Action Items:

- **Long term:** establish the Mill Site as a “Blue Innovation Zone” that promotes a live, work, learn, and play mixed-use environment centered around the City’s Blue Economy initiatives. The Blue Innovation Zone should co-locate housing, employment / business incubation, marine research, public amenities, and retail/entertainment. Mixed-use coastal district should feature residential units, boutique hotels, retail, and dining to attract both new residents and a wider demographic of tourists to promote year-round spending.
 - **Short term:** design/plan the Mill Site as a model for climate-resilient coastal development, incorporating open space, trails, and adaptive infrastructure that promotes the City’s beautiful natural resources.
- **Long term:** utilize TIF mechanisms to capture rising property tax revenue from new development for reinvestment into public improvements that support residential and tourism growth. Invest in critical infrastructure upgrades—such as roads, utilities, and broadband—to enable residential development, support remote work, and improve visitor mobility. Prioritize infrastructure improvements around the Mill Site and harbor to unlock development capacity and connect key destinations within the City.
 - **Short term:** assess the prospect of implementing a EIFD and/or CRD to fund essential public infrastructure and climate adaptation initiatives. CRD may be integrated to ensure infrastructure projects meet long-term sustainability goals, including resistance to sea-level rise, saltwater intrusion, and extreme weather.
- Utilize local academic and professional resources from Mendocino College, artists, businesses, and non-profits to collaborate in integrating cultural, recreational, and educational assets (like nature centers and amphitheaters) that enrich the visitor experience and foster community engagement among locals.
- Prioritize affordable and for-sale housing at the Mill Site to expand long-term residency opportunities for young professionals, families, and retirees looking to relocate for new jobs and remote work.

FOCUS AREA 3: BLUE ECONOMY IMPLEMENTATION

As stated on the City's website:

"Blue Economy is a way of considering economic development and ocean health as compatible. A place where economic activity is in balance with the long-term capacity of ocean ecosystems. It's a fresh, exciting way of looking at everything from traditional marine sectors to new businesses focused on ocean resiliency, and it touches on activities related to climate change, fisheries, aquaculture, renewable energy, tourism and transportation."

Implementing the Blue Economy initiative in Fort Bragg will involve several key economic considerations that will need to be addressed to ensure sustainable growth, job creation, and long-term viability is achieved. Based on Mendocino County's economic development plan (2021), the SOMO Strong 2025 strategy, and Fort Bragg's local demographic and market conditions, here are areas for the City's consideration:

1. Economic Diversification

- City will need to promote diversification in employment (skilled labor, research, fish farming, ecotourism, educators, environmental planners, etc.) to attract a variety of labor and employment opportunities.
- Long term, City can encourage local entrepreneurs to build complementary businesses (marine equipment repair, ecotourism, seafood processing, etc.) and support through business incentive programs.

2. Capital Investment Needs

- Upgrades to harbor facilities are likely needed, including docks, seawalls, and cold storage, to support marine research, aquaculture, and sustainable fisheries.
- Seawater Intake Project may require specific capital for engineering, environmental permitting, and construction to support research and commercial activities; seeking available grant funding should be considered.
- Development or expansion of the Noyo Center for Ocean Science may require additional funding for lab space, exhibition areas, and educational/academic infrastructure.

FOCUS AREA 3: BLUE ECONOMY IMPLEMENTATION

3. Workforce Development

- There will be a need for trained workers in marine science, aquaculture, research technology, and sustainable fisheries. Programs should be established in partnership with Mendocino College and regional workforce boards.
- Investments in vocational training and partnerships with institutions like Mendocino College or marine-focused universities throughout California can help supply a qualified workforce.

4. Tourism and Education Integration

- Opportunity for creating visitor-facing components (eco-tours, aquariums, educational centers), which can drive revenue and additional public engagement opportunities for local tourism vendors.
- Fort Bragg can brand itself as a leader in marine sustainability, enhancing its identity and attracting educational tourism and conferences.

5. Public and Private Sector Collaboration

- Federal and state blue economy grants, NOAA and EDA support, and California's coastal resiliency funding streams are critical for large-scale capital projects.
- Create incentives (e.g., tax credits, enterprise zones) to attract private capital into aquaculture, ocean tech, and marine biotech ventures.

FOCUS AREA 3: BLUE ECONOMY IMPLEMENTATION

6. Environmental and Regulatory Compliance

- Projects must undergo environmental impact assessments and meet state and federal regulations. Delays and added costs for public and private partners should be anticipated and budgeted.
- Economic strategies should consider the integration of circular economy models, reduce marine pollution, and emphasize climate-resilient design to qualify for green financing and public support.

7. Long-Term Operational Sustainability

- Projects like the Noyo Center must have sustainable operating models — including grants, ticket sales, research partnerships, and rental revenue.
- Budgeting for long-term maintenance and ensuring facilities are resilient to sea-level rise, saltwater corrosion, and extreme weather is essential.

FOCUS AREA 3: BLUE ECONOMY IMPLEMENTATION

CASE STUDY OF COASTAL TOWN ATTRACTING YOUNG PROFESSIONALS

Eastport, Maine

Eastport, the easternmost city in the continental U.S., is a small coastal community of around 1,300 residents (2025) with a historic core and renewed energy rooted in cultural and industrial adaptation.

Key Attractors & Transformation:

Economic Revival: In recent years, Eastport's population has risen by ~15%, unemployment has declined, and property values have increased. This resurgence has been fueled by adaptive reuse of historic buildings into modern apartments— attracting both young professionals and retirees.

Heritage & Creative Reinvestment: The historic Water Street district offer both identity and authenticity.

Entrepreneurship in Marine Trades: Young entrepreneurs have founded marine-oriented enterprises—boatbuilding, repair, and aquaculture—often working in city-supplied spaces and rooted in local mentorship systems.

Lifestyle Appeal: Eastport's remote, serene environment attracts individuals seeking a change from urban life.

Impact on Young Professionals:

The availability of affordable housing (via repurposed buildings), combined with opportunities in niche enterprises (boatcraft, aquaculture), makes it appealing to young, mission-driven individuals.



FOCUS AREA 3: BLUE ECONOMY IMPLEMENTATION

Action Items:

- Market Fort Bragg nationally as a Blue Economy hub to attract grants, corporate investment, businesses, research institutions, and the respective skilled labor / young professionals that will support sustainable population growth.
- Advance other pilot projects, like the Oneka Seawater Desalination Buoy Pilot Study, to support marine science, aquaculture, and climate research activities that generate jobs and attract funding.
- Support local business incubation in ocean-related sectors, including marine biotech, seafood processing, and eco-recreation services to provide opportunities for existing business owners and entrepreneurs.
- Promote marine-based job training programs through partnerships with Mendocino College and marine universities in the state and nationally to build a local workforce skilled in ocean tech, aquaculture, and ecotourism.
- Develop visitor-facing Blue Economy attractions like aquariums, eco-tours, and interpretive centers to boost year-round tourism. Expand the Noyo Center for Ocean Science to serve as a premier research, education, and tourism destination, featuring labs, exhibits, and public programming.

NEXT / FUTURE STEPS

Economic Development Implementation & Strategies (Work Plan for Ongoing Economic Development Advisory Services):

- Business Expansion, Attraction, and Retention ("BEAR") implementation strategies related to filling key vacancies, ongoing business retention, development of opportunity sites, incentive programs, and the promotion of public-private partnerships (P3).
- Assessment of tax-increment financing district opportunities, such as Enhanced Infrastructure Financing Districts (EIFD) and Climate Resilience Districts (CRD) in light of proposed development opportunities within the City.
- Leverage strength of Blue Economy for future marketing campaigns (e.g., seek corporate investment, academic and research partners, and startup company interest).

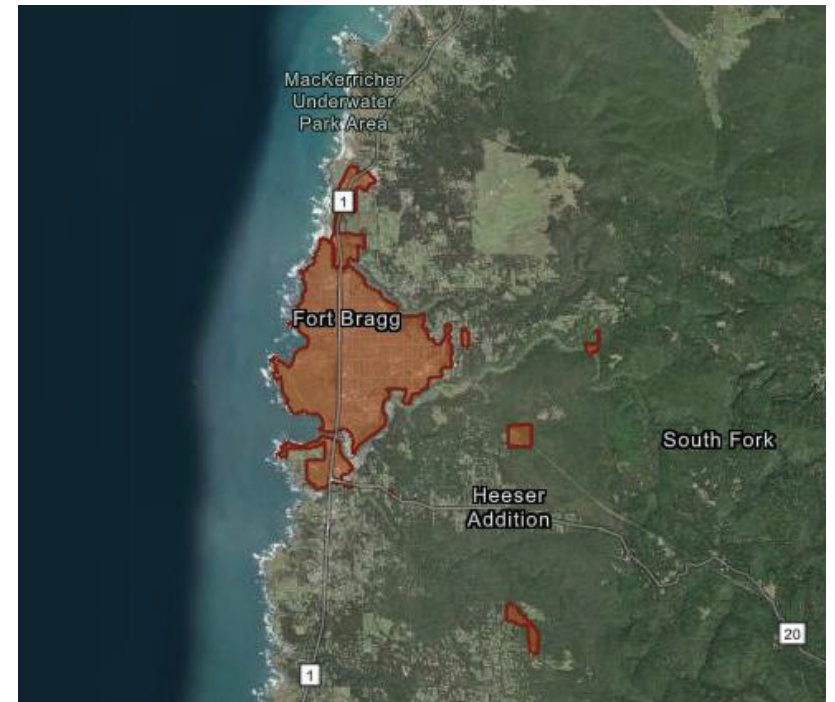
DEMOGRAPHIC ANALYSIS

CITY OF FORT BRAGG – EDOP

POPULATION & INCOME OVERVIEW

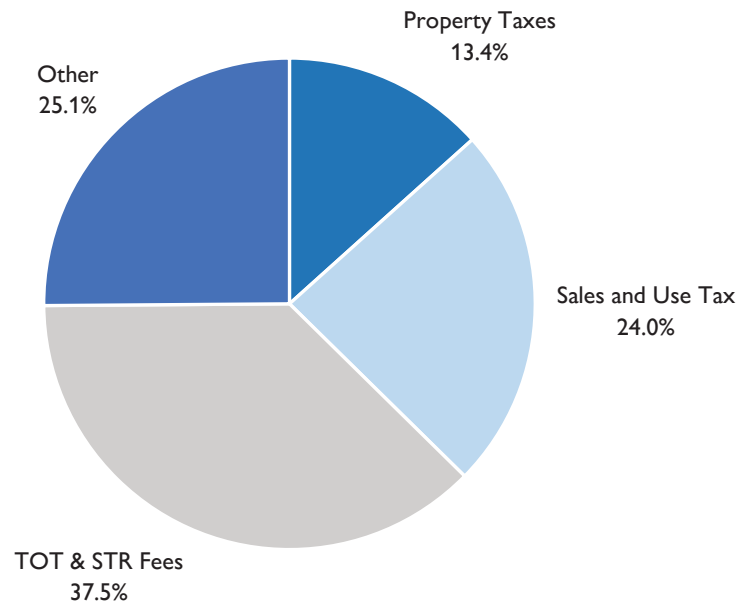
CITY AND COUNTY

2025	City of Fort Bragg	Mendocino County
Population	6,747	90,177
Daytime Population	8,702	90,706
Households	3,001	36,267
Average HH Size	2.21	2.45
Median Age	44.7	44
% Bachelor's Degree or Higher	18.7%	16.7%
Owner Occupied Units (%)	44.5%	60.3%
Average HH Income	\$76,883	\$98,120
Average Home Value	\$518,260	\$660,809

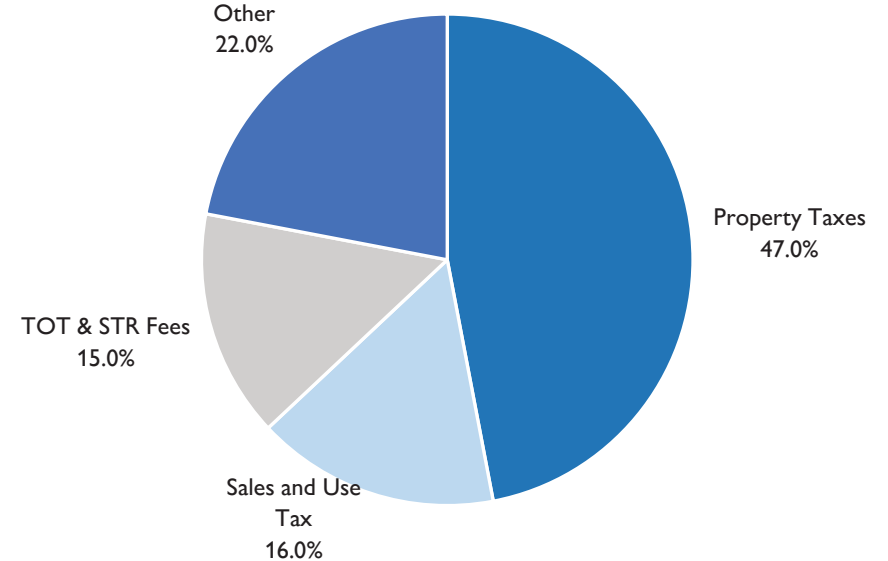


GENERAL FUND REVENUE

CITY & COUNTY



City of Fort Bragg



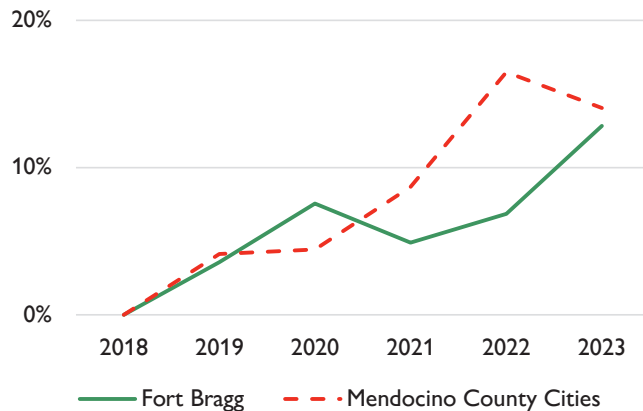
Mendocino County

HISTORIC TAX REVENUE GROWTH (2018-2023)

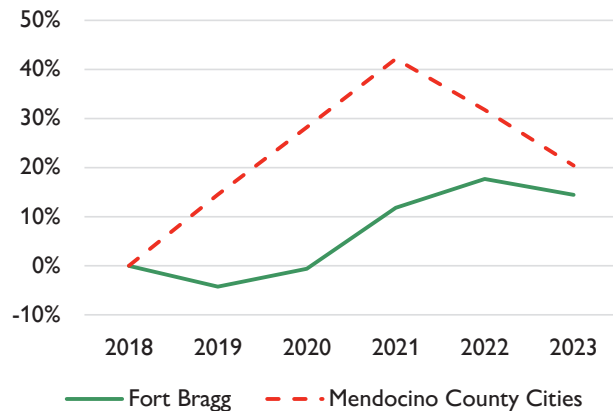
CITY OF FORT BRAGG VS MENDOCINO COUNTY CITIES

- The charts below show the growth in the three key tax revenues examined (property, sales, and TOT) on an annual basis for the City of Fort Bragg and Mendocino County.
- TOT revenue exhibited the strongest growth between 2021 and 2023 going from a low of \$2.6 M (2018) to \$3.2 M in 2023, which is an over 22% increase.
- Sales and Use Tax and Property tax has had a steady increase for both City and County with over a 14% and 13% increase from 2018-2023, respectively.

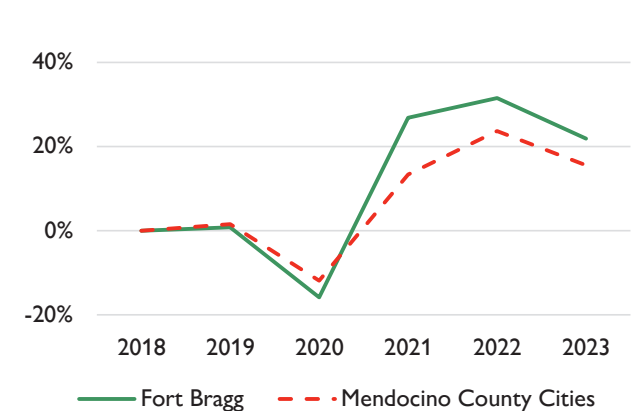
Property Tax Revenue Growth
2018-2023



Sales Tax Revenue Growth
2018-2023



TOT Revenue Growth
2018-2023



RETAIL GOODS AND SERVICES EXPENDITURES

Understanding where residents spend their money and how much they spend, is helpful to determine what household priorities are and which businesses to attract in the City. Additionally, it can be an indicator of future spending potential as the City grows its population with new residents from housing growth.

The ~2,949 households in the City spend approximately \$47.9 million annually across these select brick-and-mortar retail expenditure categories. The top three spending categories are Food at Home (e.g., groceries), Entertainment and Food Away From Home (e.g., restaurants, fast food).

Residents are spending approximately \$16,235 per household per year on brick-and-mortar retail, with approximately a third of retail expenditures going toward Food at Home (~\$5,000). Food at Home and Food Away From Home generally fall within the top five retail expenditures by household across many cities.

Household Budget Expenditures

City of Fort Bragg

Population	6,747
Households	3,001
Avg. Household Income	\$76,883

	Per Household	City-wide Spending	%
Food at Home	\$5,048	\$14,886,862	7.6%
Food Away from Home	\$2,673	\$7,882,768	4.0%
Alcoholic Beverages	\$454	\$1,340,265	0.7%
Housekeeping Supplies	\$613	\$1,807,492	0.9%
Household Furnishings and Equipment	\$2,087	\$6,155,272	3.1%
Apparel and Services	\$1,625	\$4,791,518	2.4%
Entertainment and Recreation	\$2,727	\$8,041,087	4.1%
Personal Care Products & Services	\$696	\$2,053,926	1.0%
Smoking Products	\$311	\$917,324	0.5%
Total Brick-and-Mortar Retail Spending	\$16,235	\$47,876,514	24.3%



Source: ESRI Business Analyst Online (Accessed June 2025);
Note: Food at Home category primarily pertains to groceries

TAXABLE SALES DATA (5-YEAR)

According to data from the CA Dept of Tax and Fee Administration, the City of Fort Bragg saw ~\$169.2 million in overall taxable sales in 2023 (~10% increase since 2019). Clothing and Food Services / Drinking Places saw the largest overall growth from 2019-2023 of 86% and 29%, respectively.

City of Fort Bragg

Taxable Sales (2019 – 2023)

Business Type	# of Outlets	2019	2020	2021	2022	2023	Growth/Decline: 2019 - 2023
Clothing and Clothing Accessories Stores	28	\$2,933,447	\$3,054,449	\$5,736,599	\$5,925,302	\$5,443,666	86%
Food Services and Drinking Places	55	\$24,394,215	\$20,065,264	\$27,983,717	\$28,307,529	\$31,570,441	29%
Food and Beverage Stores	21	\$23,216,429	\$24,758,597	\$25,617,829	\$25,194,569	\$24,671,007	6%
Building Material and Garden Equipment and Supplies Dealers	10	\$24,863,029	\$27,068,779	\$29,915,383	\$27,209,999	\$25,191,247	1%
Gasoline Stations	5	\$19,867,616	\$15,920,254	\$21,605,340	\$22,012,156	\$20,044,805	1%
Home Furnishings and Appliance Stores	14	\$3,759,273	\$3,172,583	\$3,674,860	\$3,918,992	\$3,753,121	0%
Motor Vehicle and Parts Dealers	8	\$11,172,650	\$9,072,783	\$10,636,661	\$9,945,908	\$9,284,998	-17%
General Merchandise Stores	7	\$0	\$0	\$1,116,492	\$1,790,062	\$1,870,150	-
Subtotal	148	\$110,206,659	\$103,112,709	\$126,286,881	\$124,304,517	\$121,829,435	11%
Other Retail Group	134	\$22,439,392	\$20,557,452	\$22,839,924	\$24,192,114	\$21,938,273	-2%
Total Retail and Food Services	282	\$132,646,051	\$123,670,161	\$149,126,805	\$148,496,631	\$143,767,708	8%
All Other Outlets	163	\$21,761,911	\$16,490,216	\$21,633,826	\$27,917,860	\$25,437,094	17%
Total All Outlets	445	\$154,407,962	\$140,160,377	\$170,760,631	\$176,414,491	\$169,204,802	10%



Source: CA Department of Tax and Fee Administration; 2018-2023 Full Year Data. “# of Outlets” based on 2023 Q4 data.

SWOT ANALYSIS

CITY'S STRENGTHS

	SWOT Analysis
Strengths	<p>Tourism & Natural Assets: Fort Bragg benefits from rich natural amenities including coastline views, redwood forests, and popular destinations like Glass Beach, the Skunk Train, and Botanical Gardens which make it a key tourist draw.</p> <p>Cultural & Historic Identity: Its historic downtown, small-town charm, and community-focused character enhance local pride and attract niche travelers and creative professionals.</p> <p>Strategic Economic Initiatives: The City is at the forefront of Blue and Green Economy initiatives, with efforts like the Noyo Center Ocean Science Center and food entrepreneurship incubators supporting sustainable development and job creation.</p> <p>Tight Real Estate Markets: The retail and housing markets exhibit extremely low vacancy rates (0.5% and 0.9% respectively), indicating strong demand and opportunity for targeted development.</p> <p>Cross-Sector Coordination: Strong alignment among economic development efforts, including blue/green economy, tourism, workforce, and climate resilience planning, signal an integrated growth strategy.</p>

SWOT ANALYSIS

CITY'S WEAKNESSES

	SWOT Analysis
Weaknesses	<p>Declining Population: The population has declined by 4% since 2020, with only ~6,700 residents as of 2024, posing challenges for labor force retention and local demand.</p> <p>Limited Development Activity: No new multifamily or hotel developments are planned; retail development has stalled for over a decade, which may hinder economic vitality.</p> <p>Aging Infrastructure: Several hotel and residential properties are aging and in need of renovation, reducing attractiveness for new investment.</p> <p>Seasonal Economy: Heavy reliance on summer tourism limits year-round economic stability and business sustainability.</p> <p>Educational Attainment: Only 16% of residents hold a bachelor's degree or higher, impacting workforce skill levels and economic mobility.</p>

SWOT ANALYSIS

CITY'S OPPORTUNITIES

	SWOT Analysis
Opportunities	<p>Mill Site Redevelopment: The 400-acre former mill site is a major opportunity for mixed-use redevelopment, open space enhancements, and waterfront revitalization. Significant opportunity for additional residential and hotel development to promote economic revitalization with additional “rooftops” and higher-end hospitality/amenities to attract a varied tourist demographic from outside of the state.</p> <p>Visitor-Serving Retail Growth: Given the tight retail market and strong seasonal visitation, there is potential to increase year-round retail offerings and boost sales.</p> <p>Workforce Upskilling & Housing: Initiatives like the Fort Bragg Home & Community Land Trust and workforce training programs could expand housing options and retain talent.</p> <p>Creative Economy Expansion: Projects such as the Performing Arts Center and Industrial Arts Center could attract visitors, foster local culture, and stimulate entrepreneurship.</p> <p>Climate-Resilient Infrastructure: Fort Bragg’s proactive investments in harbor and fire safety infrastructure can position it as a resilient coastal community. The implementation of a Climate Resilience District, or other tax increment financing tool, could capture the value of future tax revenue increases from new development and divert toward projects related to infrastructure, mobility, climate resilience, and other community benefits.</p>

SWOT ANALYSIS

CITY'S THREATS

	SWOT Analysis
Threats	<p>Economic Isolation: Its rural, coastal location and limited connectivity to larger urban centers (e.g., 59 minute to Ukiah) can restrict economic integration and accessibility.</p> <p>Aging Population: With a median age of 44.3, the City faces a growing demand for healthcare services and a shrinking working-age population.</p> <p>Environmental Risks: Climate-related threats such as sea level rise, drought, and wildfires could impact long-term sustainability and infrastructure.</p> <p>Workforce Outflow: A net outflow of approximately 390 workers and limited local job opportunities may continue to strain the local labor market.</p> <p>Dependence on Tourism: Heavy dependence on seasonal visitors for economic activity could expose the City to market shocks or tourism downturns.</p>

MARKET ANALYSIS

CITY OF FORT BRAGG – EDOP

Key Market and Economic Development Trends



Housing is Not a Loss Leader, it's a Growth Driver

Housing Creation as Economic Development

- New housing can generate significant new tax revenues and support local jobs from resident spending
- Housing is not necessarily a net negative fiscal impact, especially at current property values

Retail is Not Just Retail Anymore

Retail Reimagination as Economic Development

- U.S. retail over-built and needs "right sizing;" Covid accelerated trends; today its about essentials, experience & e-commerce
- Blended/mixed use projects integrate multiple uses (housing, retail, open space, creative office, hotel)

Telework is Reconfiguring Office

Office Conversions as Economic Development

- Telework and work from home options are reshaping the needs for office space and business districts
- Job redistribution tied to housing
- Vacancies can lead to fiscal impact pressure

Industrial / Distribution is Critical for the Economy

Industrial & Fulfillment as Economic Development

- Modern industrial is not "your father's industrial" – it is a blend
- Retail can't thrive without distribution; Booming demand for e-commerce, particularly smaller last-mile delivery facilities
- Flex space (a blend of industrial, office, research and development space) is a growing market. Cities can attract high tech / skill firms with such space

HEED™: HOUSING AS ECONOMIC DEVELOPMENT

ROOFTOPS NEEDED

New housing can:

Generate new demand for commercial and retail uses

Significantly boost new tax revenues

Support local jobs

Keeping “wallets” in local communities

Housing / hybrid living spaces

*E-commerce will capture 25% of sales within 5 years
(~\$9k per CA household)*



RETAIL & INDUSTRIAL TRENDS

RETAIL

- COVID accelerated two important retail trends:
 - *The need for convenient access to essentials (delivery/pick-up)*
 - *Blending retail and entertainment (“Retailtainment”) to offer unique experiences that generates new foot traffic and attracts all ages*
- Retail cannot thrive without distribution due to consumer needs for convenient delivery solutions (same-day/overnight shipping)

INDUSTRIAL

- Booming demand from e-commerce for distribution / fulfillment / delivery; point-of-sale being included in some industrial / flex spaces
- Has become a leading job creator in communities outside of urban centers
- Uncertainty with government priorities / incentives is leading to growing interest in reshoring of manufacturing
- Growth in industrial will also be around A.I. and technology infrastructure (data and automated logistics centers)



SteelCraft Garden Grove



Amazon Logistics Center – Eastvale, CA

RETAIL MARKET SUMMARY

CITY OF FORT BRAGG

Market Stability and Performance:

Fort Bragg's retail real estate market has demonstrated steady conditions over the past decade, with total inventory remaining constant at 659,248 square feet from 2014 through 2025 YTD. The market asking rent has gradually increased from \$13.72/SF in 2014 to \$18.43/SF in 2025 YTD, indicating a long-term appreciation in lease values and demand for retail space. Despite fluctuations in net absorption and vacancy over the years, the most recent data (2025 YTD) shows positive signs with 8,400 SF absorbed and just 3,000 SF vacant, translating to a low vacancy rate of 0.5%.

Vacancy and Absorption Trends:

Vacancy has generally trended downward with the highest rate being 5.0% in 2014 (32,733 SF). Vacancy rates have been more commonly between 0.3%–1.7% over the past five years, suggesting a tightening retail market. Notably, 2023 and 2025 YTD both report vacancy rates at or below 0.5%, indicating near-full occupancy. Absorption trends have been variable—positive in years like 2015 (+19,340 SF) and 2017 (+8,309 SF), but also showing negative absorption in years like 2018 and 2024, reflecting temporary contractions in the market.

Construction Activity and Outlook:

Importantly, there has been no new retail space delivered over this period and no square footage currently under construction, which implies limited supply-side growth. Combined with high occupancy rates and rising rents, this constrained supply may continue to support stable or increasing lease rates. The Fort Bragg retail market appears to be maturing, with minimal speculative development and consistent tenant demand maintaining a competitive landscape for retail space.

RETAIL MARKET TRENDS

CITY OF FORT BRAGG

	Inventory SF	Market Asking Rent/SF	Vacant SF	Vacant Percent %	Net Absorption SF	Deliveries SF
2025 YTD	659,248	\$18.43	3,000	0.5%	8,400	-
2024	659,248	\$18.44	11,400	1.7%	(9,576)	-
2023	659,248	\$18.04	1,824	0.3%	1,256	-
2022	659,248	\$17.29	3,080	0.5%	1,844	-
2021	659,248	\$16.49	4,924	0.7%	150	-
2020	659,248	\$15.84	5,074	0.8%	(75)	-
2019	659,248	\$15.49	4,999	0.8%	9,544	-
2018	659,248	\$15.04	14,543	2.2%	(11,343)	-
2017	659,248	\$14.56	3,200	0.5%	8,309	-
2016	659,248	\$14.31	11,509	1.7%	1,884	-
2015	659,248	\$13.99	13,393	2.0%	19,340	-
2014	659,248	\$13.72	32,733	5.0%	(14,689)	-

0.5%

Current Vacancy
Rate

0

SF Under Construction

\$18.43

Current Market Rate
(Cost / SF)



Source: ESRI Business Analyst Online (Accessed May 2025)

MULTI-FAMILY MARKET SUMMARY

CITY OF FORT BRAGG

Tight Rental Market & Limited Supply Growth:

Fort Bragg's current multi-family vacancy rate is just 0.9%, signaling an extremely tight rental housing market. Despite increasing demand, only 93 apartment units have been delivered in the past 10 years—primarily from two developments: The Cottages at Cypress (2014) and The Plateau (2023). The inventory remains small, with only 455 units across 20 buildings, of which 8 are affordable or subsidized.

Rents Are Rising Steadily Above Inflation:

Asking rents have increased from \$879/month in 2014 to \$1,214/month in 2025 YTD, a 38% increase over 11 years. Annual rent growth has remained strong even during economic slowdowns, reflecting structural undersupply and high demand.

Recent Unit Additions Are Not Keeping Pace with Need:

Only two (2) multi-family projects were delivered in the last decade, which is inadequate for meeting the city's housing allocation, which is approximately 263 housing units. The most recent RHNA cycle (6th Cycle: 2021–2029) assigned Fort Bragg multiple income-category targets—including a strong emphasis on very low- and low-income units, which are unlikely to be met under current production trends.

MULTI-FAMILY MARKET TRENDS

CITY OF FORT BRAGG

	Inventory Units	Inventory Avg SF	Asking Rent Per Unit	Vacancy Percent	Absorption Units	Deliveries (Units)
2025 YTD	455	926	\$1,214	0.9%	2	-
2024	455	926	\$1,205	1.3%	3	-
2023	455	926	\$1,177	2.0%	63	68
2022	387	926	\$1,144	0.8%	-	-
2021	387	926	\$1,104	0.5%	-	-
2020	387	926	\$1,065	0.5%	-	-
2019	387	926	\$1,028	0.5%	-	-
2018	387	926	\$996	0.8%	-	-
2017	387	926	\$964	0.8%	-	-
2016	387	926	\$938	1.3%	-	-
2015	387	926	\$897	1.6%	7	-
2014	387	926	\$879	3.6%	19	25

0.9%

Current Vacancy
Rate

20

Apartment Buildings

8

Affordable or Rent
Restricted/Subsidized
Housing Buildings

93

Apt. Units Delivered
(Past 10 Years)



Source: ESRI Business Analyst Online (Accessed May 2025); Two (2) apartment buildings delivered in the past 10 years include The Cottages at Cypress (2014) and The Plateau (2023)

HOSPITALITY MARKET SUMMARY

CITY OF FORT BRAGG

Market Composition and Room Inventory:

Fort Bragg's hotel market is composed of approximately 950 total rooms spread across multiple service levels, with a notable share of economy and midscale segments. Economy hotels consist of 10 properties and 438 rooms, representing 46% of the total market share. Midscale (218 rooms) and upper midscale (199 rooms) together account for another 44%, while upscale and upper upscale hotels comprise just 10% of the total inventory, indicating a value-focused market trade area with limited premium offerings.

Performance by Hotel Tier:

Across all segments in the City, hotel performance is modest and varies by class. Upper upscale hotels achieve the highest ADR at \$209 but maintain only a 59.6% occupancy rate and represent 2% of the market. Upscale hotels show the highest occupancy at 65.2% with an ADR of \$152. Meanwhile, midscale and upper midscale hotels provide balanced performance, with ADRs of \$123 and \$146 respectively, and occupancy ranging from 52.9% to 64%.

Economic and Budget-Oriented Demand:

Economy hotels, though least profitable in rate and occupancy (48.1% and \$99 ADR), comprise most of the local lodging offerings. This concentration reflects a budget-conscious demand base and a lack of investment in higher-tier hotel products. The limited presence of upscale hotels highlights a gap in premium accommodation options that could be leveraged for future development to attract higher-spending visitors.

Aging Infrastructure and Closures:

The average hotel property in Fort Bragg is 67 years old, dating back to around 1958. This aging stock presents both a challenge and an opportunity for reinvestment and modernization. Two (2) bed & breakfast properties have closed in the last six years, according to CoStar, suggesting pressures on smaller, independent lodging providers amid shifting visitor preferences and aging facilities.

HOTEL MARKET TRENDS

CITY TRADE AREA

Fort Bragg Trade Area Overview:

- Variety of Hotel Class Levels
 - Economy – 10 hotels
 - Midscale – 5 Hotels
 - Upper Midscale – 3 Hotels
 - Upscale – 3 Hotels
 - Upper Upscale – 2 Hotels
- Two (2) bed & breakfast hotels are “permanently closed” on CoStar within the past 6 years
- Average age of hotel properties is 67 years (1958)

54.1%

12-Month
Occupancy Rate

950

Total Inventory Rooms
(City Trade Area)

\$123

12-mo ADR



Source: CoStar (Accessed June 2025)



Motel 6



Beachcomber Motel & Spa on the Beach



Harbor Lite Lodge



HOTEL MARKET TRENDS

CITY TRADE AREA

Upper Upscale Summary:

- 12-mo Occupancy Rate: 59.6%
- 12-mo ADR: \$209
- Total Inventory: **16 units** (2% market share)

Upper Midscale Summary:

- 12-mo Occupancy Rate: 64.0%
- 12-mo ADR: \$146
- Total Inventory: **199 units** (21% market share)

Economy Summary:

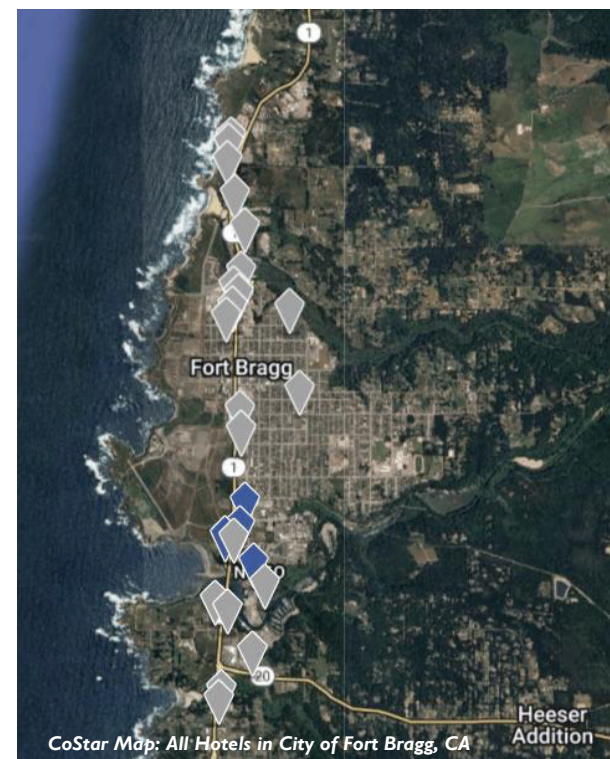
- 12-mo Occupancy Rate: 48.1%
- 12-mo ADR: \$99
- Total Inventory: **438 units** (46% market share)

Upscale Summary:

- 12-mo Occupancy Rate: 65.2%
- 12-mo ADR: \$152
- Total Inventory: **79 units** (8% market share)

Midscale Summary:

- 12-mo Occupancy Rate: 52.9%
- 12-mo ADR: \$123
- Total Inventory: **218 units** (23% market share)



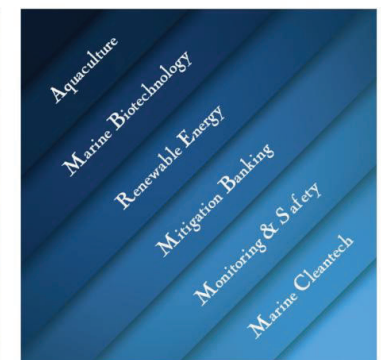
BLUE ECONOMY INITIATIVE

As stated on the City's website:

"Blue Economy is a way of considering economic development and ocean health as compatible. A place where economic activity is in balance with the long-term capacity of ocean ecosystems. It's a fresh, exciting way of looking at everything from traditional marine sectors to new businesses focused on ocean resiliency, and it touches on activities related to climate change, fisheries, aquaculture, renewable energy, tourism and transportation."



ESTABLISHED INDUSTRIES EMERGING INDUSTRIES



BLUE ECONOMY INITIATIVE

Implementing the Blue Economy initiative in Fort Bragg will involve several key economic considerations that will need to be addressed to ensure sustainable growth, job creation, and long-term viability is achieved. Based on Mendocino County's economic development plan (2021), the SOMO Strong 2025 strategy, and Fort Bragg's local demographic and market conditions, here are areas for the City's consideration:

1. Economic Diversification

- City will need to promote diversification in employment (skilled labor, research, fish farming, ecotourism, educators, environmental planners, etc.) to attract a variety of labor and employment opportunities.
- Long term, City can encourage local entrepreneurs to build complementary businesses (marine equipment repair, ecotourism, seafood processing, etc.) and support through business incentive programs.

2. Capital Investment Needs

- Upgrades to harbor facilities are likely needed, including docks, seawalls, and cold storage, to support marine research, aquaculture, and sustainable fisheries.
- Seawater Intake Project may require specific capital for engineering, environmental permitting, and construction to support research and commercial activities; seeking available grant funding should be considered.
- Development or expansion of the Noyo Center for Ocean Science may require additional funding for lab space, exhibition areas, and educational/academic infrastructure.

3. Workforce Development

- There will be a need for trained workers in marine science, aquaculture, research technology, and sustainable fisheries. Programs should be established in partnership with Mendocino College and regional workforce boards.
- Investments in vocational training and partnerships with institutions like Mendocino College or marine-focused universities throughout California can help supply a qualified workforce.

BLUE ECONOMY INITIATIVE

4. Tourism and Education Integration

- Opportunity for creating visitor-facing components (eco-tours, aquariums, educational centers), which can drive revenue and additional public engagement opportunities for local tourism vendors.
- Fort Bragg can brand itself as a leader in marine sustainability, enhancing its identity and attracting educational tourism and conferences.

5. Public and Private Sector Collaboration

- Federal and state blue economy grants, NOAA and EDA support, and California's coastal resiliency funding streams are critical for large-scale capital projects.
- Create incentives (e.g., tax credits, enterprise zones) to attract private capital into aquaculture, ocean tech, and marine biotech ventures.



PLACER.AI VISITOR DATA

CITY OF FORT BRAGG – EDOP



SUMMARY

VISITATION TRENDS

Out-of-Market Visitor Trends:

Fort Bragg experiences spikes in out-of-market visitors during major holiday weekends, particularly July 4th (~32K/day), Labor Day (~21K/day), and Memorial Day (~16K/day). Outside of these peaks, daily visitor numbers trend around 10K–15K, indicating steady tourism alongside seasonal surges. This influx is crucial to the local economy and retail performance during peak seasons.

Boatyard Shopping Center Performance:

The Boatyard Shopping Center attracted approximately 1.3 million annual visits between July 2024 and June 2025, with an average visit frequency of 8.3 per person and a dwell time of 31 minutes. The center draws predominantly local traffic, with 55.5% of visitors coming from within three (3) miles and 62% from Fort Bragg's 95437 zip code. Anchored by Harvest Market and Dollar Tree, it captures daily needs shopping and peaks between noon and 4pm.

Skunk Train & Rail Bikes Attraction:

The Skunk Train & Rail Bikes, a regional tourism draw, saw 52,100 annual visits with peak activity during summer months. Most visitors (74%) traveled over 100 miles, highlighting its draw as a destination attraction.

Average visit length is 40 minutes, and visits have grown by 11.4% year-over-year and 31.8% over two (2) years, showing strong upward growth.

Visitor Trade Area and Overlap:

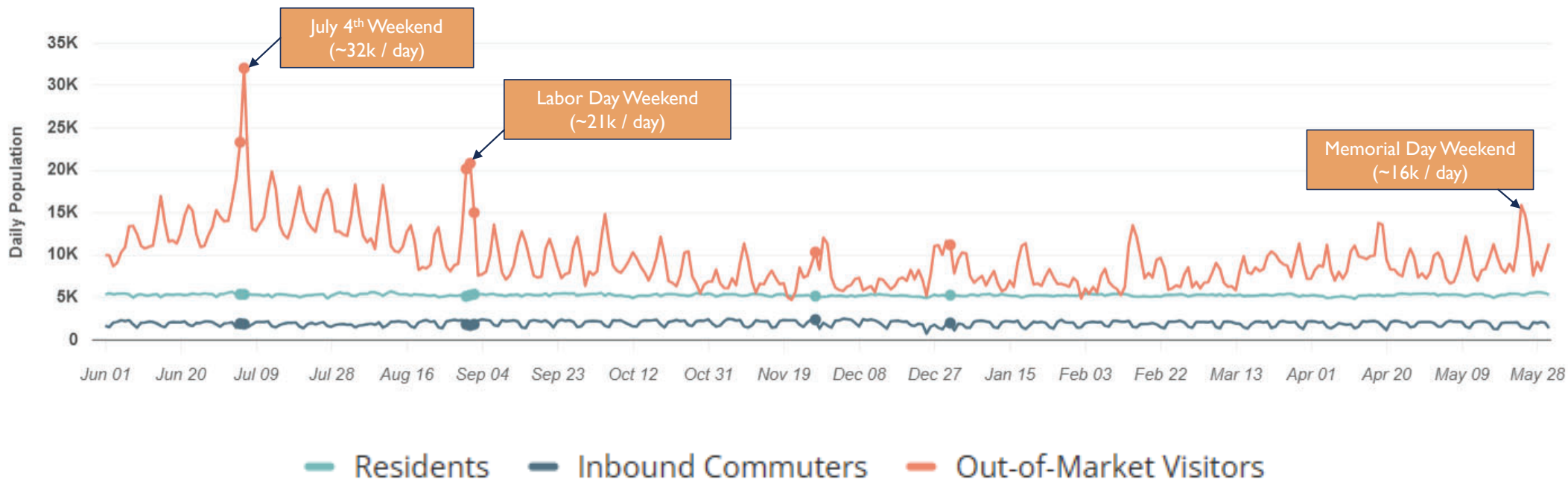
The Boatyard Shopping Center and Skunk Train have overlapping but distinct trade areas, with a shared zone of 5.2 square miles. Boatyard's trade area is larger (14.42 sq mi) and more localized, while Skunk Train's is smaller (8.45 sq mi) but draws from farther distances. This dynamic illustrates the Boatyard's role as a community center versus the Skunk Train's appeal to tourists.

Visitor Behavior and Top Destinations:

Tourists and residents show different destination preferences. Visitors frequent restaurants, fast food outlets, coffee shops (notably Starbucks and Cowlick's), and key attractions like the Skunk Train and Botanical Gardens. Meanwhile, locals patronize grocery stores, pharmacies, and local eateries such as Jenny Giant Burger, A Frame Espresso, and Denny's. These patterns highlight the dual role Fort Bragg plays in serving both everyday needs and tourism-driven experiences.

FORT BRAGG OUT-OF-MARKET VISITOR TRENDS

PREVIOUS 12 MONTHS



BOATYARD SHOPPING CENTER

VISITOR OVERVIEW (7/1/2024 – 6/30/2025)

- Kosmont evaluated visitation trends within the past year to the City's Boatyard Shopping Centers (171-185 Boatyard Dr.), which is a Neighborhood Center.
- From July 1, 2024 to June 30, 2025, Boatyard Shopping Center experienced **~1.3 million annual visits** with an average dwell time of 31 minutes.
- The Boatyard Shopping Center is anchored by a grocery store (Harvest Market) and Dollar Tree. The **Harvest Market is the most often visited retailer in the City** at 68K visits/year followed by Safeway (located on Main Street) at 67k visits/year.
- **55.5% of visitors come from within 3 miles** of the Boatyard Shopping Center demonstrating its strong local service trade area. From a zip code perspective, 62% of visitors come from within Fort Bragg's 95437 zip code.
- The Boatyard Shopping Center sees most of its visitors in the early-afternoon hours (**12pm-4pm**).

Visitor Data

	Boatyard
Annual Visits	1.3 million
Visit Frequency	8.3 visits / year
Visitors	151,300
Avg. Visit Length	31 minutes
Avg. HH Income	\$88K

SKUNK TRAIN & RAIL BIKES

VISITOR OVERVIEW (7/1/2024 – 6/30/2025)

- Kosmont evaluated visitation trends within the past year to one of the City's most popular attractions, Skunk Train & Rail Bikes.
- From July 1, 2024 to June 30, 2025, the Skunk Train experienced **~52,100 annual visits** with an average dwell time of 40 minutes.
- Visits to the Skunk Train on year-over-year basis is up for the past year and two years by 11.4% and 31.8%, respectively.
- Monthly visits were highest during **June, July, and August**. Visits during the summer months can range from 6,200 – 8,600 visits per month.
- 26.2% of visitors come from within 100 miles and **78.6% of visitors come from within 250 miles** to visit Skunk Train showing its strong regional service trade area.
- The Skunk Train sees peak visitation in the late morning until early-afternoon hours (**10am-1pm**), which likely coincides with scheduled departures/reservations.
- Skunk Train visitors' **top booked hotels in the City** were Harbor Lite Lodge, Beachcomber Motel, Holiday Inn Express, and Surf & Sand Lodge.

Source: Placer.ai (Accessed June 2025)



Visitor Data

	Skunk Train
Annual Visits	52,100
Visitors	43,800
Avg. Visit Length	40 minutes
1-yr YoY visitor change	+11.4%
2-yr YoY visitor change	+31.8%

VISITOR COMPARISON

DISTANCE ANALYTICS

Distance from Home Area (Boatyard Center)

Distance	Visits	Percentage
0 - 3 Miles	695,300	55%
3 - 7 Miles	161,447	13%
7 - 10 Miles	51,500	4%
10 - 30 Miles	98,427	8%
30 - 50 Miles	43,383	3%
50 - 100 Miles	45,243	4%
100+ Miles	163,718	13%

Top 5 Home Locations (Zip Codes)

Zip Code	City	Visits
95437	Fort Bragg	783,075
95460	Mendocino	110,231
95456	Little River	22,481
95410	Albion	20,413
95490	Willits	20,194

Distance from Home Area (Skunk Train)

Distance	Visits	Percentage
0 - 3 Miles	5,095	10%
3 - 7 Miles	1,813	3%
7 - 10 Miles	79	0%
10 - 30 Miles	1,275	2%
30 - 50 Miles	1,349	3%
50 - 100 Miles	4,101	8%
100+ Miles	38,472	74%

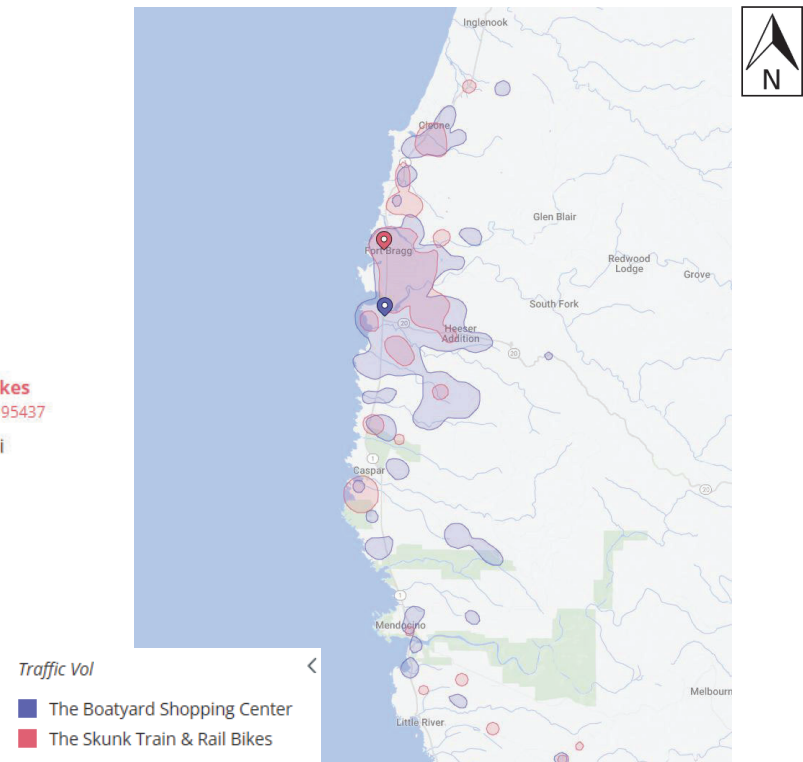
Top 5 Home Locations (Zip Codes)

Zip Code	City	Visits
95437	Fort Bragg	5,596
95460	Mendocino	1,108
95490	Willits	836
95482	Calpella	679
95991	Yuba City	589

TRADE AREA COMPARISON

TRADE AREA ANALYTICS

Overlapping Trade Area: 5.2 sq. mi.

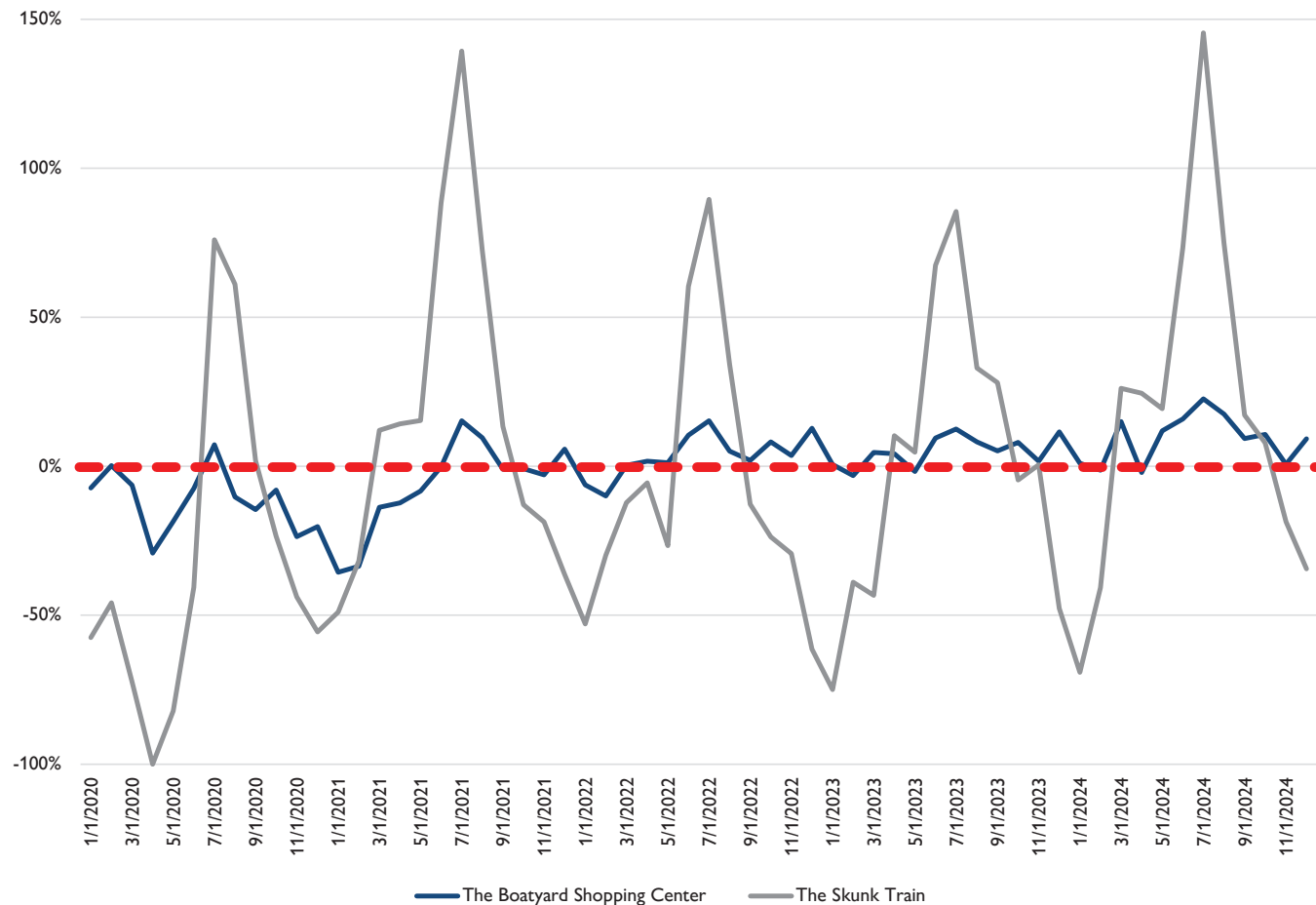


Source: Placer.ai (Accessed July 2025)

Notes: Considers a minimum of 3 visits by visitors to the Boatyard Shopping Center and Skunk Train over the last year. True trade area represents 70% of all visits to location.

HISTORICAL VISITOR TRAFFIC BY MONTH

BOATYARD SHOPPING
CENTER AND SKUNK
TRAIN (2020-2024)



VISITORS (FORT BRAGG)

TOP VISITED PLACES – PLACER.AI

Location	City	Dist. (miles)	% of Visitors
Restaurants			
Fort Bragg Bakery	Fort Bragg	1.7	6%
Overtime Brewing	Fort Bragg	2.1	5%
Mendocino Cafe	Mendocino	8	3%
Slam Dunk Pizza	Ukiah	36.8	3%
Fast Food / QSR			
McDonald's	Fort Bragg	0.2	29%
Taco Bell	Fort Bragg	0.8	20%
In-N-Out Burger	Ukiah	36.3	20%
McDonald's	Willits	24.5	17%
Bear's Pizza and More	Fort Bragg	0.1	12%

Location	City	Dist. (miles)	% of Visitors
Breakfast / Coffee / Dessert Shops			
Starbucks	Fort Bragg	1	26%
Cowlick's Ice Cream Cafe	Fort Bragg	1.6	15%
A Frame Espresso	Fort Bragg	0.3	13%
Starbucks	Willits	24.3	8%
Starbucks	Ukiah	36.2	7%
Grocery Stores			
Harvest Market IGA	Fort Bragg	0	45%
Safeway	Fort Bragg	0.9	44%
The Harvest Market	Mendocino	7.9	16%
Safeway	Willits	24.4	14%
Raley's	Ukiah	36.4	13%



Sources: Placer.ai; Percentage reflects the percentage of visitors of Fort Bragg who visited each location from 7/1/2024 – 6/30/2025. (Accessed July 2025);

VISITORS (FORT BRAGG)

TOP VISITED PLACES – PLACER.AI

Location	City	Dist. (miles)	% of Visitors
Attractions / Entertainment			
Coast Cinemas	Fort Bragg	1.4	8%
The Skunk Train & Rail Bikes	Fort Bragg	1.7	7%
Regal Ukiah	Ukiah	37.3	5%
Mendocino County Fairgrounds	Boonville	37.2	4%
Little River Inn Golf & Tennis	Little River	10.3	4%
Nature / Landmarks			
Mendocino Coast Botanical Gardens	Fort Bragg	1	13%
Noyo Headlands Park	Fort Bragg	0.8	9%
Pomo Bluffs Park	Fort Bragg	0.6	7%
Friendship Park	Mendocino	7.8	7%
Todd's Point	Fort Bragg	0.6	7%

Location	City	Dist. (miles)	% of Visitors
Hotels			
Harbor Lite Lodge	Fort Bragg	0.5	7%
Motel 6 Fort Bragg	Fort Bragg	1.2	7%
Robinson Rancheria Resort & Casino	Nice	53.1	6%
Surf Motel & Gardens	Fort Bragg	0.1	5%
Oceanside Inn and Suites	Fort Bragg	2.1	5%
Budget Accommodations / Inns			
Beachcomber Motel	Fort Bragg	2.7	10%
Super 8 by Wyndham Fort Bragg	Fort Bragg	0.6	6%
The Beach House Inn	Fort Bragg	2.4	2%



Sources: Placer.ai; Percentage reflects the percentage of visitors of Fort Bragg who visited each location from 7/1/2024 – 6/30/2025. (Accessed July 2025);

RESIDENTS & EMPLOYEES (FORT BRAGG)

TOP VISITED PLACES – PLACER.AI

Location	City	Dist. (miles)	% of Visitors
Restaurants			
Jenny Giant Burger	Fort Bragg	2.2	66%
Denny's	Fort Bragg	2.2	64%
Taqueria Ricarda	Fort Bragg	1.5	32%
Egghead's Restaurant	Fort Bragg	1.6	31%
Taqueria Los Primos	Fort Bragg	1.7	31%
Fast Food / QSR			
McDonald's	Fort Bragg	0.2	82%
Taco Bell	Fort Bragg	0.8	75%
Bear's Pizza and More	Fort Bragg	0.1	49%
SUBWAY	Fort Bragg	0	40%
In-N-Out Burger	Ukiah	36.3	38%

Location	City	Dist. (miles)	% of Visitors
Breakfast / Coffee / Dessert Shops			
Starbucks	Fort Bragg	1	71%
A Frame Espresso	Fort Bragg	0.3	57%
Cowlick's Ice Cream Cafe	Fort Bragg	1.6	29%
Starbucks	Willits	24.3	26%
Mara's Coffee House	Fort Bragg	0.9	17%
Grocery Stores			
Safeway	Fort Bragg	0.9	94%
Harvest Market IGA	Fort Bragg	0	90%
The Harvest Market	Mendocino	7.9	49%
Purity Supermarket	Fort Bragg	1.6	42%
Albion Grocery	Albion	13.8	27%



Sources: Placer.ai; Percentage reflects the percentage of residents and employees who work in Fort Bragg and who visited each location at least 3 times from 7/1/2024 – 6/30/2025. (Accessed July 2025);

RESIDENTS & EMPLOYEES (FORT BRAGG)

TOP VISITED PLACES – PLACER.AI

Location	City	Dist. (miles)	% of Visitors
Attractions / Entertainment			
Figueiredo's Video Movies	Fort Bragg	1.5	23%
Noyo Center For Marine Science	Fort Bragg	1.7	18%
Mendocino County Fairgrounds	Boonville	37.2	18%
Guest House Museum	Fort Bragg	1.7	9%
The Skunk Train & Rail Bikes	Fort Bragg	1.7	9%
Fitness			
CV Starr	Fort Bragg	1.4	26%
Noyo Harbor	Fort Bragg	0.4	13%
Fort Bragg Coastal Trail	Fort Bragg	2.2	10%
Mendocino Sports Club	Fort Bragg	0.9	9%
Fort Bragg Noyo Harbor	Fort Bragg	0.9	6%

Location	City	Dist. (miles)	% of Visitors
Superstores			
Walmart	Ukiah	38.2	60%
Costco Wholesale	Ukiah	38.4	53%
Costco Wholesale	Santa Rosa	90.8	21%
Walmart	Windsor	82.4	18%
Walmart	Rohnert Park	93.5	11%
Pharmacies / Drugstores			
CVS/pharmacy	Fort Bragg	1.4	78%
Rite Aid	Fort Bragg	1.1	76%
Rite Aid	Willits	24.6	4%
Walgreens	Eureka	95.6	3%
CVS/pharmacy	Eureka	96.1	3%



Sources: Placer.ai; Percentage reflects the percentage of residents and employees who work in Fort Bragg and who visited each location at least 3 times from 7/1/2024 – 6/30/2025. (Accessed July 2025);

OPPORTUNITY SITE ASSESSMENT

CITY OF FORT BRAGG – EDOP

CITY LAND USE & ZONING MAP

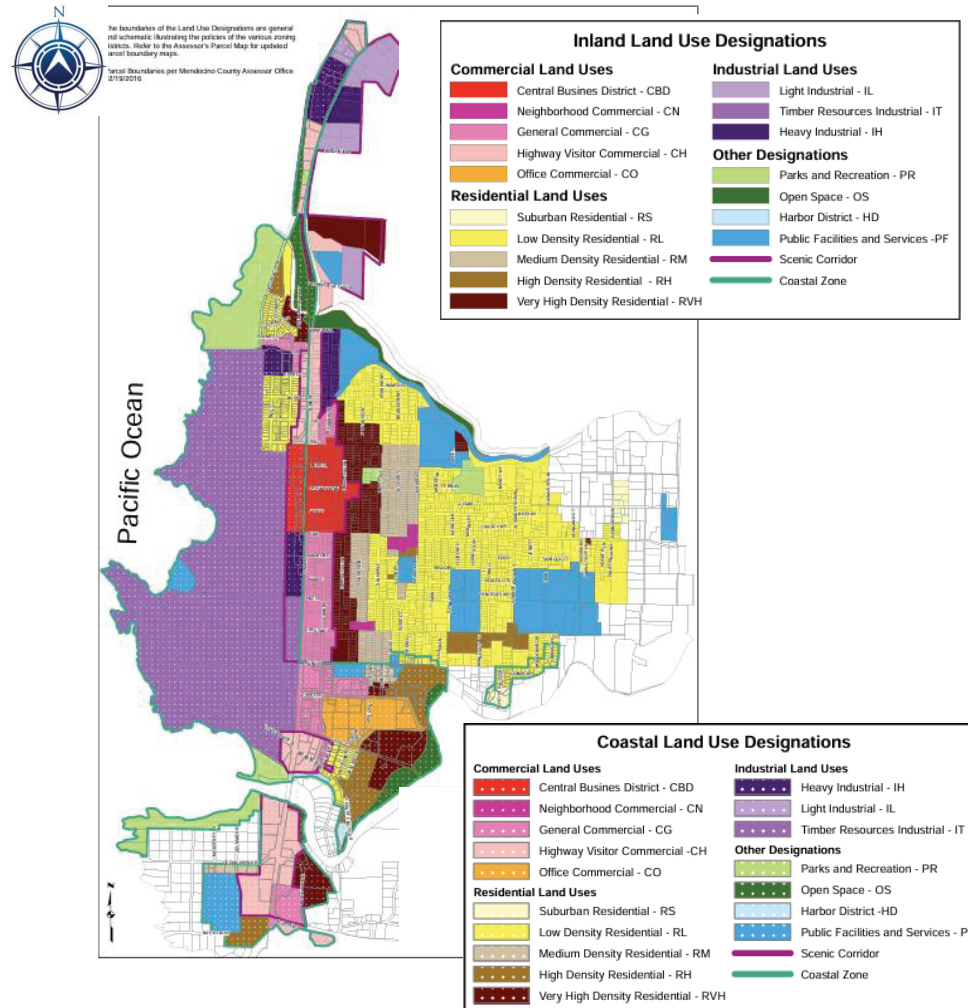
Using findings from the market analysis as a basis for future development potential, a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis was completed on one (1) opportunity site – the former Georgic-Pacific Mill Site (“Site”). Additionally, Kosmont references the Illustrative Plan of the Mill Site completed by Hornberger+Worstell in February 2025 as a baseline for the SWOT analysis.

The entire opportunity site was divided into two (2) geographic areas: Northern and Southern. Kosmont evaluated the southern portion of the Site. Although other opportunity sites may exist throughout the City, the City has aimed at identifying the Mill Site as the greatest near-term opportunity for generating economic development growth in Fort Bragg given its size, location, and opportunity value.

The opportunity site fell within three (3) current zoning designations: Timber Resources Industrial (IT), Parks and Recreation (PR), and Public Facilities and Services (PF).



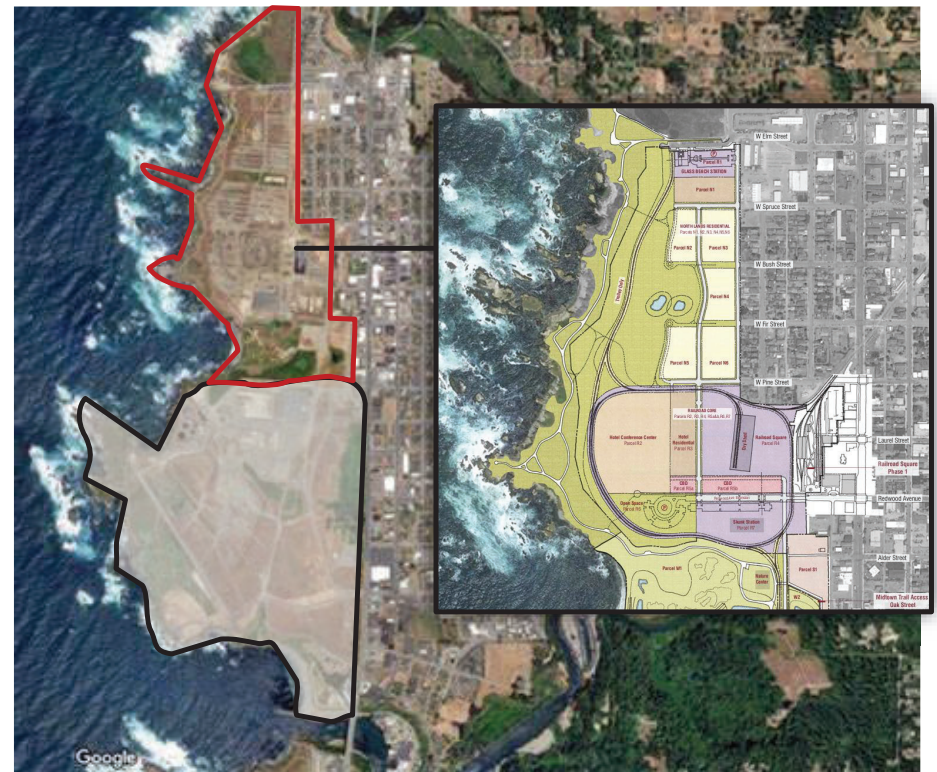
Source: City of Fort Bragg Land Use and Zoning Map



FORMER GEORGIA-PACIFIC MILL SITE

OVERVIEW OF ILLUSTRATIVE PLAN

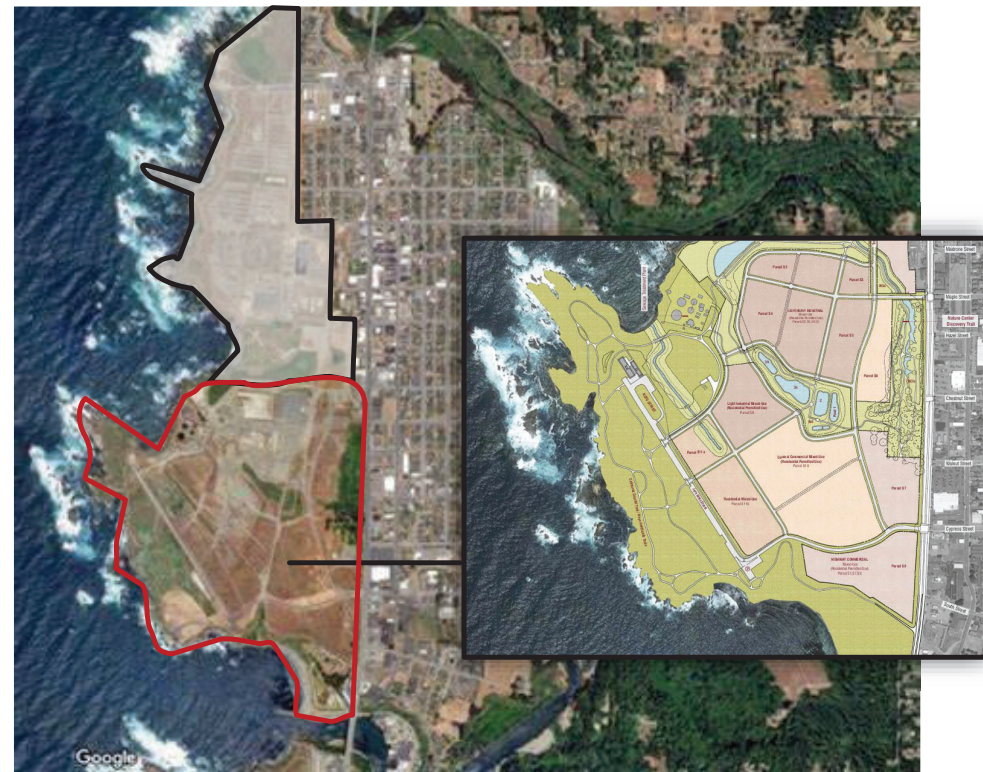
- Preliminary Illustrative Plan (Northern):
 - Zone for residential uses
 - Zone for mixed-use residential in central portion of district
 - Extend Central Business District (CBD)
 - Create zone for hotel and conference center
 - Railroad Square / Skunk Station
 - Glass Beach Station



FORMER GEORGIA-PACIFIC MILL SITE

OVERVIEW OF ILLUSTRATIVE PLAN

- Preliminary Illustrative Plan (Southern):
 - Comprised of 192.5 acres of the entire Mill Site
 - Zone for Light and Heavy Industrial
 - General Commercial and Mixed-Use zoning
 - Residential Mixed-Use
 - Noyo Center
 - Variety of open space including Nature Center



FORMER MILL SITE (SOUTHERN SECTION)

AREA PROFILE:

- APN: 018-120-50, 018-040-61, 018-430-22, 018-430-21, 018-430-15, 018-010-67, 018-020-01, 018-030-45, 008-171-07, 008-020-19
- Size: Approx. ten (10) developable parcels
- Current Zoning: Timber Resources Industrial (IT), Parks and Recreation (PR), and Public Facilities and Services (PF).
- Current Use/Status: Property remains vacant and is privately owned by Sierra Northern Railway; Preliminary plans for the Site include commercial, industrial and residential development.
- Access: The parcel is located along Shoreline Hwy. / Main St. Traffic counts range from ~14,600 VPD at the intersection of Alder St. / Main St. and ~24,300 VPD at the intersection of South St. / Main St.



MILL SITE OPPORTUNITY AREA

SWOT ANALYSIS

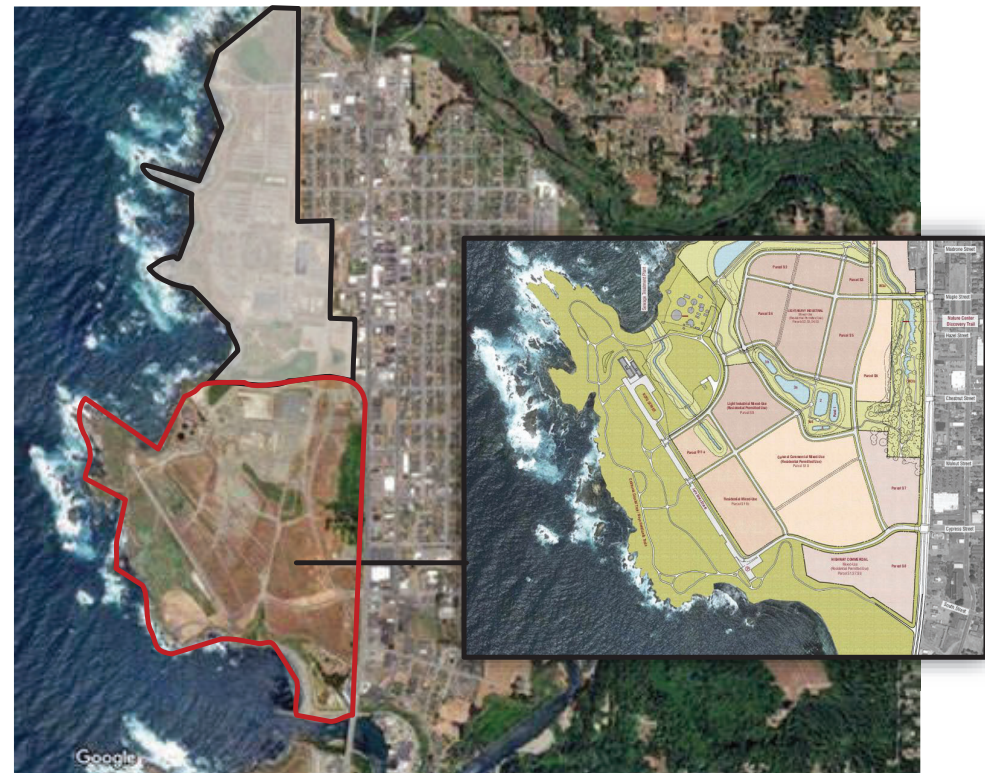
STRENGTHS, WEAKNESSES, OPPORTUNITIES, & THREATS (“SWOT”) ANALYSIS	
STRENGTHS	<ul style="list-style-type: none"> - Situated along the Pacific Ocean with coastal views, ideal for tourism-driven and recreational development. - Encompasses ~192.5 acres, offering large-scale master-planning opportunities with ten developable parcels. - Alignment with citywide development goals under Fort Bragg's Mill Site Rezoning Project and supported by economic development strategies (SOMO Strong 2025).
WEAKNESSES	<ul style="list-style-type: none"> - On-site and adjacent infrastructure and buildings will require renovation or upgrading. - Large site will require significant capital cost and a long-term phasing approach
OPPORTUNITIES	<ul style="list-style-type: none"> - Fort Bragg's 0.5% retail vacancy rate and lack of new development in 10+ years present a major opportunity to create year-round tourist and local-serving retail nodes on the site. - Opportunity to introduce boutique hotels or eco-lodges along the scenic coastline, supported by existing tourism and demand for rebranded aging properties. - With a 0.9% multifamily vacancy rate and only 455 total units in the area, there is demand for new residential units. - Developing mixed-use housing can increase local population and support workforce expansion. - Capitalize on regional initiatives such as the Noyo Center for Ocean Science and the Fort Bragg Food Products Incubator by incorporating eco-industrial, marine research, or sustainable food production elements into the Mill Site. - Position the Mill Site as a model for climate-resilient coastal development, integrating sea-level rise adaptation strategies and public open space (including a Nature Center). - Leverage partnerships with the Fort Bragg Home & Community Land Trust to develop affordable housing and training programs to support economic inclusion.
THREATS	<ul style="list-style-type: none"> - Potential regulatory hurdles tied to environmental protections, sea-level rise, and coastal commission oversight. - Possible workforce shortages in construction or specialty industries may delay implementation or increase costs. - Fort Bragg's small and localized economy may limit the absorption of large-scale commercial or residential product without phased rollout or strategic partnerships. - Existing utilities and access roads may require significant upgrades, potentially raising development costs.

FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

The City is currently undergoing a comprehensive planning and rezoning effort to envision the redevelopment opportunities for the former Georgia-Pacific Mill Site (“Mill Site”). Comprised of 192.5 acres of the entire Mill Site, the following preliminary illustrative plan (see map) highlights the development potential and vision for the southern portion:

- Zone for Light and Heavy Industrial
- General Commercial and Mixed-Use zoning
- Residential Mixed-Use
- Noyo Center
- Variety of open space including Nature Center

Its strategic location on the Pacific Ocean, combined with the City's commitment to forward-thinking planning efforts such as the Mill Site rezoning effort and Blue Economy initiatives, positions Fort Bragg to leverage this asset as a driver of long-term economic growth, sustainability, and community enhancement.



FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

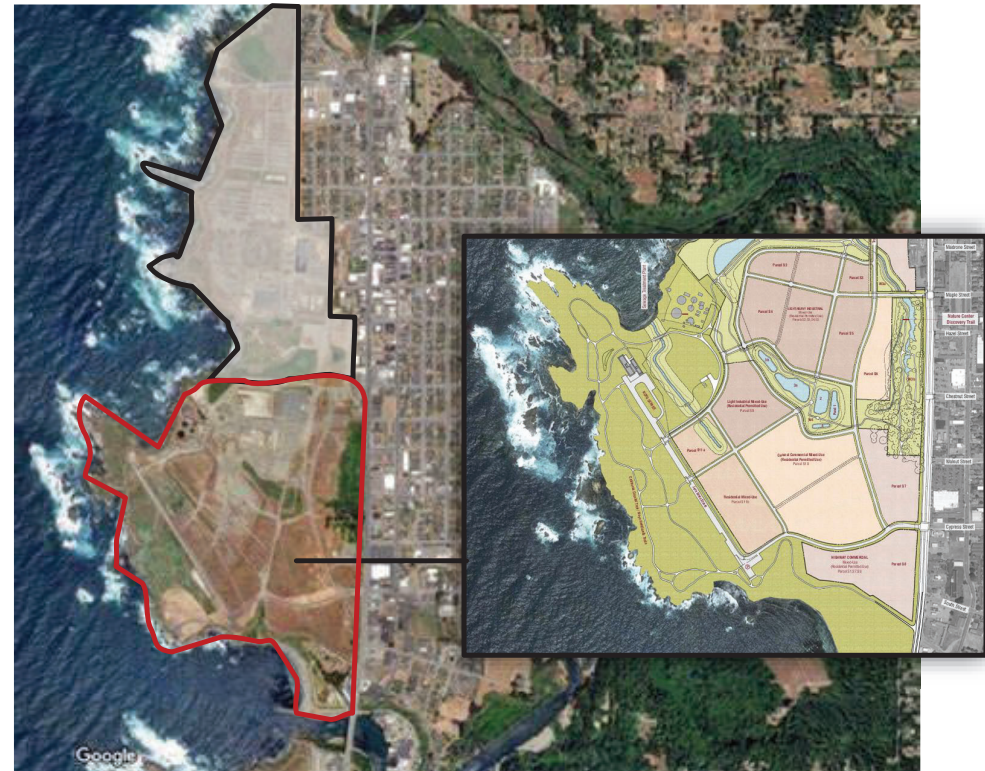
Overview of Mill Site Strategies:

Given the site's size, it offers the prospect for a transformative, mixed-use development that can attract talent and higher income individuals looking to take advantage of the City's lower cost of living and beautiful location.

With the City's demographic and market fundamentals in mind, the following are four (4) key areas/strategies for the City's consideration as it seeks to redevelop the Mill Site.

1. Tourism/Hospitality and Retail Development

- The Mill Site's scenic coastal frontage is an ideal setting for boutique hotels, eco-lodges, and tourism-driven retail and dining that can attract a broader visitor population from beyond the current 250-mile trade area.
- Additionally, with seasonal visitation among boomers and middle-income families, there's a unique opportunity to expand year-round amenities that attract a wider variety visitor income levels while improving the City's overall retail and dining offerings for its current resident population.
- As population grows, new retail / entertainment / attraction offerings may be viable, which are more likely to support the interests of year-round tourists and young professionals / skilled labor relocating to the City.



FORMER GEORGIA-PACIFIC MILL OPPORTUNITY SITE

2. Mixed-Use and Residential Growth

- With only 455 total multifamily units in the area and a less-than-one-percent (>1%) vacancy rate, demand for new residential options is high. Introducing mixed-use housing on the site can support local workforce retention, attract new residents, and boost overall economic activity through additional property taxes and population growth. Similarly, for-sale development could provide opportunities for home ownership among a wider demographic (e.g., young professionals, families, and retirees) that are seeking permanent residency as part of long-term growth in expanding industries associated with the Blue Economy initiatives spearheaded by the City.

3. Innovation and Sustainability Leadership

- The City can establish the Mill Site as a model for climate-resilient coastal development, incorporating features like the Noyo Center for Ocean Science, sustainable food/fishery production, and open space for public use. The site can also serve as a hub for eco-industrial and marine research initiatives, reinforcing Fort Bragg's role in California's Blue and Green Economy.

4. Local Partnerships and Economic Inclusion

- By collaborating with organizations such as the Fort Bragg Home & Community Land Trust, the City can integrate affordable housing and job training programs into the development plan. These efforts will foster local inclusion, address housing needs, and enhance community well-being.

ECONOMIC DEVELOPMENT TOOLS

CITY OF FORT BRAGG – EDOP

EMBRACING A DIGITAL AND GREEN ECONOMY

PATHWAYS TO ECONOMIC DEVELOPMENT

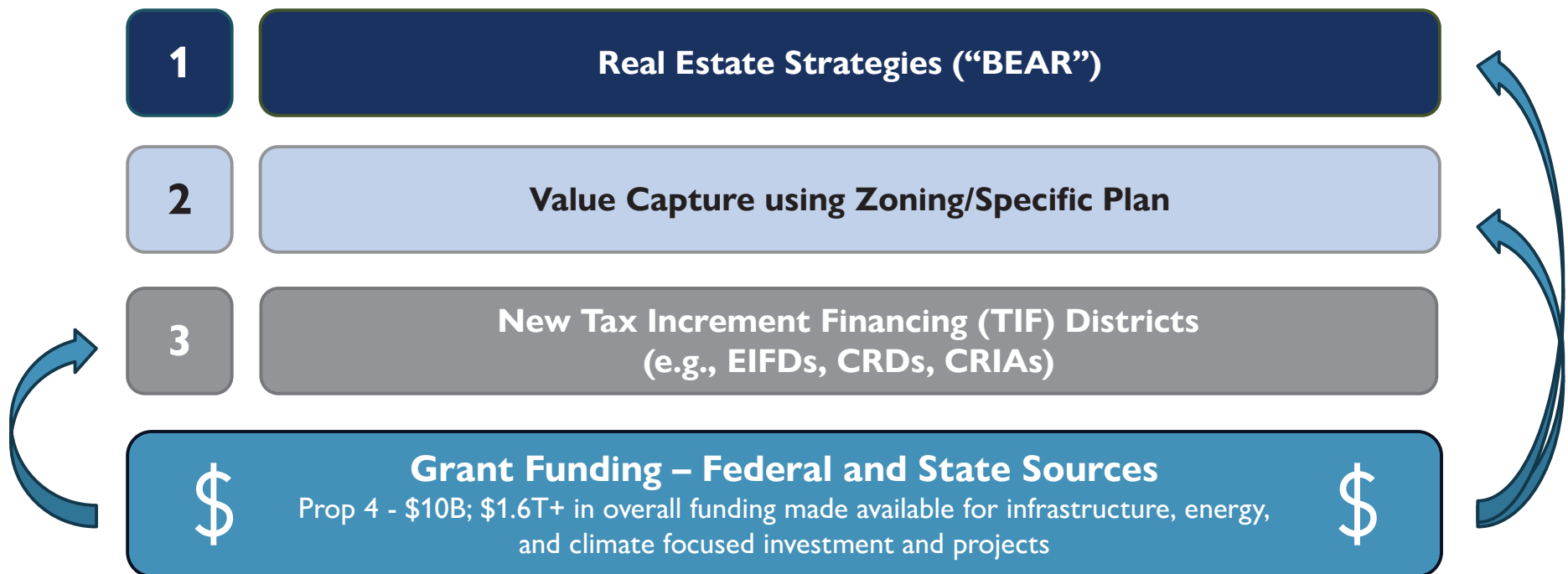
The **New Economic Development** should:

- Capitalize on **consumer preferences and ‘spend’ / work patterns** (digital shopping, delivery, remote work).
- Induce private investment in **projects that meet consumer demand and elevate community quality of life** (e.g., generate trips that induce sales)
- Embrace **Sustainability and Technology** as priorities and preferences for a growing younger consumer base.
- Maximize **housing as an engine** for vibrant, community-centered economies as constituents prefer to live and invest locally.
- Prioritize/target **funding sources for housing/infrastructure and climate**



ECONOMIC DEVELOPMENT STRATEGIES

ROADMAP



REAL ESTATE STRATEGIES FOR PRIVATELY-OWNED PROPERTY

“BEAR” = BUSINESS EXPANSION, ATTRACTION, AND RETENTION

The **BEAR strategy** focuses on the City of Fort Bragg being pro-active about messaging its overall business-friendliness to the broker, developer, and retailer/tenant community. It is critical for the City to monitor its current assets while maintaining an eye toward the future. Whether it's redevelopment, new development, addressing vacancies, or attracting new tenants/retailers to the area, the City must be pro-active in advancing its overall economic development goals while other initiatives are simultaneously underway. Examples of BEAR activities include the following:

- **Property Owner Outreach** – collaborate with property owners to understand their plans for properties, challenges that they face with development, and opportunities that may align with economic development goals. Regularly contact the top Sales Tax generators / employers / suppliers.
- **Rehabilitation / Renovation** – encourage rehabilitation and/or renovation of facilities, signage or store-front facades; can include public programs such as façade improvement loans / grants, or assisting with identifying other sources of funding.
- **Marketing** – Highlight the City as a business-friendly destination with community assets, talented workforce, and success stories.
- **Outreach** – Conduct targeted outreach to developers, businesses, and brokers with opportunity site marketing collateral, correspondence, meetings / site tours, and participation at industry events (e.g., ICSC).
- **Public-Private Partnerships (P3)** – Enter into formal partnerships with property-owners that commit City resources to fund improvements (e.g., infrastructure) that will advance both the property owner's goals for development and the City's goals for economic development.

ECONOMIC DEVELOPMENT (BEAR CONT'D)

BUSINESS INCENTIVE PROGRAMS

There are a wide range of business and economic development incentive programs utilized by communities across the State. The City can create such a program, but first it is important to set specific goals (e.g. assist small business, expand job creation, attract major tax generator, attract specific type of development) and create a system to measure the success of each initiative.

Cost and method of implementing these program can vary, including job credits, façade improvements for local businesses and infrastructure development/repair, which are typically out of pocket costs. While tax sharing agreements and fee waivers can be utilized to catalyze development and are typically offset by new development tax revenues. It will be imperative for the City to maintain a pro-active partnership with the local business community (i.e., Chamber, union, trades, corporate, mom-and-pop, etc.) to ensure needs are understood and the City is able to facilitate direction of funds, remedies, or incentives to the business partner.

Examples of incentives include:

- Façade improvement program
- Infrastructure investment
- Tax sharing agreements / tax abatements
- Efficient permitting
- Job tax credits / Workforce training
- Fee waivers / deferrals in targeted areas

ECONOMIC DEVELOPMENT STRATEGIES

SUCCESSFUL “BEAR” PROGRAMS

City of Indian Wells

Project: Retail Recruitment Services

Objective: Attract grocer to fill major vacancy

Outcome: Filled a large vacant building with a Sprouts Farmers Market using visitor data analytics, relationships and ICSC Conference

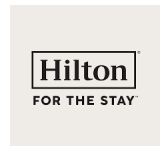


City of Norwalk

Project: Retail Recruitment Services

Objective: Solicit interest from hotels and restaurants for new developments within the City of Norwalk

Outcome: Successful introductions and continued outreach at ICSC Conference to achieve interest from hotels (e.g., Marriott expressed strong interest) and restaurants, including Darden Restaurants (Olive Garden, LongHorn Steakhouse, Yard House)



City of Carson

Project: Business Incentive Program

Objective: Identify ways to support local businesses with improving storefronts/facades to attract new visitors along major commercial corridors

Outcome: Through the program, tenants and/or property owners may qualify for a reimbursement grant of \$2,500 to \$25,000 for storefront aesthetic improvements



VALUE CAPTURE ZONING (VCZ)[™] FOR COMMUNITY BENEFITS

Zoning and Entitlements can create value that can be captured

Don't just give that value away by assigning density to specific properties – **capture that value as currency** to support your community via amenities & benefits.

**Create the
Zoning**

In higher-demand Areas

**Bank the
Zoning**

*In a DOR[®] BANK
“reserve bucket”*

**Trade the
Zoning**

*To projects for community
benefits / amenities /
infrastructure / fees*

MECHANICS OF IMPLEMENTING VCZ™

CAPTURING VALUE THROUGH ZONING



Step 1:

City creates density for target areas via planning process

Step 2:

Density in D.O.R.

Step 3:

Project requests density from DOR® BANK ("zoning bank account")

Step 4:

City withdraws & assigns density if project delivers amenities or infrastructure and/or fees through a Development Agreement

HOW ARE CITIES USING VALUE CAPTURE ZONING™?

VALUE CAPTURE ZONING™ STRATEGY:

BUELLTON

DEVELOPMENT OPPORTUNITY RESERVE (DOR)®

The City of Buellton included a DOR® tool in its Avenue of the Flags Specific Plan to encourage development in the downtown area and create a vibrant main street.

DOR® tool trades zoning incentives (*density, building heights, parking, setbacks, fees, etc.*) to projects that deliver community amenities, infrastructure, or other benefits.



VALUE CAPTURE ZONING™ STRATEGY:

HERMOSA BEACH

LAND VALUE RECAPTURE PROGRAM

City council recently approved a land value recapture program to recover & reinvest land value increases via new approved residential zoning for redevelopment in the City's commercial districts.

Market-rate housing developments will be required to pay **\$76 - 104 per square foot to a Hermosa Beach fund** that aims to support development of affordable housing.

The following communities have implemented or are considering Value Capture Zoning™ / DOR®:

- El Monte
- Temecula
- Palmdale
- Buellton
- Placentia
- Burbank
- Seaside
- Jurupa Valley
- Scotts Valley
- Hermosa Beach

WHAT IS A TAX INCREMENT FINANCING (TIF) DISTRICT?

TIF Fundamentals

TIF is a method of capturing increased property tax revenue from new development or property value increases within a designated area to fund public improvements or those that implement public policy, such as housing.

How it Works

As private property investment occurs, the resulting increase in property tax revenue is deposited into a separate TIF fund and used to pay for public improvements within a district.

TAX INCREMENT FINANCING (TIF) TOOLKIT

**Enhanced
Infrastructure
Financing District
(EIFD)**

*Most flexible, most
widely used*

**Climate Resilience
District
(CRD)**

*NEW - focus on climate
related mitigations &
infrastructure*

**Community
Revitalization
& Inv.
Authority
(CRIA)**

*More emphasis on
affordable housing (25% set-
aside)*

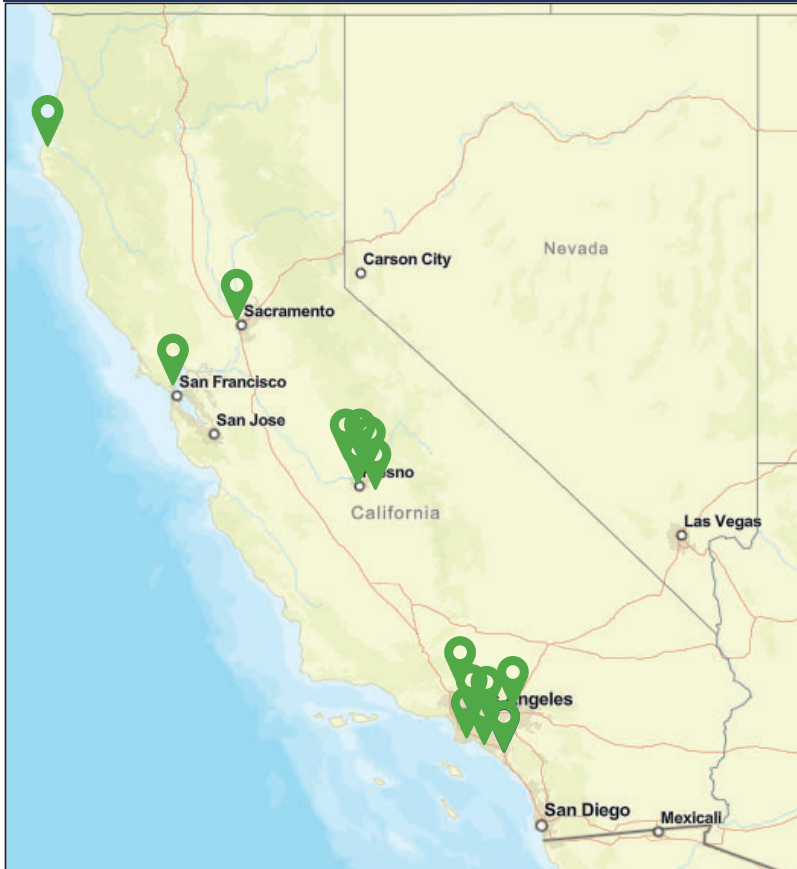
TIF Districts can elevate eligibility for State funding

WHY PUBLIC AGENCIES AUTHORIZE TIF DISTRICTS

1. Return on Investment (“ROI”): Private sector investment induced by district commitment on a “but for” basis accelerates growth of **net fiscal revenues, job creation, housing production, essential infrastructure improvements**
2. Ability to attract additional funds / other public money (“OPM”) – tax increment from other entities (county, special districts), federal / state grants / loans (e.g., for TOD, water, housing, parks, remediation)

TIF PROGRESS STATEWIDE

PARTIAL LIST OF FULLY FORMED TIF DISTRICTS



Jurisdiction	Purpose
Carson + L.A. County	Remediation, affordable housing, recreation
Covina	Downtown housing and blended use supportive infrastructure
Fresno	Downtown, housing and transit-supportive infrastructure
Humboldt County	Coastal mixed-use and energy supportive infrastructure
La Verne + L.A. County	Housing and transit-supportive infrastructure
Lakewood + L.A. County	Mall reimagination, smart streets, affordable housing
Los Angeles County West Carson	Housing / bio-science / tech infrastructure
Madera County (3 Districts)	Water, sewer, roads and other housing infrastructure
Napa	Downtown, housing, tourism supportive infrastructure
Palmdale + L.A. County	Housing, blended use, transit infrastructure
Placentia + Orange County	Housing and TOD infrastructure
Rancho Cucamonga	Blended use and connectivity infrastructure
Sacramento County (Unincorporated)	Industrial / commercial supportive infrastructure
Sanger	Commercial, hospitality, supportive infrastructure
Yucaipa	Housing and commercial infrastructure

GRANTS AND OTHER PUBLIC FUNDING

- There is a wide variety of grant programs and funding sources available through the state and federal government.
- New grant programs are added every year, many with a focus on housing, street signage improvements, revitalization, and climate resiliency.
- Cities should periodically review available grant sources and pursue grants that align with the City's economic development goals (a grant-writing firm can provide assistance if the City's internal resources are limited).

Recent Economic Development & Climate Grant / Funding Programs

- Regional Early Action Planning (REAP)
- Local Early Action Planning (LEAP)
- Infill Infrastructure Grants (IIG)
- Affordable Housing and Sustainable Communities (AHSC)
- Community Economic Resilience Fund (CERF)
- Multifamily Housing Program (MHP)
- ICARP Regional Resilience Grant Program (RRGP)
- Infrastructure State Revolving Fund (ISRF)
- Homeless Housing, Assistance, and Prevention (HHAP)
- Infrastructure State Revolving Fund (ISRF)
- Coastal Conservancy Grants
- Adaptation Planning Grant Program (APGP)
- Strategic Growth Council grants
- Infrastructure Investment and Jobs Act (IIJA)



CITY OF FORT BRAGG

ECONOMIC DEVELOPMENT OPPORTUNITIES PLAN

AUGUST 2025