



COUNTY OF MONTEREY

Countywide Comprehensive Economics Development Strategy: 2021–2026

YEAR 1 UPDATE (2021 – 2022)

JUNE 27, 2023

ACKNOWLEDGEMENTS

COMMISSIONED BY THE COUNTY OF MONTEREY



Monterey County is located on the Central Coast of California just south of the Bay Area, about 45 miles from San Jose, and 106 miles from the City of San Francisco. The rich Salinas Valley extends through the heart of the County, making Monterey the third largest agricultural county in California. The County also offers the longest coastline of any California county and attracts more than 3 million visitors annually to destinations such as Fisherman's Wharf, the Cannery and the Monterey Bay Aquarium. As a subdivision of the state, the County is charged with providing numerous services that affect the lives of all residents, including law enforcement, tax collection, public health protection, public social services, elections, and flood control.

PREPARED BY:



National Development Council

Established in 1969, the National Development Council (NDC) plays an integral role in shaping strategies and setting the standards of excellence in the practice of economic development, affordable housing, and community development. NDC's mission is to direct capital to support the development and preservation of affordable housing, create jobs and wealth through small business lending, advance livable communities with social infrastructure investment, and build capacity with hands-on technical assistance to local governments.



CVL Economics

CVL Economics is a Los Angeles-based economic consulting firm committed to rethinking, reframing, and redefining the future of equitable development. Founded in 2021, CVL Economics partners with communities, municipalities, organizations, and institutions to navigate rapidly shifting economic conditions through bold action. By employing advanced data analytics and rigorous qualitative methods, CVL Economics delivers insights that drive economic and workforce development decision-making.

Note: All figures and tables that appear throughout this document are based on the most recent data available at the time of analysis.



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INTRODUCTION

In June 2021, the County of Monterey released the *Countywide Comprehensive Economic Development Strategy (CEDS): 2021-2026*. The County must prepare a new CEDS at least every five years for local communities and organizations to qualify for U.S. Economic Development Administration (EDA) funding. More broadly, the CEDS development process provides a vehicle for regional stakeholders — including but not limited to community-based organizations, nonprofits, organized labor, local governments, academic institutions, and private industry — to chart a path towards greater economic wellbeing. This document serves as the first official update to the economic analysis conducted in the most recent CEDS. The *Year 1 Update* presents new data analysis to provide a snapshot of the current economic landscape across the County and to inform near-term economic development planning.

Work on the *Year 1 Update* began in the fall of 2022 with the establishment of the County's new Economic Development Committee, which comprises members from the public, private, and nonprofit sectors as well as representatives from target industries (Figure 1). In collaboration with the County, the National Development Council and CVL Economics identified additional stakeholders to interview over the course of the project to gain broader insights into challenges, needs, and priorities across multiple economic dimensions. The County also convened four focus groups on topics warranting deeper discussion: Technology and Innovation, Workforce Development, Tourism & Hospitality, and Agriculture.

These conversations helped refine the nature of the quantitative analysis and look to indicators that best reflected on-the-ground realities.¹ To that end, the data analysis approach for the *Year 1 Update* was designed to be more targeted (as opposed to comprehensive) compared to the CEDS; rather than updating every chart from 2021, an emphasis was placed on identifying data points and trends that could most effectively and concisely capture the economic arc of Monterey County in the wake of the pandemic. Areas of interest included:

- Population Dynamics
- Housing Affordability
- Industry Trends
- Small Business Environment

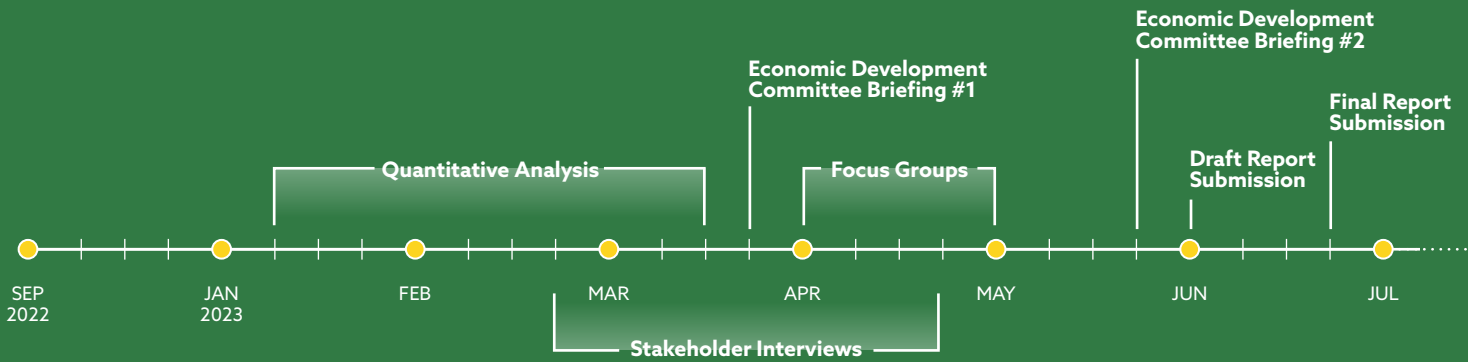
Indeed, much of Monterey County is still in the midst of recovery from the 2020 recession. This year's report focuses on the three target sectors identified in the CEDS (Tourism & Hospitality, Agriculture, Health Care & Social Services), and each offers a unique lens into the health of the regional economy.² Additionally, spotlights on Technology and Innovation and Workforce Development touch on areas that are crucial to the County's sustainable growth and development. As a whole, this report provides policymakers and the public at large with a picture of where the County has been over the past couple of years and a sense of where it may go over the next 12 to 18 months.

¹ Note: The quantitative analysis conducted in this report draws from the most recent data available for a given indicator. In many cases, there can be a lag as much as 12 to 18 months between when official state and federal data are collected and when they are officially released. Given that certain data sets are only released on an annual basis, trends analyses that appear in the following pages (particularly for employment and average annual wages) run only through 2021. For other indicators, such as median home prices, reporting occurs more frequently, which allows for more timely analysis.

² Of course, the Monterey economy encompasses many other industries facing their own challenges and exploring their own growth opportunities. Future annual updates will explore these industries as well as topics like early care and education, transportation and infrastructure, among others.



FIGURE 1: YEAR 1 UPDATE DEVELOPMENT PROCESS



Stakeholder Interviews: Board of Supervisors, City Managers, and Representatives from: Small Business, Research and Development, Agriculture, Arts and Culture Organizations, Academic Institutions, Health Care

Focus Groups: Technology and Innovation, Agriculture, Workforce Development, Tourism & Hospitality

OVERVIEW OF ECONOMIC CONDITIONS

Monterey County's economy is made up of a rich and diverse set of industries, businesses, and communities. Many of the aspects that have contributed to the County's growth — including its Agriculture and Tourism & Hospitality sectors — are facing significant headwinds, including repercussions of the pandemic, global competition, rising housing costs, and a declining working-age population. Moreover, although the region has a long history of weathering the effects of climate change, the nature and scale of environmental hazards are increasingly taking a toll. The first quarter of 2023 alone saw over \$600 million in agricultural losses,³ with 1,700 residents of Pajaro bearing the brunt of the storm damage.⁴

Monterey County also continues to feel the lingering effects of the pandemic. Since the onset of Covid-19, the County has experienced a continuous annual

decline in population (Figure 2). Between 2019 and 2022, its population fell by nearly 6,600 people, or about 1.5%. As in other parts of California, the County's population decrease was due to exceptionally high out-migration (Figure 3). The largest population decline over the past six years occurred in 2022, with 3,400 fewer residents in Monterey County than the year prior.

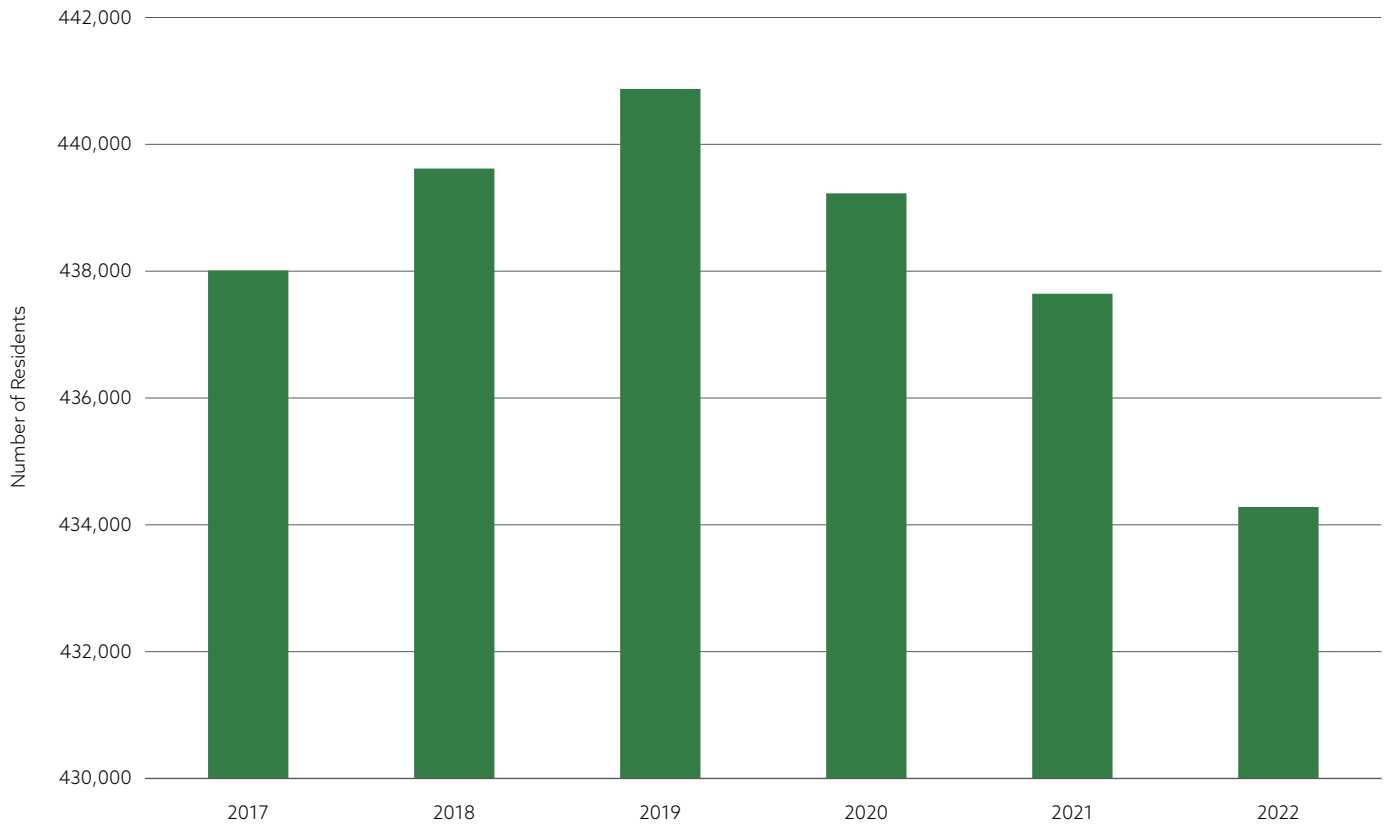
The primary cause of out-migration centers on housing affordability and availability. While median household income continued to rise year-over-year in 2020 and 2021 (Figure 4), growth lags far behind rising median home prices (Figure 5). In 2020, median household income in Monterey County increased 8.3% while the median home price increased 17.9%. In 2021, though, median household income grew at a relatively more modest 6.5% whereas home prices surged an astonishing 39.7%, with the median home

³ Rey Mashayekhi. "Final tally on winter storm damage to Monterey County farms is in: \$600 million." Monterey County Weekly. May 12, 2023. https://www.montereycountyweekly.com/blogs/news_blog/final-tally-on-winter-storm-damage-to-monterey-county-farms-is-in-600-million/article_7833fc4a-f104-11ed-9ae0-f77102f710e1.html

⁴ Viviana Hinojos, Adeel Hassan and Vik Jolly. "As the Rains Ease in California, Many See the Damage Rise," New York Times, March 11, 2023. <https://www.nytimes.com/2023/03/11/us/california-storm-rain-flood-monterey.html>.



FIGURE 2: POPULATION IN MONTEREY COUNTY
2017-2022



Source: California Department of Finance

price reaching a high of \$950,000. Housing prices slightly decreased in 2022 but are still significantly higher than pre-pandemic levels.

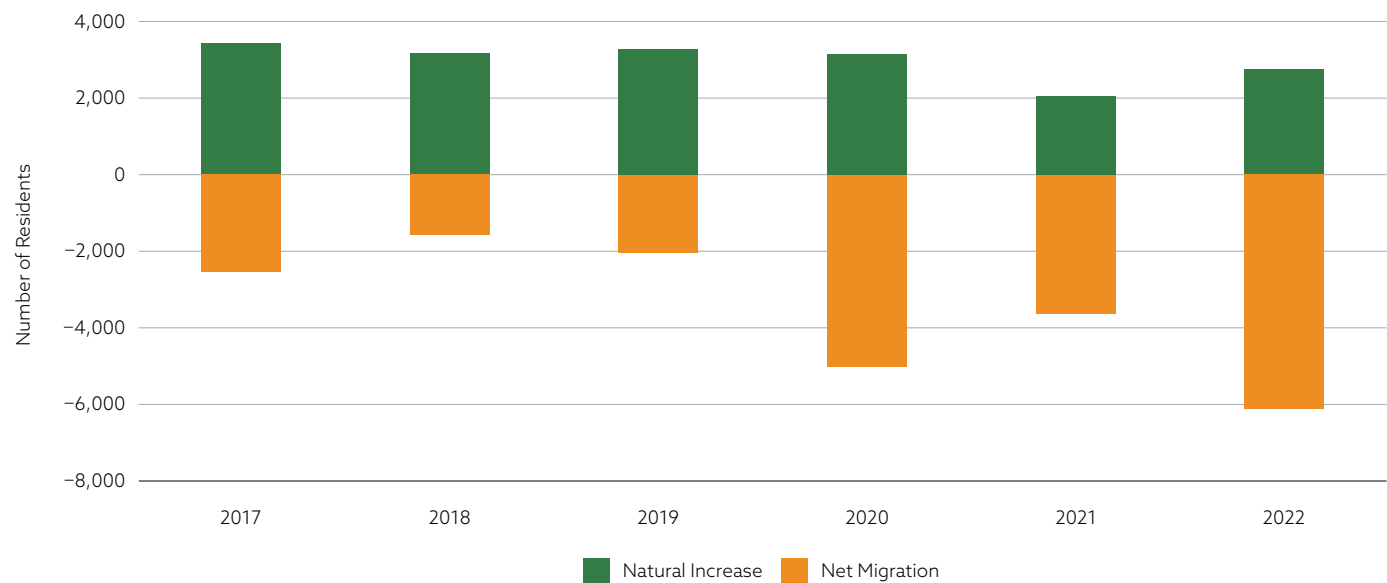
Monterey County has a higher housing vacancy rate compared to the statewide average, 8.7% compared to 6.7%, respectively (Table 1). Vacancy rates tend to skew higher in the County's more affluent cities, such as Carmel-by-the-Sea, Pacific Grove, and Sand City, which are home to a high proportion of seasonal vacation residences. Cities that offer more affordable housing options tend to have less housing available, such as Salinas, Seaside, and Greenfield. As is the case across California, the number of multifamily units in Monterey County is not sufficient to meet demand; only 27.9% of

Monterey County's housing stock are multifamily units, compared to 33.3% statewide.

This shortage of affordable housing drives rental unit prices higher, which in turn leads to a greater share of households in the County experiencing rent burden — where over 30% of annual household income is spent on housing costs — compared to the state overall (57.7% versus 55.8%). To a large extent, the Monterey housing market has a cascading effect on economic growth. As will become apparent over the course of this report, the high cost of living poses significant challenges to workforce development, attraction, and retention.



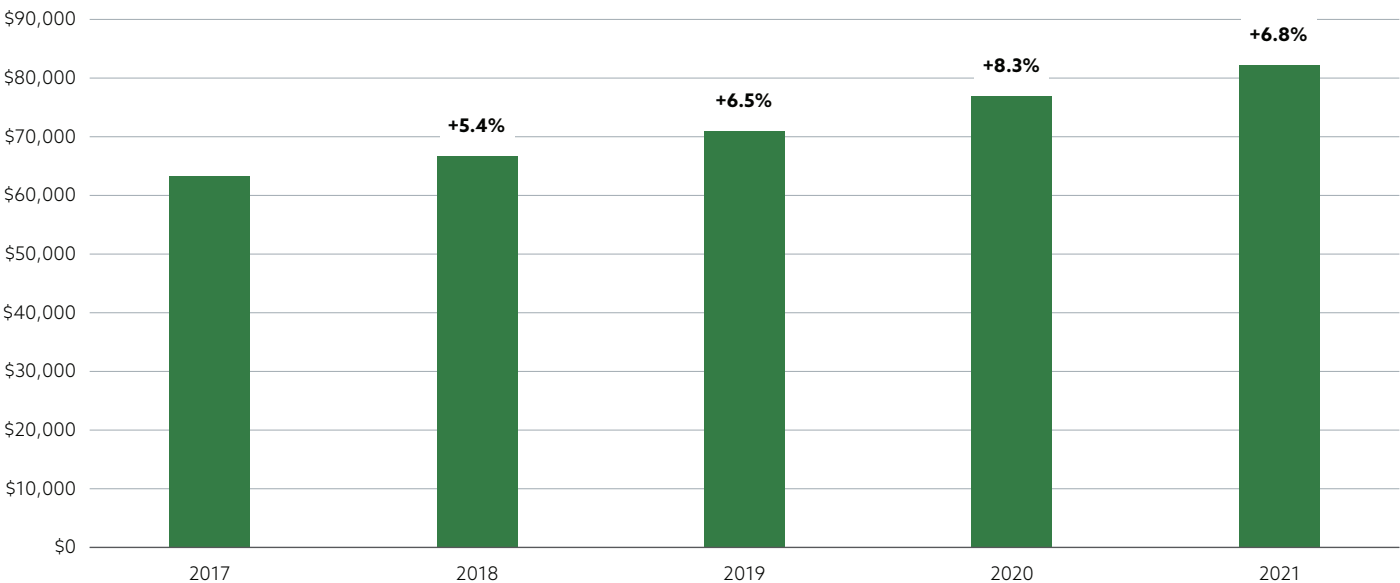
FIGURE 3: COMPONENTS OF POPULATION CHANGE IN MONTEREY COUNTY
2017-2022



Note: Population growth is measured by two components of change: natural increase and net migration. Natural increase is the difference between the number of births and deaths in a given year. When natural increase is positive, there are more births than deaths in a region. Net migration is the difference between the number of people moving into a region and the number moving out of the region. When net migration is negative, there are more people moving out of the county than in.

Source: California Department of Finance

FIGURE 4: MEDIAN HOUSEHOLD INCOME IN MONTEREY COUNTY
2017-2022

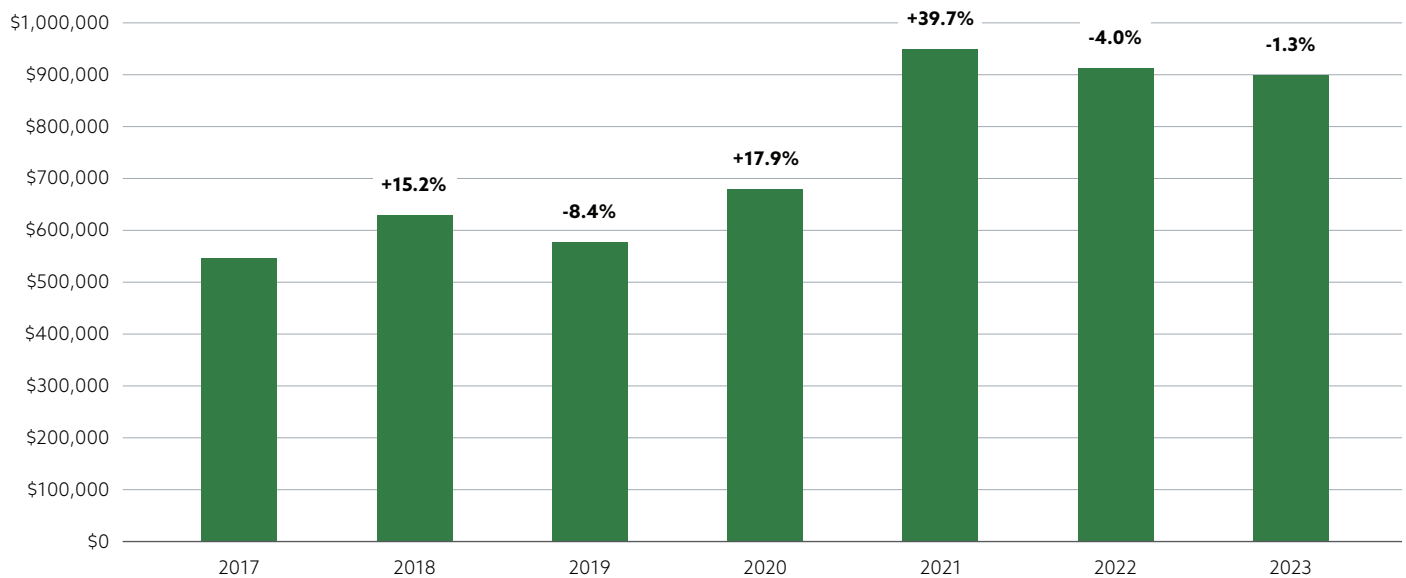


Source: US Census Bureau American Community Survey 5-Year Estimates



FIGURE 5: MEDIAN HOME PRICE IN MONTEREY COUNTY

Mar. 2017 to Mar. 2023



Source: Northern California MLS

TABLE 1: HOUSING CHARACTERISTICS BY CITY

2022

	Single Family Units	Multifamily Units	Vacancy Rate
Carmel-by-the-Sea	2,664	399	45.1%
Del Rey Oaks	610	134	6.9%
Gonzales	1,669	396	3.1%
Greenfield	3,512	1,059	3.9%
King City	2,391	893	6.0%
Marina	4,728	3,221	6.0%
Monterey	6,763	6,994	10.0%
Pacific Grove	5,214	2,831	17.2%
Salinas	27,277	16,091	3.3%
Sand City	88	104	13.9%
Seaside	7,993	2,248	5.8%
Soledad	3,660	700	4.0%
Unincorporated Monterey County	33,916	3,764	12.2%
Monterey County Total	100,485	38,834	8.7%
California Total	9,352,428	4,669,343	6.7%

Source: California Department of Finance



INDUSTRY TRENDS

Between 2017 and 2019, Monterey County had above-average employment growth compared to neighboring counties (Figure 6). During this period, the number of Monterey County jobs increased by 2.7%, reaching a peak of 254,400 in 2019. But in 2020, the pandemic caused a precipitous drop in the County's employment as it did nationwide. By 2021, Monterey County's employment remained 1.7% below 2017 levels, having not recovered as well as neighboring San Benito County (-0.3%) or the state overall (-0.8%).

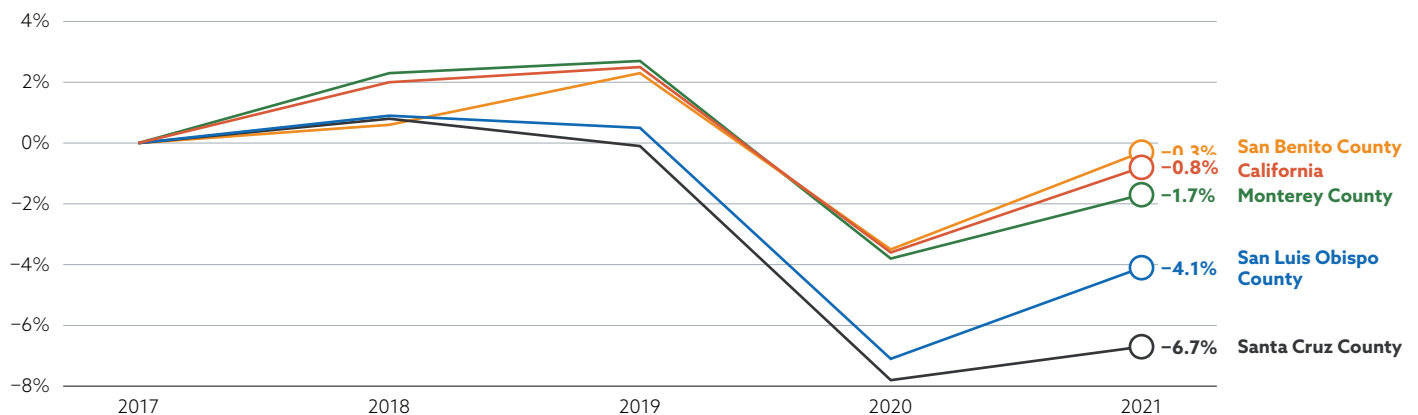
Given the region's reliance on tourism dollars, reduced leisure and business travel during the height of the pandemic had an outsized impact on the economy (Table 2). Sectors that were hit the hardest included Accommodation and Food Services (-4,700 jobs between 2019 and 2021) and Arts, Entertainment, and Recreation (-670 jobs). Small businesses in Other Services — which includes industries like personal care services, automotive repair services, and dry-cleaning services — were also adversely affected (-950 jobs) as consumers shifted their spending from services to goods. By contrast, the most resilient sectors in this time period included Real Estate and Rental and Leasing (+1,100 jobs), Finance and Insurance (+719

jobs), Transportation and Warehousing (+380 jobs), and Construction (+250 jobs).

Workers in Food Preparation, Office Administration, and Educational Training occupations were hit the hardest by the pandemic (Table 3). Conversely, employment in Health Care occupations fared better as the pandemic, coupled with the County's aging population, increased demand for services. The Legal, Business, and Finance and Insurance occupations also demonstrated growth due to their greater likelihood of being able to be performed remotely.

Across all sectors, average annual wages in Monterey County increased 8.4% between 2019 and 2021 (Table 4). Sectors that saw the highest wage growth include Health Care & Social Assistance, Other Services, Accommodation & Food Services, and Retail Trade, with wages increasing over 100% during this two-year period due to recent spikes in labor shortages. Industries where wages declined include Manufacturing, Management of Companies and Enterprises, and Utilities, where demand for goods and services is relatively less pronounced.

FIGURE 6: EMPLOYMENT GROWTH IN MONTEREY COUNTY AND SELECT NEIGHBORING COUNTIES
2017-2022



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



TABLE 2: PANDEMIC IMPACT ON INDUSTRY EMPLOYMENT
2019 vs. 2021

Hardest Hit Sectors	2019	2021	Job Losses	% Change
Accommodation and Food Services	24,533	19,845	-4,688	-19.1%
Other Services (except Public Administration)	13,223	12,275	-949	-7.2%
Government	40,058	39,344	-714	-1.8%
Arts, Entertainment, and Recreation	5,088	4,417	-672	-13.2%
Professional, Scientific, and Technical Services	10,354	9,861	-493	-4.8%

Most Resilient Sectors	2019	2021	Job Gains	% Change
Real Estate and Rental and Leasing	9,252	10,361	1,108	12.0%
Finance and Insurance	5,966	6,685	719	12.1%
Administrative and Support and Waste Management and Remediation Services	10,434	10,968	533	5.1%
Transportation and Warehousing	6,648	7,027	379	5.7%
Construction	9,385	9,635	250	2.7%

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates

TABLE 3: PANDEMIC IMPACT ON OCCUPATIONAL EMPLOYMENT
2020 Q1 vs. 2022 Q2

Hardest Hit Occupations	2020 Q1	2022 Q2	Job Losses	% Change
Food Preparation and Serving-Related Occupations	18,980	14,010	-4,970	-26.2%
Office and Administrative Support Occupations	18,280	15,380	-2,900	-15.9%
Farming, Fishing, and Forestry Occupations	33,570	31,460	-2,110	-6.3%
Sales and Related Occupations	15,110	13,080	-2,030	-13.4%
Education, Training, and Library Occupations	13,910	11,950	-1,960	-14.1%

Most Resilient Occupations	2020 Q1	2022 Q2	Job Gains	% Change
Healthcare Support Occupations	7,520	8,860	1,340	17.8%
Healthcare Practitioners and Technical Occupations	7,530	8,330	800	10.6%
Business and Financial Operations Occupations	5,250	5,960	710	13.5%
Legal Occupations	580	810	230	39.7%
Construction and Extraction Occupations	5,180	5,390	210	4.1%

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



TABLE 4: AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2019 vs. 2021

Highest Wage Sectors	2019	2021	% Change
Health Care and Social Assistance	\$51,286	\$179,425	249.9%
Other Services (except Public Administration)	\$30,431	\$94,506	210.6%
Accommodation and Food Services	\$30,481	\$67,730	122.2%
Retail Trade	\$34,730	\$70,541	103.1%
Educational Services	\$36,117	\$69,488	92.4%

Lowest Wage Sectors	2019	2021	% Change
Information	\$50,195	\$40,803	-18.7%
Manufacturing	\$52,511	\$41,221	-21.5%
Real Estate and Rental and Leasing	\$70,617	\$45,143	-36.1%
Management of Companies and Enterprises	\$73,991	\$40,621	-45.1%
Utilities	\$120,317	\$35,319	-70.6%

Average Annual Wages for All Sectors	2019	2021	% Change
	\$48,375	\$52,431	8.4%

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates

SMALL BUSINESS ENVIRONMENT

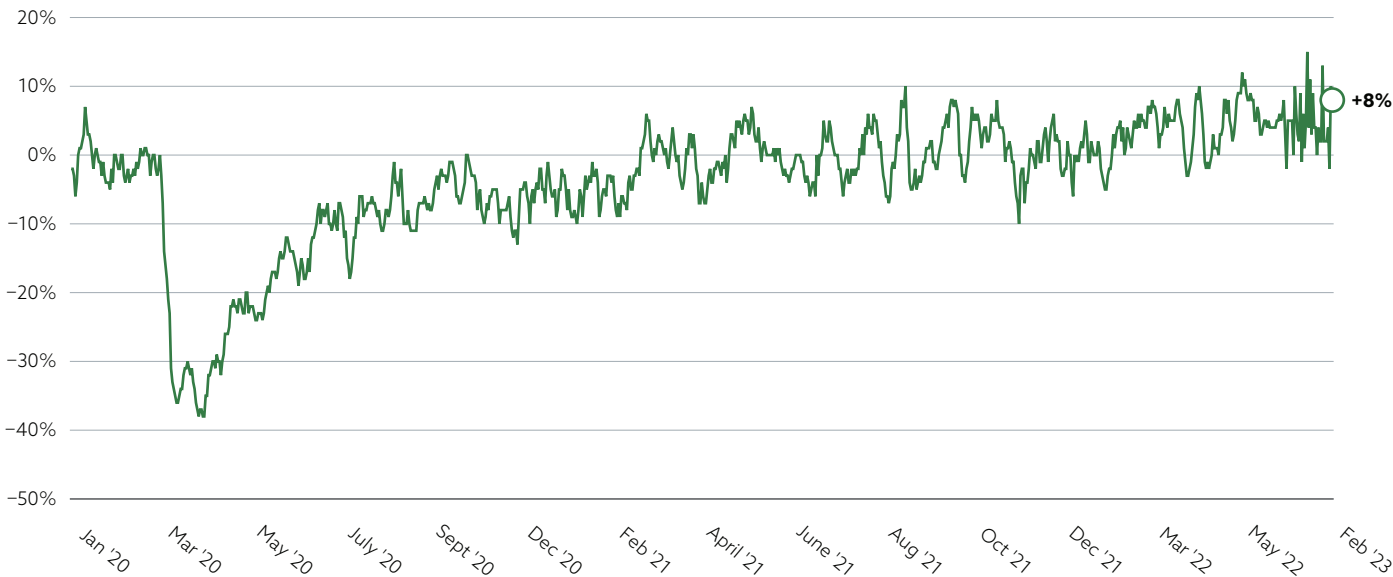
After the initial impact of the pandemic in early 2020, the rollout of federal and state programs like pandemic unemployment assistance and stimulus checks helped keep households afloat. As a result, consumer spending started to rebound in early 2021 (Figure 7). At the same time, inflation has skyrocketed to levels not seen since the 1980's (Figure 8). In June 2022, the consumer price index (CPI) peaked at 9.1% higher than the year prior. While inflation has since shown signs of easing, the CPI was still 4.9% higher in April 2023 than the year before.

Small businesses in particular have struggled with balancing budgets as the costs of material inputs have risen and support programs like the Paycheck Protection Program have ended. In February 2022, the number of small businesses in Monterey County was 21% below January 2020 levels (Figure 9). Small business revenue was down 41% in this same period (Figure 10). These metrics are important to consider in terms of the number of firms and the ability to hire in the region.



FIGURE 7: PERCENTAGE CHANGE IN CONSUMER SPENDING IN MONTEREY COUNTY

Jan. 2020 to Feb. 2023



Source: Opportunity Insights

FIGURE 8: U.S. CONSUMER PRICE INDEX 12-MONTH CHANGE

Jan. 2018 to Apr. 2023



Source: U.S. Bureau of Labor Statistics



FIGURE 9: PERCENTAGE CHANGE IN NUMBER OF SMALL BUSINESSES

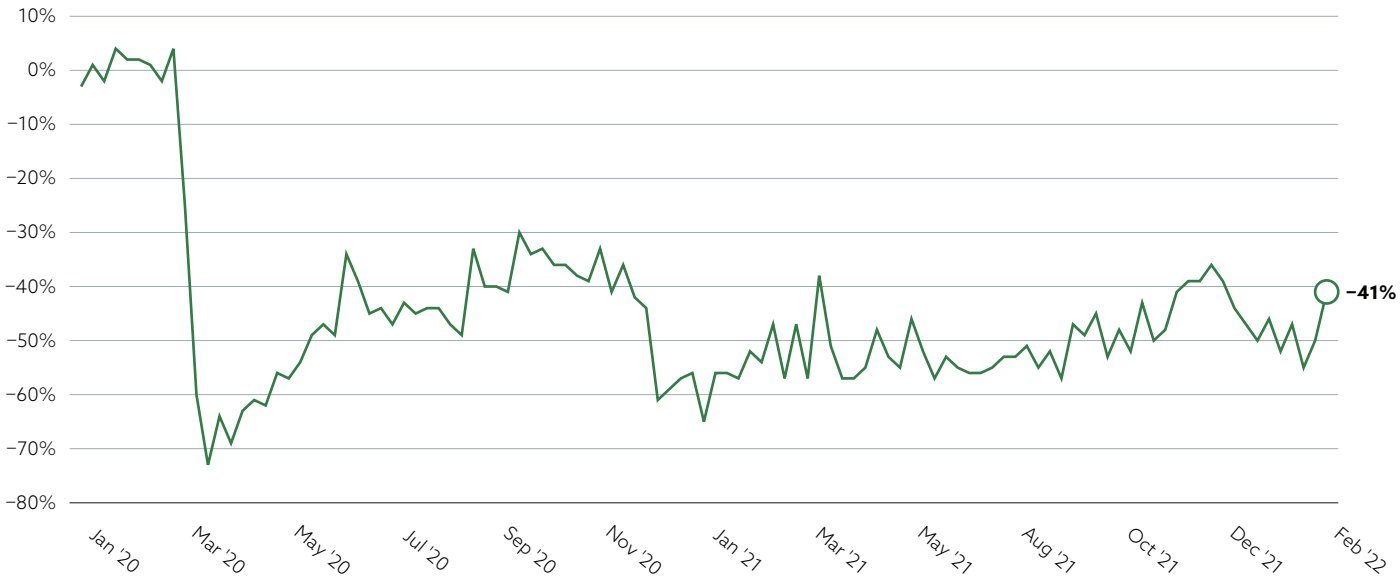
Jan. 2020 to Feb. 2022



Source: Opportunity Insights

FIGURE 10: SMALL BUSINESS REVENUE PERCENTAGE CHANGE

Jan. 2020 to Feb. 2022



Source: Opportunity Insights



TARGET SECTOR ANALYSIS

Target sectors, or industry clusters, are defined as a set of businesses, organizations, and institutions that specialize in the production of similar goods and services. Developing and supporting industry clusters in a region allow private and public sector entities to engage in knowledge sharing, cooperative problem solving, and innovation, which can foster regional economic development. Monterey County has three major target sectors: Agriculture, Tourism & Hospitality, and Health Care & Social Services.

AGRICULTURE

Monterey County's Agriculture sector is critical to the global crop supplies and is known for its world-class vineyards and wineries. It is the region's largest industry in terms of jobs, employing over 59,100 people in 2021 (Figure 11). Although employment declined 1.7% between 2019 and 2020, average annual wages grew 5% to \$42,900 over the same period and continued to rise during the next year (Figure 12). When accounting for direct, indirect, and induced impacts, Agriculture supported 83,975 jobs, generated \$8.6 billion in value added, and contributed

\$1.9 billion in tax revenue in 2021 (Table 5). Crop production is the largest subsector by far, employing 57,900 jobs, and remained fairly even throughout the pandemic (Figure 13). The Manufacturing and Processing subsector grew the most in recent years, with employment increasing 110% between 2017 and 2021, though this subsector only employs about 80 workers. The subsector most negatively impacted by the pandemic was Wineries, where employment decreased 22% over the same five-year period.

Challenges

- **DECLINING ACREAGE DUE TO RISING COST OF BUSINESS**

Agricultural production is growing more expensive across California and especially in Monterey County, which puts pressure on farmers who have little influence over the final prices of goods in a global market. Labor shortages, inflation, and supply chain disruptions are largely to blame, with smaller farms disproportionately hurt. These cost spirals are pricing the sector's workforce out of the County, and production of major crops is moving to other states and abroad. Between 2011 and 2021, farmable acres of major crops in the County declined 19%, from 289,532 acres in 2011 to 234,659 acres in 2021.⁵

- **CHALLENGING REGULATORY ENVIRONMENT**

California has some of the strictest regulations in farming, which pose challenges for global competitiveness. Regulations that limit the use of fertilizer and pesticides for crop protection, minimum requirements for organic production, air quality standards that impact logistics and transportation, and implications of immigration policy and labor are further driving up costs, constraining output, and shrinking the sector's workforce.

⁵ "2021 Monterey County Crop & Livestock Report, Salad Bowl of the World," County of Monterey, Office of the Agricultural Commissioner, <https://www.co.monterey.ca.us/home/showpublisheddocument/113214/637970560105830000>.



- **CONSOLIDATION OF SMALL FARMERS BY BIGGER PLAYERS**

Small farms are increasingly feeling the pressure to lease their land to larger corporations to remain viable. This leads to a cycle where bigger farms continue to grow bigger while smaller farms are becoming smaller.⁶ Many small farms in the County also have difficulty deploying new technologies that make farming more productive, due to the high costs of the technology itself and/or the high costs and capacity needed to deploy these technologies.

- **CURRENT AND FUTURE PRESSURES OF WATER MANAGEMENT**

Monterey County maintains a water supply system independent of the state and/or Federal projects implemented elsewhere in the Central Valley. Groundwater is a major source in the County, with about 450,000 acre-feet of water pumped for agricultural use each year.⁷ As the implementation of the Sustainable Groundwater Management Act comes into effect, which requires local agencies to develop and adopt plans to bring basins into long-term balance over the next 20 years, the water supply will become more limited without enhanced water management strategies. This may result in higher costs of water and/or increased fallowed land, as well as increasing pressures in repurposing land for alternative energy production.

Priorities

- **INVEST IN WORKFORCE DEVELOPMENT OF AGRICULTURE AND SUPPORT INDUSTRIES**

Agriculture is a major industry in Monterey County that includes more than just farmers. Agricultural support services — including credit and financing services, equipment provisioning, marketing, and research — are also critical to the industry, and there is strong labor demand in these industries. Skills gaps also exist in food science and tech-oriented farm practices. There is a need to raise awareness and interest among students and young adults as well as to upskill the current workforce.

- **CREATE FAVORABLE BUSINESS ENVIRONMENT FOR AGRICULTURE AND ITS SUPPORT ACTIVITIES**

Over the past decade, there has been difficulty in attracting younger populations to farming. This is due to the relatively low wages in the field, a lack of affordable housing, and the physically intensive nature of the work. But there is a growing need for high-skilled jobs in the sector, especially in tech fields, as economic conditions necessitate greater efficiency in production. Furthermore, more needs to be done to encourage zoning flexibility, build workforce housing, provide incentives for entrepreneurs, and attract businesses from out-of-state.

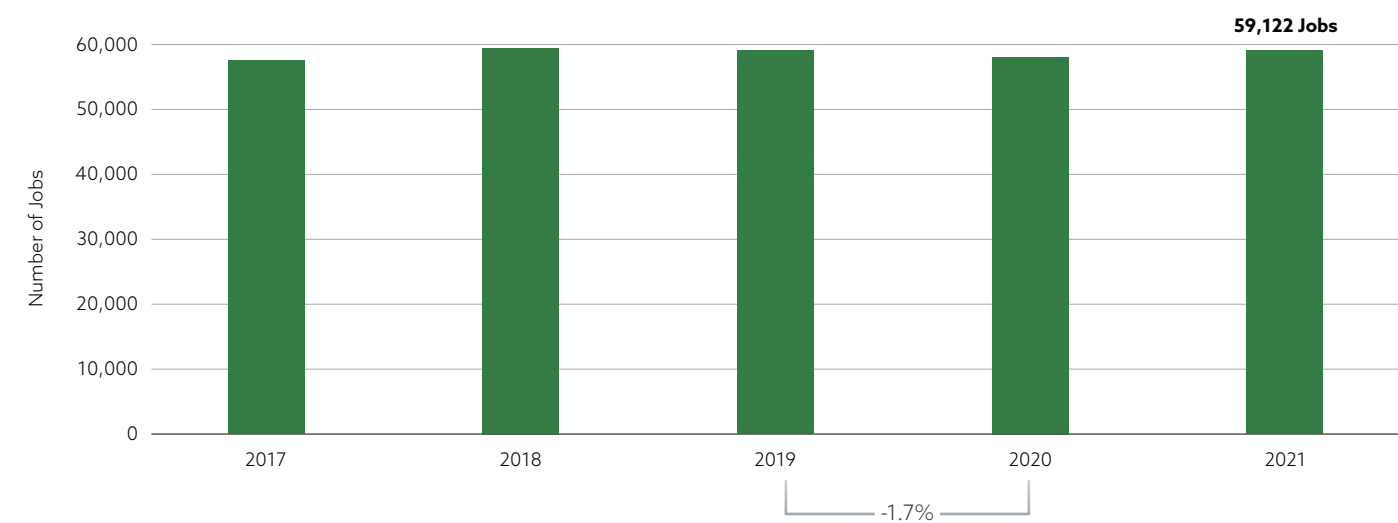
- **DEVELOP TOURISM INFRASTRUCTURE IN THE WINE REGION**

Monterey County's wine region lacks adequate hotels, restaurants, and other amenities that are typical of other wine regions in the state. The County's wine region is a significant driver of economic activity; the industry generates \$1.4 billion annually and employs nearly 10,500 workers. But its full potential has yet to be realized. The County's 53,000 acres of vineyards currently attract about 630,900 visitors each year. By comparison, Napa Valley's 45,300 acres of vineyards attract about 3.85 million visitors per year.⁸ An opportunity exists to amplify the tourist experience to attract more visitors who will spend their money and generate additional tax dollars for the region.⁹

⁶One recent research paper framed the situation this way: "The Central Coast of California is one of many U.S. agricultural regions where the demands of consolidated food supply chains have pressured farms to grow ever larger, while simultaneously spurring an alternative agriculture movement that is still actively struggling to adequately support local food systems and economically marginalized small farms." See K.E. Esquivel, et. al. "The 'Sweet Spot' in the Middle: Why Do Mid-Scale Farms Adopt Diversification Practices at Higher Rates?" *Front. Sustain. Food Syst.* 5:734088. <https://www.frontiersin.org/articles/10.3389/fsufs.2021.734088/full>

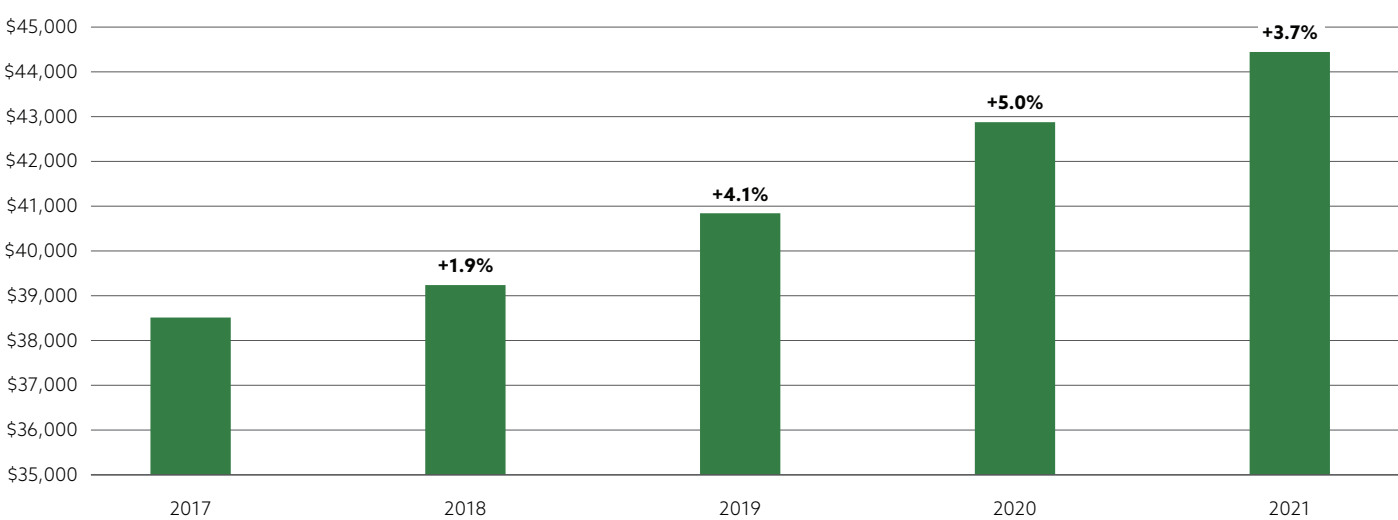


FIGURE 11: AGRICULTURE EMPLOYMENT IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates

FIGURE 12: AGRICULTURE AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates

⁷ "Groundwater Level Monitoring," Monterey County Water Resources Agency, Accessed May 9, 2023. <https://www.co.monterey.ca.us/government/government-links/water-resources-agency/programs/groundwater-level-monitoring/overview#:~:text=An%20estimated%2095%20percent%20of,feet%20are%20used%20for%20agriculture.>

⁸ About Monterey Wine Country, Accessed May 9, 2023. <https://montereywines.org/about/#:~:text=Monterey's%20story%20began%20over%20two,to%20create%20an%20unmatched%20experience.>

⁹ Amelia Edelman, "This Is the Secret to Experiencing California's Wine Country Without the Crowds," Travel and Leisure, October 23, 2022. <https://www.travelandleisure.com/trip-ideas/winter-vacations/california-wine-country-without-the-crowds#:~:text=According%20to%20the%20Napa%20Valley,from%20summer%20to%20early%20fall.>

TABLE 5: ECONOMIC IMPACT OF THE AGRICULTURE SECTOR IN MONTEREY COUNTY

2021

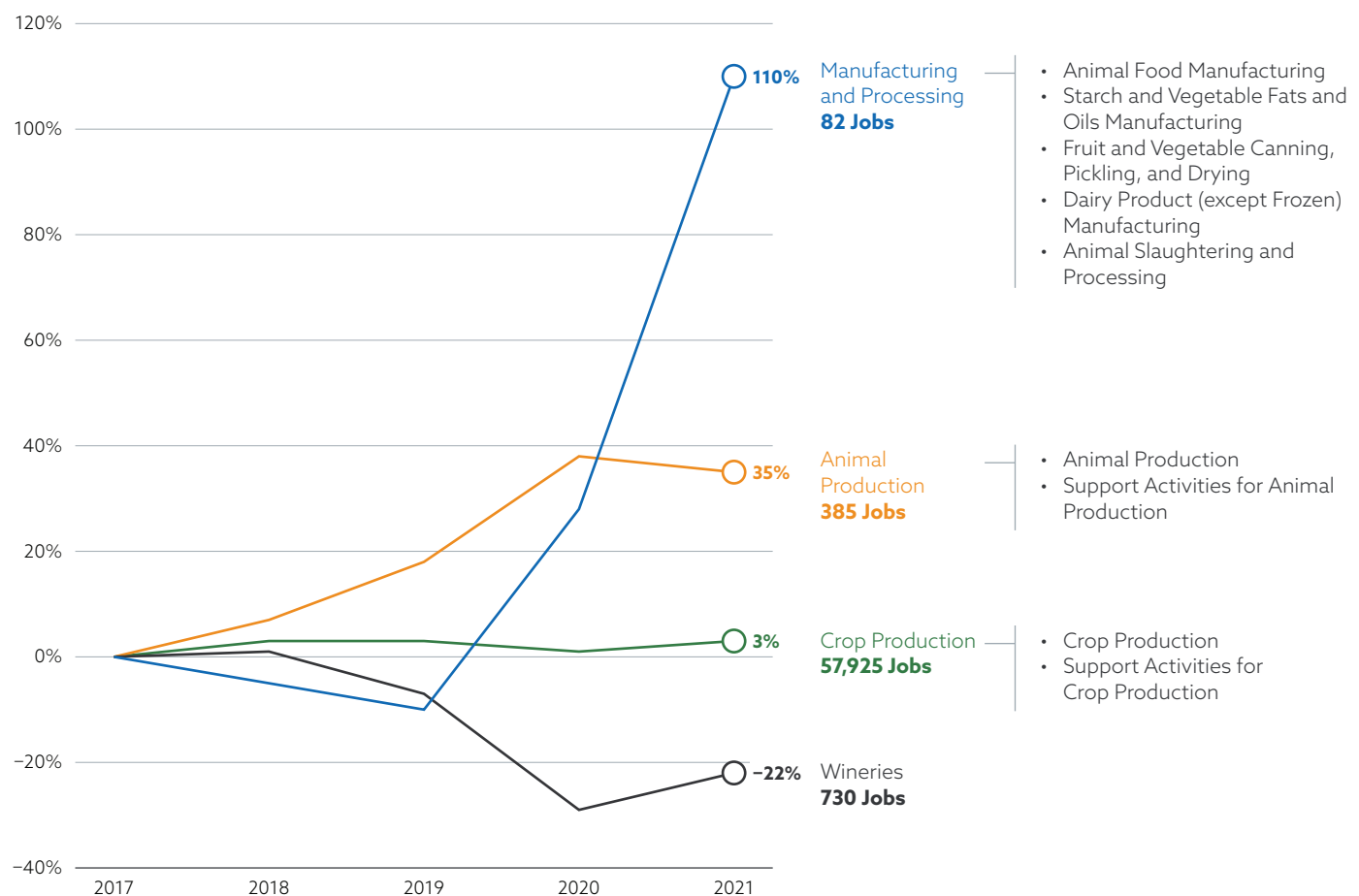
	Employment	Labor Income	Value Added	Tax Revenue
Direct	59,122	\$4.51 Billion	\$6.0 Billion	\$1.2 Billion
Indirect	10,191	\$721.5 Million	\$1.0 Billion	\$286.0 Million
Induced	14,662	\$907.1 Million	\$1.5 Billion	\$383.5 Million
Total	83,975	\$6.14 Billion	\$8.6 Billion	\$1.9 Billion

Note: Direct Impacts are changes in economic output or employment attributable to activity in a given industry. Indirect Impacts are changes in economic activity stimulated along an industry's local supply chain due to purchases of inputs of goods and services from suppliers and from the response to demand on suppliers of goods and services. Induced Impacts are changes in economic activity supported by staff and those employed in direct supply chains spending their wages on goods and services in the local economy. Labor income, value added, and tax revenue are represented in 2023 dollars.

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates; IMPLAN

FIGURE 13: RELATIVE GROWTH OF AGRICULTURE SUBSECTORS IN MONTEREY COUNTY

2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



TOURISM & HOSPITALITY

Monterey County's picturesque coastline and natural settings attract people from all over the world, making the Tourism & Hospitality sector a driver of the regional economy. Over 3 million people visit the region annually and support the many industries that rely on their patronage, such as hotels and restaurants, transportation-oriented firms, and recreational, arts, and cultural organizations.¹⁰

The pandemic gravely impacted tourism across the globe, and Monterey County was no exception. Following consecutive year-over-year growth, Tourism & Hospitality employment declined 26% in 2020 to 19,924 jobs (Figure 14). Tourism & Hospitality recovered a small degree the following year but remained 19% below 2019 levels. The sector has also struggled with retaining workers and attracting new ones, which has led to a jump in average annual wages for those workers who have chosen to stay. For instance, wages grew over 15% between

2020 and 2021, a significant increase compared to previous years (Figure 15). Overall, the Tourism & Hospitality industry remains critical to Monterey County's economy. The industry supports numerous businesses downstream. Including the impact on the supply chain and household spending, the industry supported 28,465 jobs in 2021, and generated \$2.4 billion in value added and \$490.3 million in tax revenue (Table 6).

Within the sector, the Accommodations and Attractions subsectors saw the steepest declines in employment resulting from the pandemic (33% and 28%, respectively). These subsectors are also recovering the slowest, as they mostly rely on out-of-town visitors for business. Meanwhile, although Performing Arts & Spectator Sports and Bars & Restaurants remain below pre-pandemic levels, they have been more resilient given local demand and consumption (Figure 16).

Challenges

- **A DISPROPORTIONATELY HURT SECTOR**

Of Monterey County's three target sectors, Tourism & Hospitality was most adversely affected by the pandemic, with employment falling 26% in 2020. At the same time, recovery has also been slow; the industry remained 19% below pre-pandemic levels in 2021. Throughout the pandemic, there was a shift in consumption from services to goods, and the pendulum has yet to fully swing back in the other direction.

- **A CONTINUED STRUGGLE FOR SMALLER INDOOR ARTS AND CULTURAL VENUES**

Smaller arts and cultural organizations are the most vulnerable to acute economic shocks. These entities, especially small nonprofits, have less of a financial cushion than larger organizations and fewer resources to navigate difficult economic conditions. Indoor venues, like performing arts theaters, were especially affected as social distancing pushed activities to larger spaces or outdoor venues. Smaller venues are still struggling to recover; it has been estimated that about 30 of Monterey County's arts organizations may not survive within the next 15 years without additional support.¹¹

¹⁰ "At a Glance: Monterey County," County of Monterey, Accessed May 9, 2023. <https://www.co.monterey.ca.us/government/departments-a-h/administrative-office/economic-development/at-a-glance-county-facts#:~:text=The%20County%20also%20offers%20the,and%20the%20Monterey%20Bay%20Aquarium.>

¹¹ "Arts Council for Monterey County," GuideStar, Accessed May 9, 2023. <https://www.guidestar.org/profile/94-2805076>.

- **A LACK OF AFFORDABLE VENUES AND FLEXIBLE SPACES**

Most of the performing arts venues in Monterey County are concentrated in the Peninsula where real estate and the cost of doing business are high. Few performing arts spaces exist elsewhere in the region, and South County's performing arts landscape is particularly sparse. The prospect of market forces addressing this lack of affordable venues and flexible spaces is slim given rising real estate prices across the County. Commercial rents rose over 12% between first quarter 2020 and second quarter 2023, from \$17.43 per square foot to \$19.60 per square foot.¹² The current infrastructure makes it difficult for new operators to open and for existing organizations to either maintain their business or expand.

- **THE IMPACT OF ENVIRONMENTAL HAZARDS**

In addition to major setbacks caused by the pandemic, the region faces severe environmental disruptions. The impacts of climate change have increased the frequency and severity of extreme weather. This includes the recent coastal flooding that occurred in the first quarter of 2023 that halted travel, forced evacuations, damaged critical infrastructure, and prevented many businesses from operating.

Priorities

- **PURSUE CONFERENCE ORGANIZERS AND BUSINESS TRAVELERS**

Providing spaces and incentives to host conferences and attract business travelers is a great way to boost tourism spending. Business travelers spend more on average compared to leisure travelers. In Monterey County, opportunities exist to leverage the Agriculture industry, local research, and tech-based economy to host global summits and conferences.

- **PROVIDE ADDITIONAL SUPPORT TO SOUTH COUNTY ARTS AND CULTURE ORGANIZATIONS**

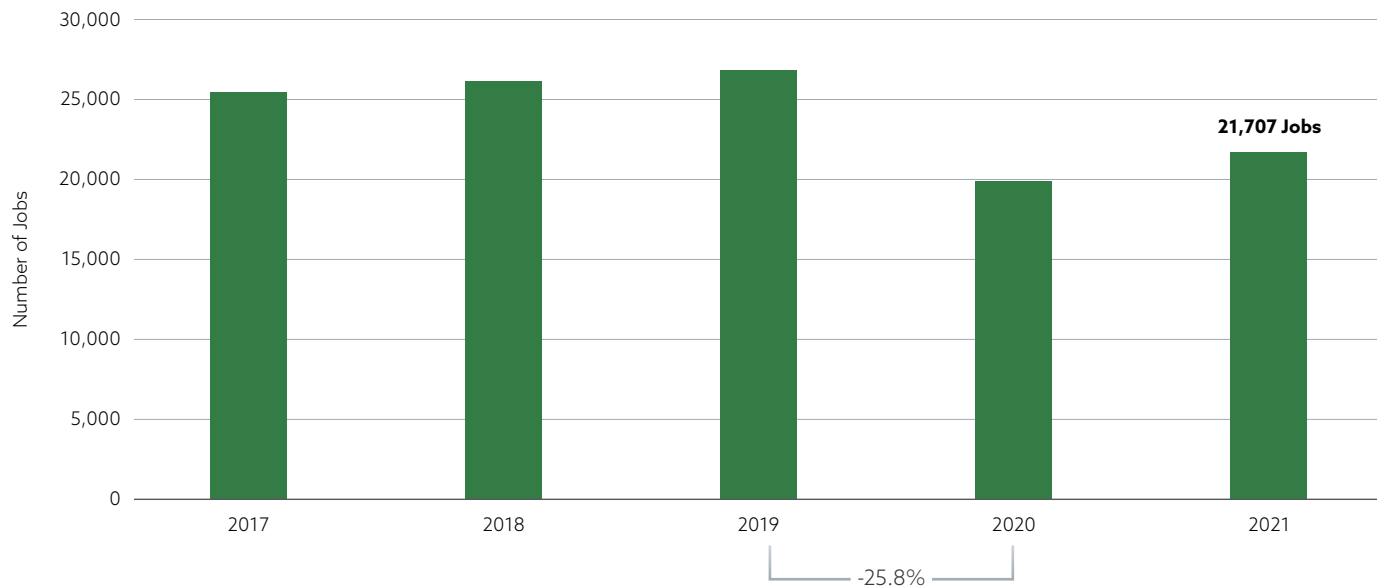
More needs to be done to encourage expanding programming, such as performing arts venues and museums beyond the Peninsula. In addition, smaller organizations need assistance now in developing the resources, tools, and capacity to be able to withstand major shocks and stresses in the future.

- **EXPAND TOURISM INFRASTRUCTURE ACROSS THE REGION**

In addition to adding hotels, restaurants, and related amenities, focus should be placed on constructing or adapting more outdoor venues. In areas like South County, repurposing existing open spaces, building programmatic capacity, and fostering connectivity between the Tourism & Hospitality and Agriculture sectors can serve as a bridge to more capital-intensive projects.

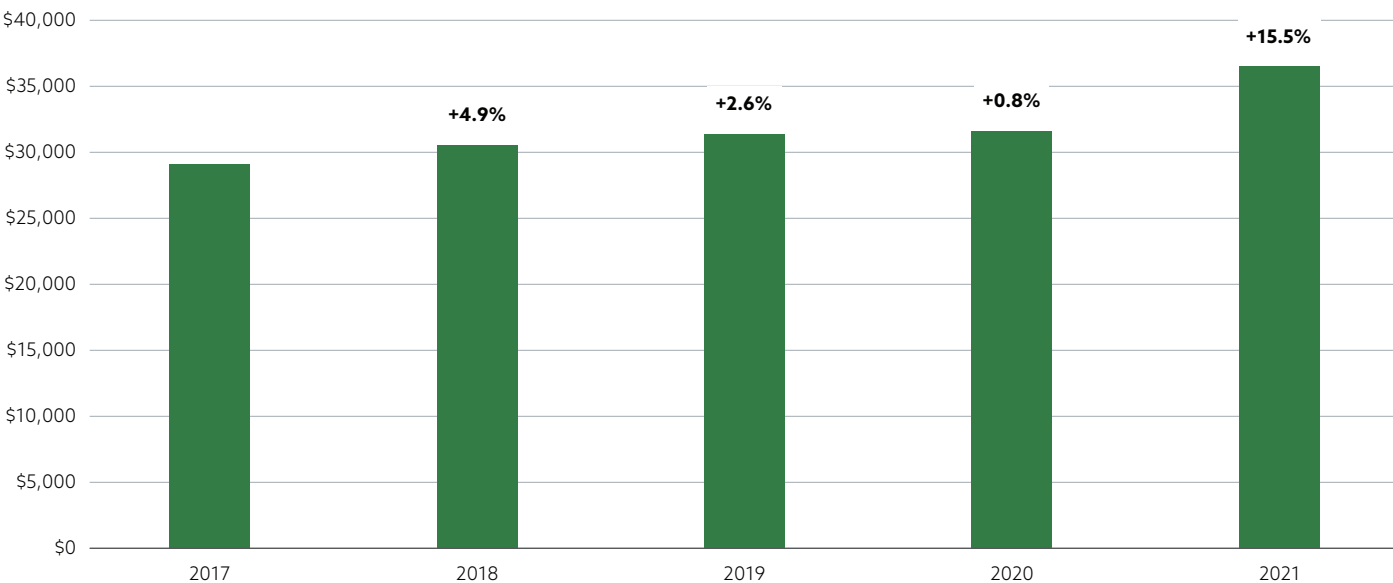
¹² CoStar, Accessed May 9, 2023.

FIGURE 14: TOURISM & HOSPITALITY EMPLOYMENT IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates

FIGURE 15: TOURISM & HOSPITALITY AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



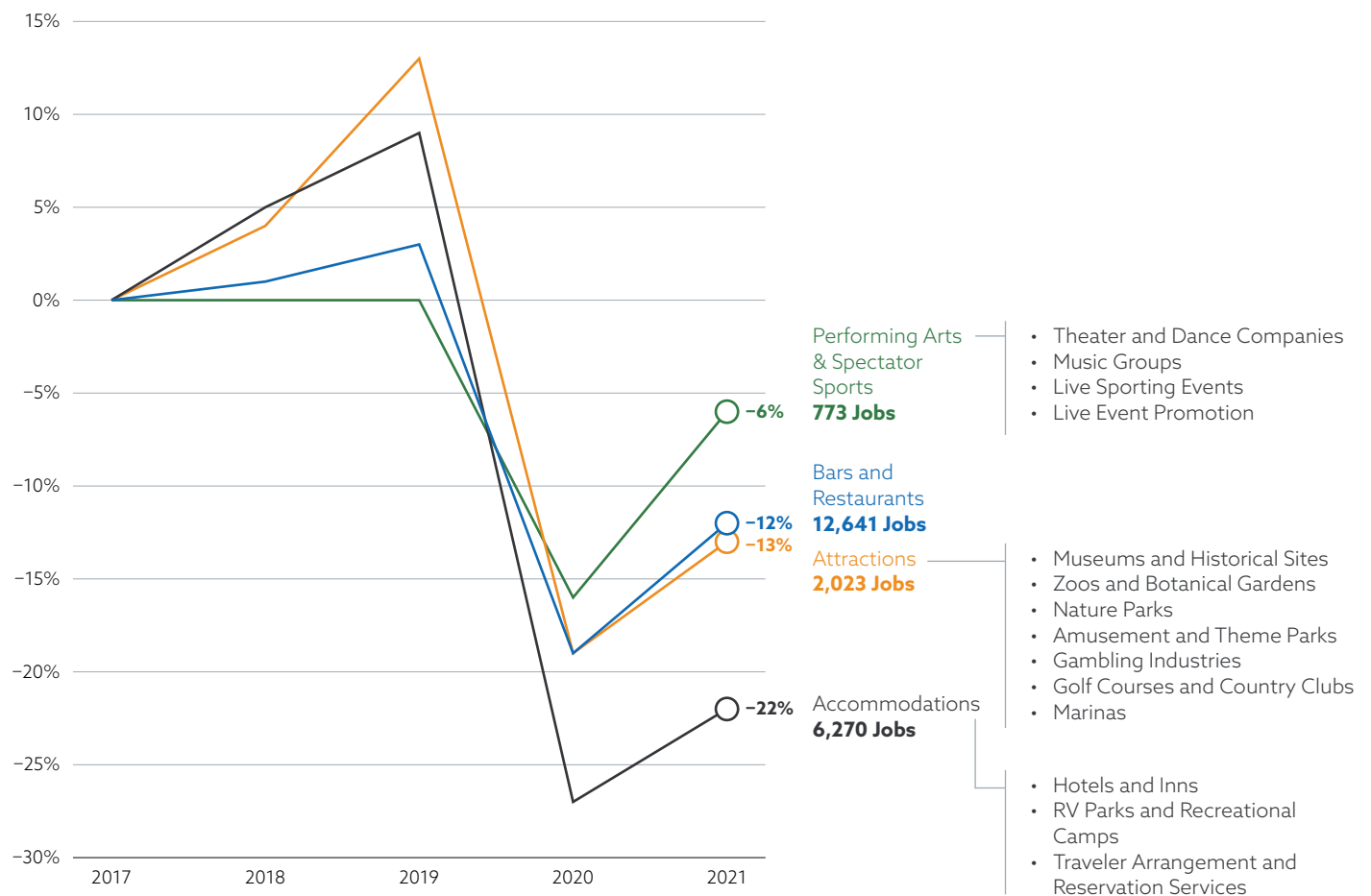
TABLE 6: ECONOMIC IMPACT OF THE TOURISM & HOSPITALITY SECTOR IN MONTEREY COUNTY
2021

	Employment	Labor Income	Value Added	Tax Revenue
Direct	21,707	\$1.1 Billion	\$1.7 Billion	\$319.3 Million
Indirect	3,193	\$221.5 Million	\$305.4 Million	\$73.4 Million
Induced	3,565	\$219.0 Million	\$385.9 Million	\$97.5 Million
Total	28,465	\$1.6 Billion	\$2.4 Billion	\$490.3 Million

Note: Direct Impacts are changes in economic output or employment attributable to activity in a given industry. Indirect Impacts are changes in economic activity stimulated along an industry's local supply chain due to purchases of inputs of goods and services from suppliers and from the response to demand on suppliers of goods and services. Induced Impacts are changes in economic activity supported by staff and those employed in direct supply chains spending their wages on goods and services in the local economy. Labor income, value added, and tax revenue are represented in 2023 dollars.

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates; IMPLAN

FIGURE 16: RELATIVE GROWTH IN TOURISM & HOSPITALITY SUBSECTORS IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



HEALTH CARE & SOCIAL SERVICES

Employment in the Health Care & Social Services (Health Care) sector has remained stable over the past six years (Figure 17). Job counts fell nearly 2% in 2020 but returned to nearly pre-pandemic levels in 2021 with 20,840 workers. Major staff shortages in health and social assistance facilities placed upward pressure on average annual wages, which shot up by nearly 10% between 2020 and 2021 and significantly outpaced wage growth in prior years (Figure 18).

When taking direct, indirect, and induced impacts into account, the sector supported 27,900 jobs, generated \$2.5 billion in value added, and contributed \$578 million in tax revenue at the local, state, and federal levels (Table 7). In turn, the County leverages this revenue through continued investment in the Health

Care sector; one recent example is the County's \$3 million contribution towards the Pajaro Valley Healthcare District's purchase of the Watsonville Community Hospital.¹³

Not all subsectors in Health Care proved to be resilient. Hospital employment steadily increased by about 4% or 5% from 2017 to 2021, whereas Ambulatory Health Care Services and Nursing & Residential Care Facilities suffered the most job losses sectorwide following the onset of Covid-19 (Figure 19). And although Social Assistance barely lost any jobs in 2020, job growth has stalled since the pandemic following a period of rapid year-over-year growth.

Challenges

- **DEMAND FOR SERVICES, BUT STRAINED SYSTEM**

Between 2017 and 2021, the number of people aged 55 and older increased 7.4%. The only other age group to have grown in this period was 35- to 44-year-olds, which increased by only 3.8%. An aging population will continue to strain the County's health care system as the need for services increases and the current talent pipeline is not large enough to satisfy projected demand. As in other sectors, retaining the existing workforce is a challenge due to the region's high cost of living.

- **AN INCREASING BURDEN ON SMALL PROVIDERS**

Smaller providers are taking in more patients each year without a commensurate increase in resources. Labor shortages in the Health Care sector are forcing these providers to pay higher wages on limited budgets, which is not sustainable over the long term. Furthermore, smaller providers in the County tend to treat more Medi-Cal patients compared to larger hospital systems. Doctors who treat these patients receive lower reimbursements compared to those from private insurers or Medicare, which may discourage medical professionals from practicing in communities where they are most needed.

¹³ James Herrera. "Watsonville hospital purchase finalized; Monterey County contributes \$3 million." Monterey Herald. September 1, 2022. <https://www.montereyherald.com/2022/09/01/watsonville-hospital-purchase-finalized-monterey-county-contributes-3-million/>



- **INSUFFICIENT ACCESS TO HEALTH CARE FACILITIES**

Over 88% of respondents to a survey for the 2022 Community Health Needs Assessment consider access to services a major or moderate problem in Monterey County.¹⁴ The number of facilities for women seeking specialized services, for example, is inadequate especially in South County and outlying areas. Where telehealth options are available, limited broadband access makes appointments impossible for some parts of the County. Additionally, a sizable share of residents who can physically make in-person appointments often face language barriers or are unable to otherwise locate culturally sensitive care.

Priorities

- **EXPAND BEHAVIORAL HEALTH CARE ACCESS**

The pandemic exacerbated the prevalence and severity of mental health issues. Over 51% of adults in Monterey County have experienced symptoms of chronic depression compared to 30% of adults nationwide.¹⁵ Needs are greatest among youth population; over 61% of residents ages 18 to 39 have experienced symptoms of chronic depression. About 19% of Monterey County residents were unable to access mental health care services when needed in the past year.¹⁶

- **DEEPEN COLLABORATION BETWEEN THE COUNTY AND SMALL HEALTH CARE PROVIDERS**

Small providers do not always have access to the same information or resources as larger ones. As a result, they are often unaware of the kinds of resources and technical assistance programs available. Since small providers are unlikely to have the staff identify and apply for opportunities, the public sector needs to ensure they are part of the regional health care dialogue, especially with respect to capacity building, resilient practices, and funding.

- **BUILD A SUSTAINABLE AND SKILLED TALENT PIPELINE**

There continues to be an acute shortage of doctors, registered nurses, medical assistants, and certified nursing assistants. Relative to its population, Monterey County has a smaller ratio of primary care physicians (87.5 primary care physicians per 100,000 population) than the state (98.9) and nation (102.7).¹⁷ Attracting talent and building a sustainable workforce pipeline with the skills required to meet patient services demand will be critical for the long-term wellbeing of the County.

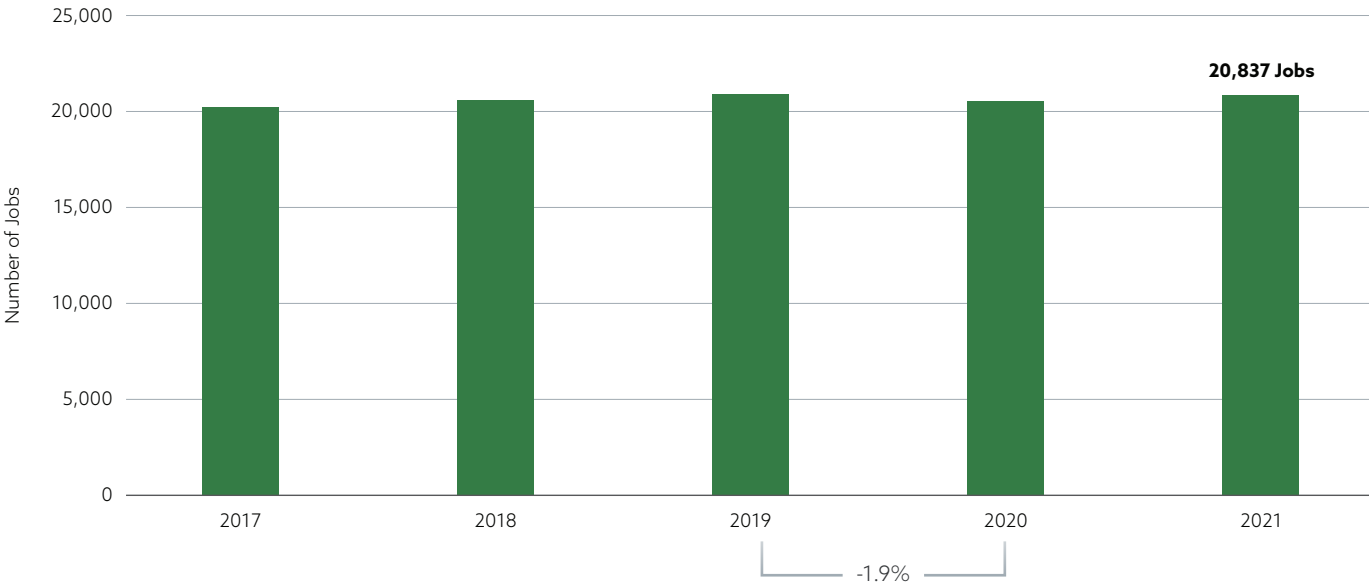
¹⁴ "2022 Community Health Needs Assessment, Monterey County, California," Monterey County Health Needs Collaborative, September, 2022. <https://www.unitedwaymcca.org/sites/unitedwaymcca/files/Community%20Health%20Needs%20Collaborative/2022%20PRC%20CHNA%20Report%20-%20Monterey%20County%2C%20CA.pdf>.

¹⁵ Ibid.

¹⁶ Ibid.

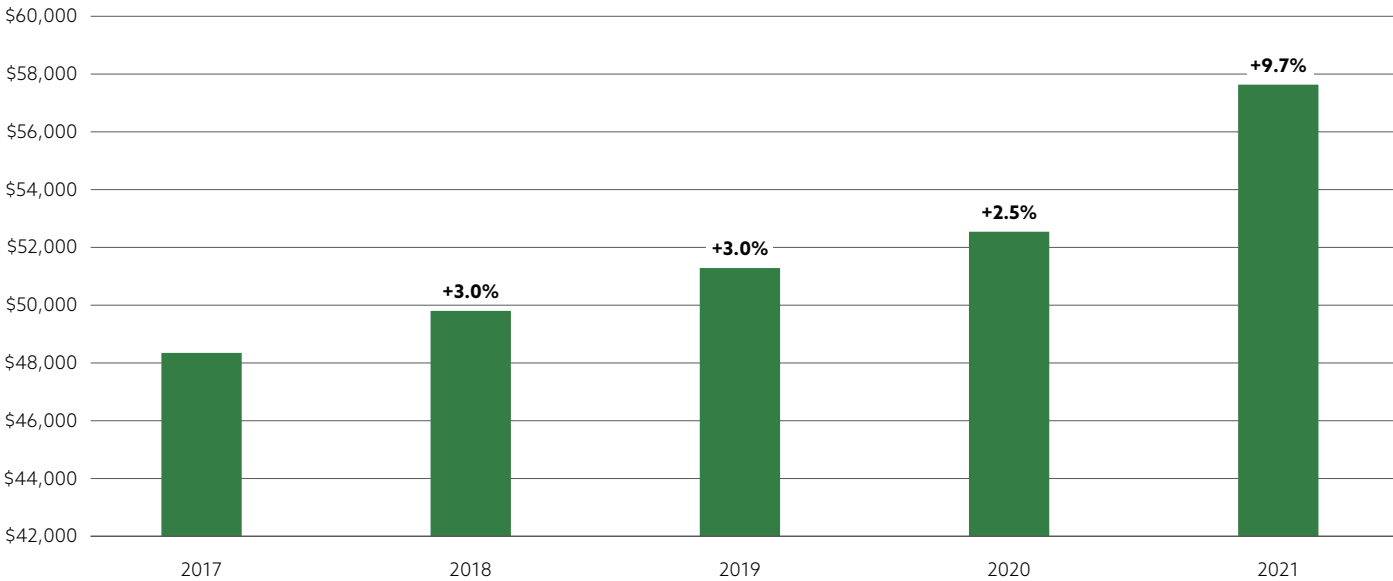
¹⁷ Ibid.

FIGURE 17: HEALTH CARE & SOCIAL SERVICES EMPLOYMENT IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates

FIGURE 18: HEALTH CARE & SOCIAL SERVICES AVERAGE ANNUAL WAGES IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



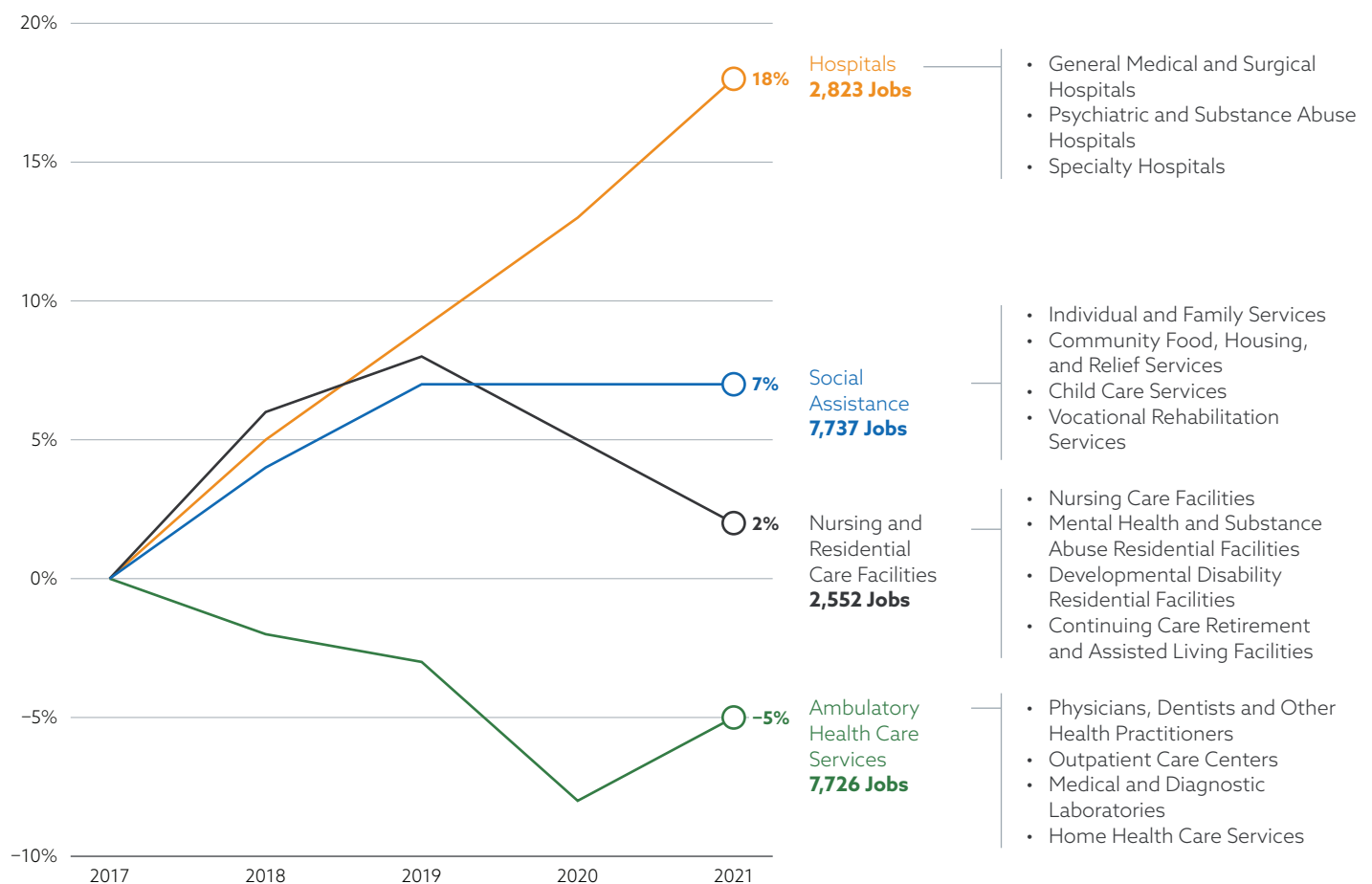
TABLE 7: ECONOMIC IMPACT OF HEALTH CARE & SOCIAL SERVICES SECTOR IN MONTEREY COUNTY
2021

	Employment	Labor Income	Value Added	Tax Revenue
Direct	20,837	\$1.5 Billion	\$1.7 Billion	\$390.5 Million
Indirect	2,368	\$147.9 Million	\$257.2 Million	\$62.3 Million
Induced	4,715	\$295.0 Million	\$488.1 Million	\$124.9 Million
Total	27,919	\$2.0 Billion	\$2.5 Billion	\$577.8 Million

Note: Direct Impacts are changes in economic output or employment attributable to activity in a given industry. Indirect Impacts are changes in economic activity stimulated along an industry's local supply chain due to purchases of inputs of goods and services from suppliers and from the response to demand on suppliers of goods and services. Induced Impacts are changes in economic activity supported by staff and those employed in direct supply chains spending their wages on goods and services in the local economy. Labor income, value added, and tax revenue are represented in 2023 dollars.

Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates; IMPLAN

FIGURE 19: RELATIVE GROWTH OF HEALTH CARE & SOCIAL SERVICES SUBSECTORS IN MONTEREY COUNTY
2017-2021



Source: US Bureau of Labor Statistics Quarterly Census of Employment and Wages; US Census Bureau American Community Survey 5-Year Estimates



SPOTLIGHT: TECHNOLOGY AND INNOVATION

Despite being home to renowned scientific institutes and its proximity to Silicon Valley, Monterey County's tech economy remains underdeveloped. In short, the County lacks the critical mass of companies, research universities, and entrepreneurs necessary to create, nurture, and maintain a sustainable ecosystem. Few avenues exist to commercialize ongoing research and development initiatives, which leads to situations where research generated locally by organizations like the Monterey Bay Aquarium Research Institute is ultimately implemented in more established technology and innovation hubs around the country. To be sure, the region has many key elements in place: industry-specific organizations like the Western Growers Center for Innovation and Technology, anchor firms like Joby Aviation, and forums for emerging clusters like the Monterey Bay Drone, Autonomy & Robotics Technology (DART) initiative. What is needed is more robust infrastructure to support collaboration and cross-pollination among sectors and across the County.

Monterey County is taking several steps in this direction. The University of California, Santa Cruz (UCSC) Monterey Bay Education, Science, and Technology Center (MBEST) presents an opportunity to build the region's first true technology hub to foster entrepreneurship, cluster development, and job creation. Located across several opportunity zones, the MBEST 70-acre campus boasts over 20,000 square feet of commercial office space serving advanced technology firms. In concert with Joby Aviation and DART, UCSC is in the planning phases of leveraging local expertise in autonomous and electric flight to house incubators, accelerators, light industrial facilities, and other ecosystem support functions at MBEST. By promoting entrepreneurship and local workforce development, attracting firms and talent from outside the region, and coordinating research and development initiatives, an MBEST technology hub would be in a strong position to serve as the driver of a new Central Coast Aviation Corridor.

To lay additional groundwork for this regional cluster, Monterey County is pursuing several other tracks. With respect to workforce development, DART is working with Joby Aviation, Farm N-G, and the Salinas Economic Development Initiative to upskill workers for advanced manufacturing jobs, establishing new apprenticeships, and interfacing with community colleges to align curricula with industry needs. The County, with the support of the California Governor's Office of Business and Economic Development (GO-Biz), is also in talks with Joby Aviation to construct a new 580,000 square foot Electric Vertical Take-Off and Landing (eVTOL) vehicle manufacturing facility in Marina, which would create an estimated 1,800 new jobs.¹⁸ Beyond aviation, several other opportunities for growth exist. Between the Agriculture sector's technology development (AgTech), a growing demand for food scientists, and a long history of oceanographic research, the County's nascent biotech and life sciences cluster has the potential to expand significantly as well.

¹⁸ James Herrera. "Marina working to incentivize Joby Aviation to stay, build facility here." Monterey Daily Herald. May 20, 2023. <https://www.montereyherald.com/2023/05/20/marina-working-to-incentivize-joby-aviation-to-stay-build-facility-here/#:~:text=MARINA%20%E2%80%93%20The%20Marina%20City%20Council,tax%20revenues%20for%20the%20community%2C>



SPOTLIGHT: WORKFORCE DEVELOPMENT

The CEDS highlighted several objectives aimed at building, supporting, and retaining a strong Monterey County workforce:

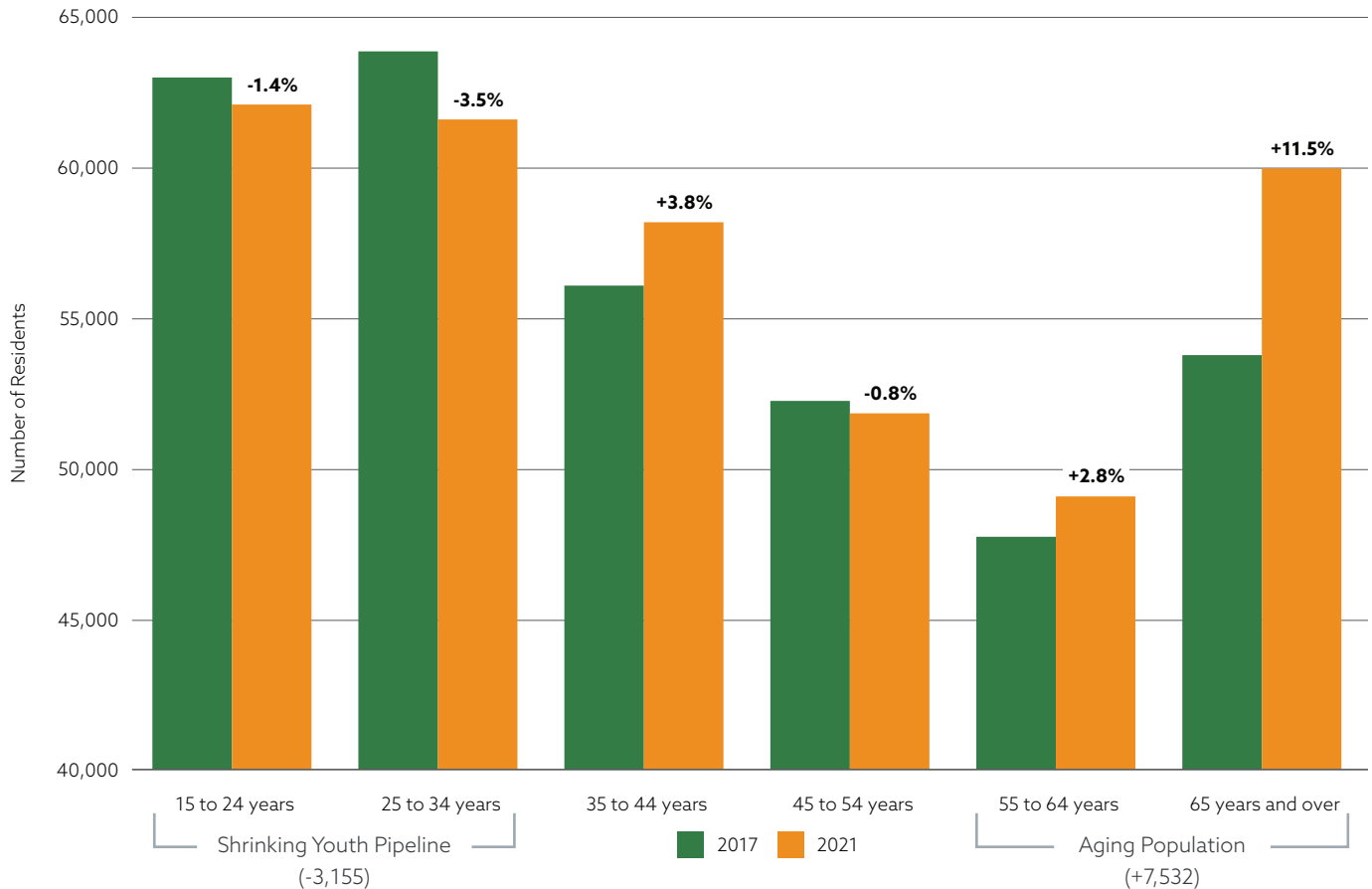
- The creation of a talent pipeline for high school and college students through curricula and experiences geared toward more advanced opportunities in local, living-wage industries.
- The establishment of adult career pathways for residents interested in pursuing higher-paying jobs both within and outside the Agriculture and Tourism & Hospitality sectors.
- Stronger tech, digital, and financial literacy training for small businesses and the workforce.
- The establishment of alternative housing tenures and/or housing types for seasonal workers to stabilize the Agriculture and Tourism & Hospitality workforce.

These workforce development priorities have not changed, but the need to revitalize the County's workforce development infrastructure and talent pipelines grows more urgent with each passing year. Although continuing labor shortages are a nationwide problem at the moment, shifting demographics suggest this may be a regional issue for years to come. Between 2017 and 2021, the number of residents ages 15 to 34 years declined by 3,160 people (Figure 20). At the same time, the number of residents ages 55 or older rose by 7,500 people. These demographic shifts have consequences for the regional economy, which will only increase in their severity over the long term. A shrinking youth population today translates to a smaller prime working-age (ages 25 to 54) population tomorrow. On the other end of the spectrum, an increasing share of the population that ages out of the workforce has implications for regional productivity and may further strain the County's health care resources.

For the youth population Monterey County does retain, more needs to be done to provide guidance and opportunity. Graduating high schoolers are generally unaware of the many local career pathways available to them. Improving the quality of STEM education in secondary school curricula, channeling students to local colleges and/or apprenticeship programs, and aligning higher education programming with industry needs remain priorities. To realize these goals, though, educators, policymakers, and industry representatives need to commit to high-frequency meeting schedules and networking events to keep abreast of evolving labor and skills demand. Additionally, increased efforts to resolve instructor shortages are required to implement and update workforce training programs.



FIGURE 20: POPULATION CHANGE IN MONTEREY COUNTY BY AGE GROUP
2017–2021



Source: US Census Bureau American Community Survey 5-Year Estimates

Of course, addressing current and future labor shortages extends beyond skills training and local talent development. Elevated housing prices across the region make it harder to attract workers beyond the County's borders and retain workers who are already here. This applies to all three target sectors as well as emerging advanced technology clusters. In response, Monterey County has been encouraging — and in some cases has had success with — the construction of workforce housing. At the forefront is the Agriculture sector. In 2016, Tanimura & Antle completed the build of the County's first farmworker housing complex, which offers 100 affordable units to their seasonal workers.¹⁹ More recently, the Board of Supervisors approved a proposal for a 46-unit farmworker housing project in Pajaro.²⁰ In all, the Agriculture sector has provided approximately 5,000 farmworkers with affordable housing options. Given the current state of the housing crisis and projected labor demand, replicating such efforts across all sectors of the economy will be a necessary component of a countywide workforce development strategy.

¹⁹ David Castellon. "T&A shows Spreckels Crossing employee housing." The Salinas Californian. July 13, 2016. <https://www.thecalifornian.com/story/news/local/2016/07/14/ta-shows-spreckels-crossing-employee-housing/87067806/>

²⁰ David Schmalz. "County Supervisors approve controversial farmworker housing project in Pajaro." Monterey County Weekly. Dec 15, 2022. https://www.montereycountyweekly.com/blogs/news_blog/county-supervisors-approve-controversial-farmworker-housing-project-in-pajaro/article_e90d1292-7cb2-11ed-a10a-8f19453e0224.html



APPENDIX 1: PROJECT PARTICIPANTS

BOARD OF SUPERVISORS

- Luis A. Alejo District 1
- Glenn Church District 2
- Chris Lopez District 3
- Wendy Root-Askew District 4
- Mary L. Adams District 5

ECONOMIC DEVELOPMENT COMMITTEE

- Mary L. Adams, Supervisor (Chair)
- Luis A. Alejo Supervisor (Vice-Chair)
- Janine Bouyea Health Care
- Jonathan Brown Labor
- Ida Lopez Chan Minority Owned Business
- Janine Chicourrat Tourism
- Terice Clark Finance
- Beth Fabinsky Research and Development
- Heather Gardner Micro Business
- Norman Groot Agriculture
- Nicholas Kite Non-profit or Community Member
- Dan Ripke Higher Education
- Keith Severson Construction
- Catherine Stedman Climate and Clean Energy

ADDITIONAL INTERVIEW AND FOCUS GROUP PARTICIPANTS

- Steve Adams
- Rosie Armstrong
- Kristin Arps
- Jacquie Atchison
- Trevin Barber
- Clint Cowden
- Patrick Dobbins
- Chris Donnelly
- Dennis Donohue
- Carmen Gil
- Ken Johnson
- Craig Kaufman
- Moira LaMountain
- Joshua Metz
- Karen Nordstrand
- Matthew Mogensen
- Rob O’Keefe
- Kim Stemler



APPENDIX 2: SELECT CITY PROJECTS

Project Name	Agency	Location	Description	2023 update
Del Dono Project (now "Ulrika Plaza")	City of Carmel-by-the-Sea	Carmel	Development of a 11,679-square-foot two-story mixed-use building with 1,697 square feet of commercial space and eight residential units.	Project was approved by Planning Commission and construction started. The developer was unable to complete the project, and the project was stopped with only the excavation and partial construction of underground parking lot completed. The property is now under new ownership, who is in the process of seeking permits from the City for a new project consisting of a 22,900-square-foot, two-story mixed-use building with 12 apartment units and approximately 9,000 square feet of commercial spaces, and an approximately 15,000-square-foot basement containing 27 below-ground parking spaces.
Lincoln Lane Project	City of Carmel-by-the-Sea	Carmel	Demolition and reconstruction of a restaurant building (8,000-square-foot-site) on Lincoln Lane. The plan includes two single-story commercial buildings surrounding a courtyard.	Project complete.
Carmel Lodge Renovation	City of Carmel-by-the-Sea	Carmel	Full exterior/interior renovation of a 42-room hotel, and the addition of a 2,290-square-foot, 2-story meeting and guestroom building .	Project permitted and underway. Anticipate completion late Summer 2023.
Colonial Terrace Hotel Renovation (now Carmel Beach Hotel and Spa)	City of Carmel-by-the-Sea	Carmel	Full exterior/interior renovation of a 25-room hotel, and the addition of a gym, spa, and bar as guest amenities.	Project permitted and underway. Anticipate completion late Summer 2024.
JB Pastor Building	City of Carmel-by-the-Sea	Carmel	Construction of a 16,898-square-foot two-story mixed-use development with an 11,371-square-foot basement garage.	Project is going through entitlement process. Anticipate Planning Commission hearing Summer 2023.
Union Pacific Railroad	City of Gonzales	Gonzales	The development of an additional crossing over the Union Pacific Railroad to connect to Alta Street. The crossing is to facilitate the expansion of the Gonzales Agricultural Industrial Business Park.	
Backbone Arterial Road	City of Gonzales	Gonzales	Development of road infrastructure to connect to the Vista Lucia region and the Puente del Monte region, where redevelopment efforts are being led. The road will connect to Associated Lane and Johnson Canyon road in a bid to reduce traffic.	
Agricultural Business Industrial Park Microgrid	City of Gonzales	Gonzales	Enable the city to independently supply 34.5 MW of electricity to its industrial companies (mainly produce processing plants) apart from the regional grid that carries electricity to customers. Excess power will be sold back to the grid while at the same time improving power quality issues.	
Industrial Wastewater System, Treatment Plant, and Recycled Water Capability	City of Gonzales	Gonzales	Provide necessary wastewater capacity for planned industrial projects and continued economic development of the City's Agricultural Industrial Business Park. This project will double job opportunities that will benefit the region for generations to come and deliver recycled water to adjacent farming operations.	
Backbone Water System and 18" Water Main	City of Gonzales	Gonzales	New 3.0 MG storage tank and transmission main necessary to provide adequate daytime supply for agricultural industrial processing facilities.	



Project Name	Agency	Location	Description	2023 update
EIFD Stormwater Detention Basin Project	City of Gonzales	Gonzales	Modify or relocate Storm Water Detention Basin at the end of Katherine Street to facilitate continued economic development growth.	
Gloria Road, Iverson Road, and Johnson Canyon Road Reconstruction	City of Gonzales and Salinas Valley Solid Waste Authority	Gonzales	Reconstruction efforts (recycling existing pavement surface and placing an asphalt overlay) on Gloria Road, Iverson Road, and Johnson Canyon Road from U.S. 101.	
Downtown Streetscape Project	City of King	King	A streetscape plan designed to revitalize (improvements of crosswalks, streetlights, public art, etc.) downtown City of King. Redevelopment of multiple publicly owned parking lots and buildings within the Salinas City Center (Downtown) with housing or other private development. Potential development of one or more parking garages within the corridor.	Project will begin construction in April 2023 and projected to be completed by December 2023.
Downtown Plaza/Visitor and History Center Project	City of King	King	A plan to revitalize downtown City of King by making it more activity-oriented.	Construction contract has been awarded, construction will begin April 2023 and be completed by November 2023.
Chamber of Commerce and Agriculture/City of King Ambassador Program	City of King	King	A plan to support businesses by developing strategies and outreach efforts for new businesses. Includes workforce development through a partnership with the Small Business Development Center.	Project is in progress.
City of King Hotel Project	City of King	King	A collaboration between the City and a hotel developer to create a hotel development project along the U.S. 101 corridor.	Property has been purchased by the hotel developer and design is in progress.
Downtown Outdoor Market Project	City of King	King	Property acquisition, design and construction of a pedestrian outdoor market in the downtown area to include leased spaces to local vendors.	Site has been identified, working on identifying funding strategies.
Housing Development Efforts	City of King	King	Promotion of low income and market rate multi-family housing projects, senior housing, homeless housing, and seasonal laborer housing projects.	Farmworker and homeless housing projects under development; senior, low-income and market rate multi-family housing projects in the planning stages.
Façade and Outdoor Dining Grant Program	City of King	King	Local grants for businesses to construct building façade improvements and outdoor dining areas.	Project is in progress.
Wind Sculpture Public Art Program	City of King	King	Program of installing wind sculpture kinetic art pieces throughout the downtown and other areas of the community to beautify the community and serve as an attraction for visitors.	Contract for first 3 pieces have been awarded and pieces will be completed and installed by fall 2023.
King City Multimodal Transit Center Project	City of King, Caltrans, SLOCOG, Fort Hunter Liggett, TAMC, DOT	King	Development of an Amtrak stop, rail platform, station, track improvements, parking lot, and facilities for bus service, bicycles, passenger dropoff, and park-and-ride.	Project is under design, partial funding is secured, and additional funding sources are being pursued.
Retail Consultant Assistance	City of King, Small Business Development Center	King	Provide consultant assistance to individual retail businesses to help downtown businesses be more successful and meet local purchasing demands by assisting with product selection and store layout of displays and merchandise.	City is coordinating with the SBDC to offer one-on-one professional retail assistance.
City of Marina Arts Village	City of Marina	Marina	Redevelop existing 60,000-square-foot Arts District building into a creative structure for shops, artisan studios, office space, innovative light manufacturing, foundries, museums, and indoor/outdoor entertainment.	



Project Name	Agency	Location	Description	2023 update
Airport Business Park	City of Marina	Marina	Develop approximately 75-acre space on the east side of the airport for a business park including up to 1 million square-feet of flex office and industrial uses.	
Marina Broadband Project	City of Marina and The Marina Foundation	Marina	Connects Marina employment centers with publicly owned broadband infrastructure. The project aids companies that require access to fiber networks to locate in Marina.	
Growers Ice 3	City of Salinas	Salinas	Infrastructure capacity improvements to support the redevelopment of a 28-acre precooling, cooling, storage, and shipping campus that meets industry standards. Existing facilities are 50+ years old and inefficient. The site is in an Opportunity Zone.	In June 2022, the city entered into consultant contract agreements to study the feasibility of expanding the capacity of the Industrial Waste Treatment Facility (IWTF) to meet ag industry needs as they expand and redevelop facilities. In April 2023 a fee increase was passed to fund upcoming capital maintenance and expansion costs.
Ag-Industrial Center	City of Salinas	Salinas	Infrastructure improvements to support development of a 257-acre complex devoted to agricultural-related uses including value added processing. The site is in an Opportunity Zone.	The City engaged economic consultants to revisit the use of an Enhanced Infrastructure Financing District (EIFD) as a potential infrastructure funding source for the SAIC. A 2023 update of the SAIC EIFD feasibility analysis, prepared in 2016, confirms that an EIFD is the most viable infrastructure funding source. The City has initiated conversations with the County about their participation (March 2023).
Work, John, Abbott Streets	City of Salinas	Salinas	Transportation and utility infrastructure improvements required to redevelop underused properties including an obsolete agricultural shipping facility and with job generating uses. Sites are in an Opportunity Zone.	Environmental review has been completed for the proposed mixed-use developments. A Conditional Use Permit along with a tentative map is to be considered by the Planning Commission by end of summer.
Airport/Salinas Travel Center	City of Salinas	Salinas	Transportation and utility infrastructure improvements required to develop properties at the Salinas Municipal Airport and Salinas Travel Center.	Site improvements and facilities for the Loves Travel Center are under construction. The hotel use has been entitled and a building permit has been approved but not yet issued.
Firestone Facility	City of Salinas	Salinas	Collaboration with the County to increase infrastructure capacity and connect a former tire manufacturing facility to city sewer infrastructure to allow for more intensive manufacturing uses and job creation. The facility is 1.2 million square feet.	
Infrastructure to Support Future Growth Area Development	City of Salinas	Salinas	Infrastructure is needed to facilitate and support the future development of the City's EDE future growth areas K, M, and West and Central Area Specific Plans as employment centers including a business park, general and light industrial, and commercial retail uses.	Target Area K: In March 2022 the City entered into an Extraterritorial Wastewater Service and Reimbursement Agreements to establish the terms and conditions under which the City would allow connection to its wastewater collection and disposal system. Developer is to obtain all permits and pay all fees to construct a 10-inch sewer line (New Sewer Line) from Sala Road Project site to the City Connection Point at Russell Road along Russell Road. Future development in Target Area K will reimburse Developer for connection based on their prorated share. The City has also received and is processing specific plan, pre-zoning, Sphere of Influence and annexation application for Target Area K. Proposed uses include business park, retail, and mixed-use. West and Central Area Specific Plan: Tentative maps for 425 residential units in the CASP were submitted and are currently under review. There is no update for WASP as the EIR is currently being challenged in court.



Project Name	Agency	Location	Description	2023 update
Infrastructure to Support Infill Development	City of Salinas	Salinas	Infrastructure is needed to support the redevelopment of multiple opportunity sites in the Opportunity Zone.	City has been awarded \$470,304 from the Local Agency Technical Assistance program to fund to development the Salinas Broadband Master Plan and Alisal Neighborhood Broadband Fiber Network Design. The project is estimated to be completed by late April 2025.
Alisal Market Place	City of Salinas	Salinas	Light industrial flex space, live-work units, co-working space, and mixed-use commercial retail.	City Staff is currently undertaking environmental review to consider the rezoning of a portion of the Marketplace. Proposed general plan and zoning amendments are expected to be presented to City Council in May 2023.
Chinatown	City of Salinas	Salinas	Light industrial flex space, live-work units, co-working space, and mixed-use commercial retail.	The City recently acquired two parcels, 34 Soledad Street and 37 Soledad Street, and continues to be in discussions with other property owners to assemble parcels to facilitate redevelopment and revitalization in Chinatown.
Lincoln Avenue Corridor	City of Salinas	Salinas	Redevelopment of multiple publicly owned parking lots and buildings within the Salinas City Center (Downtown) with housing or other private development.	In 2019 the City of Salinas rezoned city-owned surface parking lots within the Lincoln Corridor and is currently undergoing negotiations for potential development of three lots.
Intermodal Transportation Center	City of Salinas	Salinas	Transit-oriented development at the site of a historic train station.	City staff has developed a scope of work to select a consultant to prepare a master plan for the ITC that will include branding and identity, signage and banners, connectivity between the ITC and Salinas Downtown, site activation, and the incorporation of mixed-used transient oriented development.
Municipal Dark Fiber Network Installation	City of Salinas	Salinas	Partnership among Salinas local broadband infrastructure providers to facilitate infrastructure access to other internet service providers who want access to the Salinas market.	City staff entered into a Master Service Agreement with Underline to support the provision of public Wi-Fi on city-owned properties throughout the city and to offer affordable high speed internet services at a low cost to residents.
General Jim Moore Corridor Improvements	City of Seaside	General Jim Moore Blvd Corridor	Design and construction of intersection improvements to include roundabouts.	
The Seaside Resort Development Project	City of Seaside	Seaside	Proposal to develop a mixed-use (entertainment, retail, housing, and lodging) urban village with a centralized main street. The plan includes pedestrianized streetscapes and park-and-ride facilities.	
The Ascent Project	City of Seaside	Seaside	A workforce rental housing project that includes 90 units and townhouses (1 to 3 bedrooms) and 16 low-income units. The project includes a 4,000-square-foot retail space, shared parking area, and green space areas for residents.	
Broadway Ave. Complete Streets	City of Seaside	Seaside	Update street infrastructure to complement the lower Broadway Street infrastructure improvements.	
Storm Drain System Master Plan Update	City of Seaside	Seaside	Study and plan to make upgrades to provide more capacity and repairs. This will help prevent flooding and sinkholes.	
Storm Drain Replacement Program	City of Seaside	Seaside	Replace aging and deficient storm drains.	
Coe Ave & General Jim Moor Blvd Intersection Improvement	City of Seaside	Seaside	Double roundabout design to improve traffic flow and reduce congestion.	



Project Name	Agency	Location	Description	2023 update
Fremont Blvd Corridor Improvements	City of Seaside	Seaside	Design & construction of Complete Streets along Fremont Blvd.	
Community Facilities District	City of Seaside	Seaside	Establish a CFO to help facilitate infrastructure projects.	Complete.
Wayfinding Signage	City of Seaside	Seaside	Install clear and consistent wayfinding signage on former Fort Ord lands, coordinated across all jurisdictions.	
Canyon Del Rey Water Well	City of Seaside	Seaside	Construction of water well to provide water for new homes and businesses.	
Water Supply Study, Design & Acquisition I Construction	City of Seaside	Seaside	Study to identify new sources of water supply to include groundwater recharge, recycled water treatment, or new well projects with design and acquisition / construction to follow.	
Fire Station #2	City of Seaside	Seaside	Construct second fire station to provide timely service to businesses and homes in the former Fort Ord.	
Highway 218 Corridor Improvements	City of Seaside & Transportation Agency for Monterey County	Seaside and Del Rey Oaks	Road improvements to include roundabouts, pedestrian and bicycle improvements. Improves safety and circulation for a major thoroughfare.	
Lightfighter Drive Corridor Improvements	City of Seaside and Private Developer(s)	Seaside	Road improvements for Lightfighter Dr. in support of housing, commercial & mixed-uses.	
Campus Town	City of Seaside and Private Developer(s)	Seaside	Demolition, infrastructure, construction to develop 1,485 units of housing, commercial, mixed-use on former Ft. Ord land.	Project approved.
Main Gate	City of Seaside and Private Developer(s)	Seaside	Infrastructure and construction for housing, commercial and mixed use on former Ft. Ord land.	
Well Replacement	City of Seaside Municipal Water System	Seaside	Construct backup well for the Seaside Municipal Water System to insure continuous supply of water to homes, schools and businesses.	
FORTAG	City of Seaside, City of Del Rey Oaks, and TAMC	Seaside and Surrounding Environs	Bicycle and pedestrian trail around the City of Seaside, connecting to the Inter-Coastal trail and other jurisdictions.	
Broadband	City of Seaside and Partners	Seaside	Various projects to ensure greater broadband coverage throughout the city.	
West Broadway Urban Village Parking Structure	City of Seaside and Private Developer(s)	Seaside	Establish a Parking Authority, plan and construct a parking structure to facilitate additional parking due to increased downtown business demand.	
Accessory Dwelling Units	City of Seaside and Private Developer(s)	Seaside	Infrastructure, water, and construction of ADUs.	
Soledad Shipping Container Project	City of Soledad	Soledad	The Soledad Shipping Container project seeks to create a new and exciting sense of place along the City's main commercial corridor, Front Street. The visionary project will assist Soledad and South Monterey County residents with a place to recreate, relax, enjoy food and take in a small concert without having to travel to Salinas or the Monterey Peninsula.	The City's consultant (EPS) is refining the preferred site design and architecture option. Once completed, the City will look to market and partner with the private development community and Monterey County on development of the site. The City is also investing \$500K in ARPA funding for land development improvements with the intent of defraying the costs required for future development.
San Lorenzo Park River Trail Expansion Project	County of Monterey and City of King	King	Expansion of trails in and adjacent to San Lorenzo Park along the Salinas River.	Pursuing grant funding sources to design and construct additional trails.



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DART Ecosystem Development	Monterey Bay DART	Marina	Cluster initiative to facilitate the continued growth of the Monterey Bay Drone, Automation & Robotics Technology (DART) ecosystem. The goal is to expedite the creation of 100+ jobs over three to five years.	
Bradley Mitigated Negative Declaration	County of Monterey Public Works, Facilities, & Parks	Bradley	Maintain and protect the Bradley Road Bridge piers from the impacts of soil and sediment erosion.	
Carmel Valley Road Emergency Repairs MP 13.6 to 13.9	County of Monterey Public Works, Facilities, & Parks	Carmel Valley	Ongoing repair project on Carmel Valley Road to repair the roadway from storm damage.	
Countywide Striping Project 2019	County of Monterey Public Works, Facilities, & Parks	Countywide	Public works project that includes applying centerline striping and traffic control to roughly half of Monterey County's striped roads.	
Jolon Road Bridge Rail Replacement Project	County of Monterey Public Works, Facilities, & Parks	Jolon	Improving bridge safety by replacing the existing bridge rails on Jolon Road (Bridge No. 327).	
Las Lomas Drive Utility Relocation	County of Monterey Public Works, Facilities, & Parks	Las Lomas	Utility (gas, electrical, water and cable) relocation project. The project consists of utility relocation by PG&E, AT&T, and Cal Water Co., which includes trench excavation and traffic control.	
Davis Road Bridge Replacement and Road Widening Project	County of Monterey Public Works, Facilities, & Parks	Salinas	Public works project that replaces the low-level bridge over the Salinas River with a bridge that meets the current American Association of State Highway and Transportation Officials requirements.	
Old Stage Road Culvert Replacement	County of Monterey Public Works, Facilities, & Parks	Salinas Valley	Public works project to replace and improve drainage along Old Stage Road.	
River Road Reconstruction	County of Monterey Public Works, Facilities, & Parks	Salinas Valley	Reconstruction efforts (recycling pavement surface and placing an asphalt overlay) on River Road (from Limekiln Road to Gonzales River Road Bridge).	
River Road Rehabilitation	County of Monterey Public Works, Facilities, & Parks	Salinas Valley	Rehabilitation efforts (recycling pavement surface and placing an asphalt overlay) on River Road (from California 68 to Las Palmas Parkway).	
Ag-Worker Career Development and Advancement Training Program	Salinas Valley Cities	Salinas Valley	Training programs at farmworker housing sites to create advancement opportunities for ag field workers.	Program in planning stages.
Sanitary Sewer System Master Plan Update	Seaside County Sanitation District	Seaside	Update the 10-year Sewer System Master Plan to plan for future growth and provide more reliability.	
Fremont/Broadway/Ortiz Sewer Main Upgrade	Seaside County Sanitation District	Seaside and Sand City	Sewer upgrade project to provide additional sewer capacity for construction of new homes and businesses.	
North Fremont Highway Interchange Improvements	Transportation Agency for Monterey County	Seaside	On/off ramp and intersection improvements to reduce congestion. Improve safety of vehicle traffic into City of Seaside.	
Workforce Training Facility	UC Santa Cruz	Marina	A plan to create a 20,000- to 50,000-square-foot technical workforce training facility to provide development in aerospace, automation, and robotics technology cluster.	



Project Name	Agency	Location	Description	2023 update
South Monterey County Tourism Program	Various Government Agencies	King, Greenfield, Soledad, and Gonzales	A partnership among City of King, Greenfield, Soledad, and Gonzales to develop a thematic tourism marketing program (Steinbeck History, Wine Region, Ag Tourism, etc.)	Agencies are joining the Monterey County Conference and Visitors Bureau and will be coordinating the program through them.
Monterey County River Road Wine Trail	Various Government Agencies	South Monterey County	Design and construction of roadway improvements, signage, and tourist facilities.	Project in planning stages.
South Salinas Broadband Authority	Various Government Agencies	King, Greenfield, Soledad, and Gonzales	Expanding access to reliable, high-speed internet is critical for establishing equal opportunities for education, economic growth, healthcare, and more. Under this model, multiple internet service providers use the same publicly owned high-speed network to provide a range of services to homes and businesses. This enables increased competition among internet service providers and greater assurance of affordability for consumers.	

