

PLUMAS COUNTY BUSINESS & ECONOMIC REPORT

Corporate Transparency Act

For business owners in Plumas County, the Corporate Transparency Act (CTA) introduces important compliance requirements that could impact the way they manage their companies' reporting and administrative processes. Specifically, business owners of smaller and medium-sized entities, such as privately-held corporations, LLCs, and other similar entities that are not publicly traded and do not meet certain regulatory exemptions, will now be required to report detailed information about their beneficial owners to FinCEN. This includes entities with fewer than 21 full-time employees or those generating less than \$5 million in annual revenue from U.S. operations.

This means Plumas County business owners need to be prepared to provide personal information of all individuals who either control, manage, or own a significant portion of the company. They must file a

Beneficial Ownership Information report (BOI), which includes data such as names, addresses, and identifying information of the owners. The goal is to increase transparency and help prevent financial crimes, but it also places a new administrative burden on small business owners.

Additionally, while the information provided to FinCEN will not be publicly accessible, it will be available to federal and state law enforcement agencies, and under certain conditions, to financial institutions conducting due diligence. Plumas County business owners should ensure their compliance to avoid the significant penalties associated with failure to report or inaccuracies in the reported data. This includes civil penalties and potential criminal charges, emphasizing the importance of accuracy and timeliness in their submissions to FinCEN.

Plumas Bank Business is Blooming Bundle

Currently Sierra SBDC and IVIH are becoming familiar with this new filing requirement and are in talks about how to support local business owners through the process. Plumas Bank is offering a "Business is Blooming Bundle" designed to support the growth and financial stability of businesses. This package includes a specialized Local Business Checking Account and an 11-month Certificate of Deposit (CD) with a competitive 4.60% Annual Percentage Yield (APY), aimed at encouraging higher savings. The bundle also promises tailored support to business owners looking to enhance their financial operations. This limited-time offer emphasizes the bank's commitment to partnering with businesses for sustained success and growth.

Wildfire Settlement Tax Update

The "settlement tax bill" aka the Federal Disaster Tax Relief Act of 2024 included in HR7024 (Tax Relief for American Families and Workers Act of 2024) is currently uncertain in its progress, lacking the necessary Senate votes for passage despite earlier bipartisan support indications. The bill's failure impacts Plumas County residents affected by the Dixie Fire, as they face potential taxes on their fire settlement funds. Advocacy group After the Fire is actively working to counter this, planning further actions to support fire survivors who might be taxed on their settlements. The group expresses frustration over potential delays in legislative success, which could extend into 2025, affecting the ability of fire survivors to amend past tax returns. They remain committed to continuing their advocacy efforts, including upcoming discussions with key legislators.

Building Futures Survey

The Jerry & Yvonne Kehr Educational Fund's mission is to support educational, artistic and vocational initiatives in Plumas County and provide resources that enhance learning opportunities for students of all ages. To that end, the Fund is conducting a survey to gather the opinions of local businesses regarding the most important employable skills and educational training for youth and young adults in our area. The insights collected will help develop programs and projects that will contribute to the economic development and prosperity of our local communities.

The data collected from the survey will be used to inform the strategic direction of the Education Funds initiatives. The survey takes about 7 minutes of your time; <https://www.surveymonkey.com/r/SB6FJGP>.

PLUMAS COUNTY BUSINESS & ECONOMIC REPORT

Lending for Startup Businesses

Lending for startup businesses can be difficult and time-consuming. It can take 45 to 150 days to secure a loan, so don't expect a loan overnight or by next week. Approximately 80% of new small businesses fail in their first 5 years, mostly from being under-capitalized. Startups with a written business plan are 600% more likely to succeed than an operation without a written plan. The pressure is on the new business to succeed.

When considering a small business loan request, please present the following documents to your Lender:

- ☐ Personal Financial Statement (SBA Form 413)
- ☐ Credit score
- ☐ Written Business Plan
- ☐ Resume
- ☐ References

Additional tips: Don't apply for a loan when you are out of money; plan in advance. NEVER use a credit card to finance your business.

What Lenders Want from Borrowers

Every Lender looks for the 5 C's of Lending before deciding whether or not to approve your loan request for your small business. Knowing what the 5 C's are will help you prepare for your loan request. They are built into SBA's (Small Business Administration) regulations, and they are part of Federal and State lending guidelines.

CAPACITY: Does the business have the ability to generate the cash flow to repay the loan and make the monthly payment?

CAPITAL: This is the Borrower's "skin in the game." This necessary equity is usually 10% - 35% of the project cost, depending upon the financial strength of the Borrower.

COLLATERAL: Lenders require at least two methods of repayment of your loan. The primary source is from your business to pay off the loan. The secondary source is other income or assets that you may have.

CONDITIONS: These are the market expectations for your business. Is there an impending recession? Is it wise to open a restaurant during a Pandemic when dining out is not encouraged?

CHARACTER: This is critically important. Federal law places the burden on the Lender to know their clients. What's your credit score? What's your experience in the business you plan to start?

In advance of requesting a small business loan, please fill out the SBA's Personal Financial Statement (SBA Form 413). For more in-depth information on your creditworthiness, please contact Clint Koble, Advisor for the Sierra Small Business Development Center at: clint.koble@gmail.com or (530) 375-0126.

Eastern Producers Informational Collaborative

The inaugural meeting of the Eastern Producers Informational Collaborative (EPIC) convened on April 15th at the Plumas Sierra County Fairgrounds, orchestrated by Jessie Mazar of the Lost Sierra Food Project. This event brought together 40 agricultural producers and agency representatives from Modoc, Lassen, Plumas, and Sierra Counties to enhance the viability of the a regional food system.

The gathering aimed to map existing infrastructure, share knowledge, and pinpoint critical initiatives. Keynote presentations were delivered by Willo Vieira (Plumas County Ag Commissioner), Ben McNally (USDA's NRCS), Paul Mrowczynski (Emergency Food Access Plan), and Katie Harris (Community Action Agency).

Breakout Sessions

Participants divided into groups focusing on strategic improvements to Agricultural Marketing and Infrastructure, Farmer Training Programs, Education Needs and Food Access Planning.

Major Challenges Identified

A significant emphasis was placed on the need for effective branding, enhanced marketing strategies, and the development of local markets. The discussions also covered the logistical challenges of transportation, the competitive wage landscape, and the scarcity of affordable housing for workers.

Outcome and Future Steps

The dialogue led to the creation of Organizing Plan documents which transform these discussion into actionable steps. These documents are accessible via links provided in the original article and include sections on Markets and Infrastructure, Education Programs, and the Emergency Food Access Plan.

This meeting underscored the often overlooked importance of robust food systems and food security, highlighted by the powerful reminder that society is only "seven meals away from chaos" should our food supply chain be disrupted.

Feedback and Participation

The planners encourage feedback on the working documents to refine and expand the action plans. Participants made productive connections, setting a collaborative tone for future initiatives to strengthen the local agriculture sector.

PLUMAS COUNTY
BUSINESS & ECONOMIC REPORT

Published by:

Indian Valley Innovation Hub, through funding for computer equipment from the Roby Family's Feather River Community Fund.

To subscribe:

email ivih.information@gmail.com to request an electronic copy.

IVIH Executive Director:

Lara Wheeler

IVIH Committee:

John Steffanic, Clint Koble, Ted Stout

Contact Us:

Phone:

(530) 280-1660

Email:

ivih.information@gmail.com

Mail:

204 Fairground Rd Quincy, CA 95971

Follow:

IVIH on Facebook

INDIAN VALLEY
INNOVATION
HUB

ACCELERATED BY

CHICO START

IVIH Mission:

Facilitating Plumas County exports and empowering businesses through innovation and education to drive economic development.

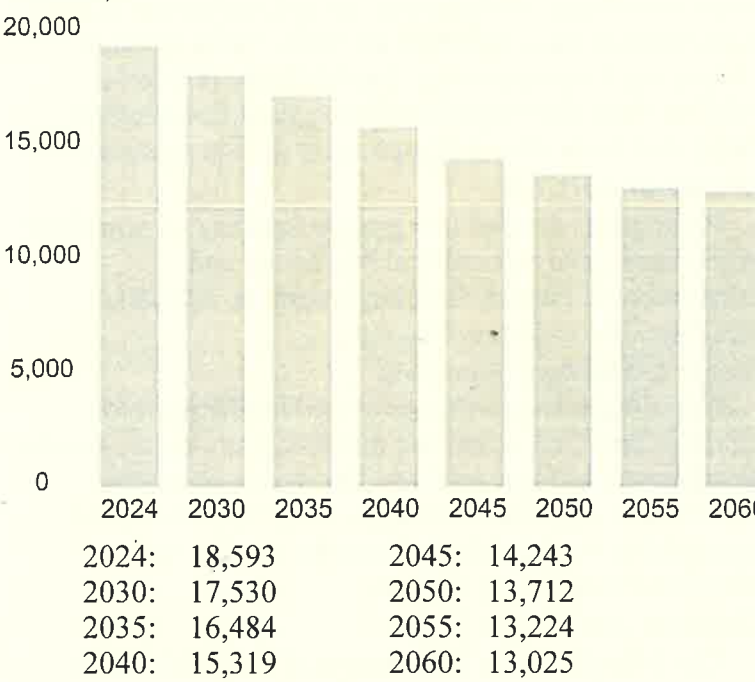
PLUMAS COUNTY BUSINESS & ECONOMIC REPORT

The Cost of Depopulation

Clint Koble, Advisor:
Sierra Small Business Development Center

Not enough attention is given to the costs of Depopulation, and the risks that it leaves behind in our communities, businesses, and County Coffers. We need to address a real problem that is projected to not go away – the Elephant in the Room – Depopulation. It is our Silent Disaster! We have to know what to overcome if we are to reverse course and to raise our quality of life in Plumas County.

To begin, let's start with the current population of Plumas County and where it is headed (CA Department of Finance):



- ★ From 2024 to 2060, we are projected to lose 5,568 people.
- ★ According to the 2020 US Census, at 3.13 people per family, that's 1779 families lost in 36 years.
- ★ That number equates into 49 families per year we are losing in Plumas County, EVERY YEAR.
- ★ Using more US Census figures, that means we are losing 49 families x \$68,000 AMI (Average Median Income) = \$3,332,000 per year before taxes.
- ★ After Taxes, that means 49 families would have approximately \$58,000 left in disposal income = \$2,842,000 , to spend in our stores, shops, businesses, grocery stores, dentists, recreation, buying cars, clothing, furniture, computers, cell phones etc. EVERY YEAR. Please remember, this is what we are LOSING every year with Depopulation for the next 36 years, a whopping \$102,342,000 in that time.

★ As bad as these stats are, it gets worse:

- ◆ If we lose 49 families a year in Plumas County, and if those 49 families have just 30 school-aged children, then that's 30 students x \$10,500 per year from the State of CA = \$315,000 loss to our School Districts, EVERY YEAR. That's millions of dollars lost in the next 36 years.

Plumas County is not alone in a sinking boat: Modoc County's population is projected by the CA Department of Finance to drop by 31% by 2060; Lassen County is projected to lose almost 45% by 2060; and Sierra County, which is already the second lowest populated County in CA, is projected to lose about 9%. Did you know that in 1860, the population in Sierra County was at its highest – 11,867. It's now at 3,190 and dropping.

All of this is not to just paint a picture of doom and gloom, but to bring to everyone's attention, that we need to turn around the Depopulation that is threatening our communities, businesses, and County. It is a start in developing a plan built on the Three-legged Stool of Economic Development:

- ◆ Affordable and accessible housing
- ◆ Job opportunities
- ◆ Infrastructure (needed to make the above two needs happen).

We need to provide ideas and solutions for all of Plumas County to improve our economic and social health. Improving the quality of life is incredibly important and we can do it without destroying our values and way of life.

PLUMAS MLS MARKET DATA

Provided by the Plumas Association of Realtors

April 2024

Active Listings: 618

New Listings: 183

Total Sold Properties: 47

RESIDENTIAL

Median List Price: \$450,000

Median DOM: 35

Sold: 30

Median List Price Sold: \$287,500

LOTS/LAND

Median List Price: \$68,527

Median DOM: 187

Sold: 15

Median List Price Sold: \$45,000

COMMERCIAL

Sold: 1

Median List Price Sold: \$699,000

BUSINESS & ECONOMIC

MAY 7, 2024

★ REPORT ★

3rd EDITION

Nuggets of Housing Data; What does it mean?

John Steffanic-Plumas County Economic Point of Contact

A priority that has been identified by the Indian Valley Innovation Hub is data. Or lack of it. While there is plenty of statistics floating around, we always ask ourselves what does it mean? How are we to actually use data from the California Department of Finance that tells us there are 14,845 homes in Plumas County and 8,720 are occupied? These figures are from 2023 and show our population at 18,996 and 2.1 persons per household. What's going on with the other 6,125 homes?

Now, this is usually the point where some people raise their voices and state that it's obvious; we live in a area that has a lot of second homes. Is that right? Probably, but is that the whole story? Our mission at the Indian Valley Innovation Hub is to get a true handle on this data so we can make economic development decisions based on well understood information. To that end, the IVIH has formed a relationship with Chico State and their North Valley Planning & Development Collective. We will be able to confer with experts on what kind of data is available, and what it means. This information can help us discover new, hidden markets for our local businesses, reveal data that can be used to apply for more effective grants, and guide our decision makers to informed and impactful actions.

Consider our earlier discussion on housing; in 2019, data showed around 1050 more homes in the county, which was still 330 more than in 2010. Logic would tell us that we had a major loss of homes after the Dixie Fire. There are a couple of curious points; while 2019 shows that Plumas County had over 1000 more homes, it's total population was about 650 LESS than 2023 and 2019 had 240 LESS occupied units. So, 2023 had a higher population, with less number of homes, but a higher occupancy rate than 2019 that had a lower population, way more homes, with less of them occupied.

Table 28. Housing Market Indicators					
Indicator	2023	2019	2010	% Change from 2019	% Change from 2010
Total Population	18,996.0	18,242.0	20,007.0	4.1	-5.1
Total # of Homes	14,845.0	15,895.0	15,566.0	-6.6	-4.6
# Occupied Units	8,720.0	8,480.0	8,977.0	2.8	-2.9
Persons per Household	2.1	2.1	2.2	1.6	-2.2
Vacancy Rate (%)	41.3	46.6	42.3	-11.6	-2.5

Source: CA DCF; Calculations by Marin Economic Consulting

Now, we may be focusing on some bit of benign data that doesn't hold a lot of potential, but we feel that it is worth the time to fully understand it. It doesn't take much to overhear people complaining about the lack of housing that is available in Plumas County. We have lost out on some highly desirable employees because they just couldn't find a place to live. Is there a strategy to bring those 6,125 un-occupied homes into play? Are they being used as short term rentals like AirBnB? How does that affect us economically? All good questions, we just want good answers before we start throwing around "solutions" that aren't based in good data and analysis.

Stay tuned to this newsletter for much more on statistics that affect us economically. Statistics are not always the most exciting things to consider, but people make decisions based on them every day, and some of those decisions affect us in big ways. We pledge to do our best to gather this data, understand it and pass it on to people that need it to make good decisions; from the local retailer to elected officials.

Here's a parting nugget of data that is probably only good for a hmmm. It comes from the Census Bureau and says that based on building units permitted per 1000 population in 2022, Plumas County ranked 1199 out of 3033 geographies in the United States. That puts us ahead of Grand Isle, Vermont, but just behind Sanborn, South Dakota. Hmmm.

