

BOS Report – January 7, 2025

Business and Economic Development Report – IVIH

Good Morning Supervisors and welcome Mimi Hall to great decision-making in 2025!

- As of January 1st, our nation's population just exceeded over 341,000,000 people. Our growth rate is only about .78 of 1%, so we are not raising a large class of baby boomers!
- Also, as of January 1st, minimum wage will increase \$.50 per hour to \$16.50 per hour in CA, one of the highest minimum wage rates in the nation. Large cities, such as San Diego are declaring a minimum of \$17.25 per hour.
- Expect at least a 3% rate increase in utility rates from PG&E.
- Gas prices will drop slightly, but not much in CA. Grocery costs won't change much and might even increase.
- Homeowner insurance policies will see a slight decline in 2025, but it will be next year until prices will make a considerable decrease due to new laws governing insurance companies really takes effect. Rates may be dependent upon the severity of our fire season, which pretty well is year-long anymore.
- Consumer costs will increase due to higher wage and labor costs; maybe not much, but they are likely not to go down.
- Our small businesses and microbusinesses will continue to struggle with high labor costs, few labor sources, higher utility costs, and high interest rates. 2025 will see more of our small businesses fold or fail to make a profit worth fighting for.
- Mortgage rates will remain in the upper 6% range for the year 2025, possibly dropping a bit to the low 6% range by year's end. There will be little interest rate reductions as a new Administration will be infusing new capital and spending to stimulate the economy.
- Home-medium sales prices will increase from 2% to 4% throughout the year.
- Home sales, will nevertheless increase anywhere from 4% to 9%, proving that investments in a home are still a good thing for families. All in all, 2025 will be the most buyer-friendly market since 2016. Attempts by the current and incoming Administrations to encourage home-building and homeownership will continue.
- Regarding rental properties and policies, "pet-friendly" policies are becoming more nonnegotiable for property managers, as renters are getting older and demanding a better quality of life that includes having their pets.
- The good news is that nearly all U.S. Counties had more homeowners than renters between 2019 and 2023. The number of owner-occupied housing units increased by 8.4% between 2019 and 2023. In Plumas County, approximately 70% of families live in owner-occupied housing. The high percentage in Plumas County may be due to our aging demographic. With our median age in the 50's, it's reasonable to expect homeownership, while it is not for young families that share all the normal costs of living but have college loans and childcare as additional expenses.

- What does this mean for Plumas County? While we live in a state with some of the highest percentage of homeowners, it will be still difficult to see high home sales and high home building in our County. Why? The U.S. Median Household Income is about \$79,000 while it's about \$90,000 in CA. However, in Plumas County that income is only about \$65,000 per year, which results in a high Debt-to-Income Ratio, meaning that many incomes don't support the lending for housing starts.
- So, what's the solution to help cash-strapped young families move to Plumas County in order to reverse our low births, high deaths, and low in-migration? I've said this repeatedly, and we can take the lesson provided by Paradise in rebuilding their burn scar community: We need Down Payment Assistance Programs to help young people get into homes. We have jobs to fill in Plumas County, but a lack of housing. I believe the public is accepting First-time Homeowners as a solution. As our governing board, you have the power to support those efforts and do whatever you can; if not, our population deficit will continue to grow as we continue to lose over 1 family of three+ people per week in our County. If ever, we have a line in the sand to draw, it's now. By considering ways to put monies towards Down Payment Assistance and other First-time Homeowner Programs, we can actually solve two legs of the three-legged economic stool: Access to housing; Good Jobs, Infrastructure for public benefit.

Offering such programs can greatly help our wildfire recovery in Indian Valley and other burn scar communities. The Plumas County Community Development Commission will soon be giving you proposals and actions to help reverse our future of declining population and save our quality of life.

- In other news, The Quincy Hub has been up and running since Sparkle on December 6, 2024. Since then, the Made In Plumas County Store has generated over \$14,000 in sales to our product makers, with 321 total transactions, and 210 customers served. We currently have 21 product makers in the Made In Plumas County Store, with about another 20 or more wanting in. The real beauty of this venture is that Hobbyists are wanting to move to full business ventures. We are helping at least a dozen small product makers with a business name that has search engine optimization, securing an EIN instead of using their social security number, getting a Fictitious Business Name Certificate from Plumas County, getting General Liability Insurance, business checking accounts, business plans, digital presence, and more. It is always best to grow your economy from the inside up.
- The Innovation HUB is ordering technical equipment to assist in helping local businesses and startups attend workshops and reduce their starting costs.
- The Sierra SBDC, like all SBDCs across the country, is sharing a \$10M grant from Google.org to start offering workshops on the benefits of AI to our businesses, community members, and to your staff. We will have details soon.
- Looking to the Future:

- By 2030, 65% of jobs from 2020 will no longer exist, and we will continue to face a shortage of millions of workers, especially skilled workers. The Alliance for Workforce Development, the Innovation HUB, and the Lost Sierra Business Resilience Committee, headed by Mark Pecotich, will continue to find solutions to our economic development challenges by expanding workforce training by implementing the CEDS that will result in a stronger, more diversified economy. The Resilience Committee is leading efforts to implement the RCAC's grants to kick start the economies in Quincy and Chester, as well as all of Plumas County. It is advocating industry diversification and business/community development, and ways to bring those changes. We will make a presentation soon, for the Committee's goals.
- That may sound easy on paper, but we have much to do. It is one thing to offer Down Payment Assistance Programs to First-time Homeowners that can settle in Plumas County and fill all the vacant jobs that we currently have. But we have to eliminate other barriers to employment, such as access to affordable and high-quality Childcare. Until we solve that barrier, it's difficult for those young families to relocate here.
- We have no maternity wards in our hospitals; consequently, all of our babies are born in Reno, Truckee, Chico, or Susanville. We have to find ways to eliminate those barriers that prevent those young families from moving here and enjoy the safety, security, and quality of life for their new families. While the absence of maternity wards seems to be a rural problem, it's really a family problem, and we have to solve this. All around us, maternity wards are closing because of high costs and intensive care. Recent closures include Mammoth Lakes and Fall River Mills. The situation is so dire in our rural hospitals that the RCRC highlighted the struggle Plumas District Hospital is having. Even the New York Times is making note of this problem in Plumas County.
- In December 2024, the following businesses filed new Fictitious Business Name Certificates:
 - District 1:
 - Vine and Branch – New Filing – Portola
 - Trouts Café – New Filing – Portola
 - Connies Place – New filing – Portola
 - R&R Computer Solutions – Re-file, no changes – Portola
 - Auto Fab Specialties – Re-file, no changes – Beckwourth
 - District 2:
 - Multicultural Family HUB – New Filing – Taylorsville
 - Washoe Land Management – New Filing – Greenville
 - Diamond Mountain Ranch – Re-file, no changes – Greenville

- Sib + Mila Clean Beauty, Home, Accessories – New Filing – Greenville
- District 3:
 - Plumas Crafted Co. – New Filing – Quincy
 - All Voltz Electric – New Filing – Quincy
 - Quincy Collective – Re-file, no changes – Quincy
 - Feather River Disposal – New Filing – Quincy
 - 1st & Main Salon – New Filing – Quincy
 - The Coffeehouse – New Filing – Quincy
 - Tyrus Chimney Sweep – Re-file, no changes – Quincy
 - Toppers Tree Service – Re-file, no changes – Quincy
 - Plaza Park – New Filing – Quincy
 - L & L Guide and Outfitters – Re-file, no changes - Quincy
- District 3:
 - Auerhaus – Re-file, no changes – Graeagle
- New Filings with no local address:
 - Bi-State Propane – New Filing
 - Shell Energy Solutions – New Filing
- Thank you for your consideration and your public service.
- Lastly, I want to introduce Kelsha Sutherland, owner of the Coffeehouse on Main Street of Quincy, to take a minute and tell you about her new business.

Clint Koble: Indian Valley Innovation HUB. (530) 375-0126; clint.koble@gmail.com