

McCloud, Siskiyou County, California

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NEAI Projects*

Year	Applicant	Project	Funding Source**	Amount
1995	McCloud Community Services District	Wood Waterline Replacement	USDA Rural Development	\$870,000
		Wastewater Lagoon Fracture Repair	USDA Rural Development	\$521,400
1995	McCloud Chamber of Commerce	McCloud Economic Revitalization and Marketing Project	Forest Service RCA	\$36,250
1996	SCEDC [McCloud Chamber of Commerce)	McCloud Historic Commercial District Rehabilitation	Forest Service RCA	\$18,750
1996	The Development Resource	Siskiyou Wood Products Manufacturing Network	Not found	\$10,000
1997	McCloud Chamber of Commerce	McCloud Centennial Economic Revitalization Tourism Project	Forest Service RCA	\$25,000
1999	McCloud Community Services	McCloud Community Services District Water Bottling Study	Forest Service RCA	\$24,862

* Project funding reflects initial loan and grant totals. Final funding amounts may be different.

** Key to funding sources: USDA=United States Department of Agriculture, RCA=Rural Community Assistance

Background Context

McCloud, California lies in the northern part of the state, in the shadow of Mt. Shasta. It is located in Siskiyou County, 10 miles east of the I-5 corridor on State Highway 89. Nestled in the Cascades, McCloud is surrounded by federal lands and large private, industrial timberland. It is separated from its nearest neighbor, Mt. Shasta, 10 miles away, by "the hill." Its two other close neighbors are Weed and Dunsmuir.

Demographics

Population

McCloud had a population of 1,631 in the early 1990s.¹ The population had decreased from its

heyday of approximately 2,500 in the 1960s. Twenty-six per cent of McCloud's population in 1990 was over the age of 62.² Some of these retirees are lifetime residents who retired when the mill closed and some have come from elsewhere. The average age of McCloud community members is between 60-65 years, according to the McCloud Chamber of Commerce.

Employment and Income

In 1990, McCloud's unemployment rate was 19.2 percent.³ Thirty-three per cent of the population received public assistance.⁴ Expansion of the tourism/recreation economy in recent years did not

1. Center for Economic Development; California Department of Finance

2. 1990 Census.

3. EDD Labor and Market: based on 1990 Census Share of County Employment and Unemployment, McCloud EDD Census Designated Place

4. McCloud Chamber of Commerce, 1 February 2001; 1990 U.S. Census

replace family-wage jobs. Twenty-three per cent of workers were employed in the durable goods manufacturing sector.⁵ Primary McCloud employers are the U.S. Forest Service, McCloud Railway, McCloud Market, and Olympic Resource Management. In addition, California Cedar Products employs 92 persons when in full operation, 10 of whom are salaried; it employed only 67 persons in winter 2000.⁶

Early History

McCloud began as a lumber-company town, founded in 1897 with the establishment of the McCloud River Railroad Company and subsequently, under the same ownership, the McCloud River Lumber Company. Isolated in the mountains, McCloud was a self-contained community. The McCloud River Lumber Company owned and ran the town, allowing only Company employees to live there. Many residents viewed Company control as the Company looking after its workers.

When, during the Great Depression, the McCloud River Lumber Company continued to employ workers and provide credit at the Company store, which it later forgave, the McCloud River Lumber Company became known to its workers as “Mother McCloud.” Loyalty flourished. Residents reminisced that the McCloud River Lumber Company “took good care” of its workers, providing housing, food, services, and activities—“everything you could want!”—and workers came to depend on the company.

In 1963, the McCloud River Lumber Company sold its mill, railroad, and town to US Plywood, which soon after merged with Champion International Corporation. In 1965, Champion put the mill, the railroad, and the town of McCloud on the market. The McCloud Community Services District was formed to maintain community facilities, infrastructure, and to manage construction contracts, while Siskiyou County addressed other needs. An unincorporated community, McCloud and its residents went from being wards of the Company to wards of the County.

Recent History: Life after Mother McCloud

Champion did not foster loyalty as Mother McCloud had. Some longtime residents recall the sadness they felt when Champion tore down many old buildings, including the old theater. At the time of the town’s sale, residents could purchase their homes inexpensively. But many families left because of the economic decline and loss of mill jobs. According to one resident, Champion logged the remaining timber in the 1960s and 1970s leaving the town “high and dry.” Then, in 1979, 82 years after McCloud was founded, Champion International closed the lumber mill. In 1980, P&M Cedar Products, Inc. (now California Cedar Products) bought and reopened the mill, but operated it at a far lower capacity.

In 1980, the Siskiyou County Board of Supervisors declared McCloud an economic disaster area. The psyche of people in the town reflected this designation as some residents recall that the 1980s were “dark days.” After Champion left, 300 workers had no income. Most workers moved to jobs elsewhere, taking their families with them. The resulting population decline, specifically a decline in the number of families with children, led to a decrease in school enrollment and general erosion of the previous community structure. Activities for children disappeared. The price of real estate plummeted. Houses were boarded up. Buildings were neglected. Community infrastructure fell into disrepair. Crucial services were lacking; “even the sheriff stayed away.” Restaurants closed. Only two businesses remained open on Main Street. As its economic base withered all residents, workers, and businesses alike, were in desperate need. Soon, a population turnover began to take place, with newcomers (largely retirees or vacation home purchasers from urban areas) buying bargain houses, buildings, and businesses. Interviewees consistently reported that people were depressed. And, they said, that’s when people had nothing good to say about McCloud, but were not prepared to let it die. So in 1994, when NEAI was introduced formally to McCloud, the community was at a crossroads. Low morale and concerns about possible closure of the remaining mill, coupled with the desire to keep the town alive, fostered talk about tourism.

5. 1990 U.S. Census

6. California Cedar Products, 9 February 2001

Tourism: A First Step Toward Economic Self-Sufficiency

The area surrounding Mt. Shasta has long attracted visitors with its scenic beauty and recreational opportunities of the mountain itself, two national forests, several large rivers, and a ski resort. In the late 1980s, McCloud community members had already noticed visitors interested in the town's history, the successful square-dancing business, the potential associated with the area's ski hill, and nearby, fishing and hiking. Some residents began to build on that interest by providing services and accommodations. In 1985, nearly a decade before the arrival of NEAI, some McCloud residents had already formed the Heritage Junction of McCloud that became an incorporated organization, operating a museum and eventually obtaining "historic district" designation for downtown McCloud.

Before the launch of the Northwest Economic Adjustment Initiative, some entrepreneurs undertook community improvements. Many involved relatively new residents working to attract tourists. A couple from the Bay Area purchased the condemned McCloud Hotel to establish a bed-and-breakfast. The McCloud River Lumber Company's old administration building and the old guest house were being renovated into bed-and-breakfasts, and the McCloud River Mess Hall was being converted into a restaurant. Also, the new owners of the McCloud River Railroad began freight and "McCloud Sunset Dinner Train" operations. Many residents reported circulating ideas about how to

improve the image of the McCloud town site. But economic development was mostly piecemeal and there was no centralized public organization. In addition, problems with community infrastructure surfaced in the early 90s. Community water and sewer systems were in disrepair, which limited the development of tourism, residential growth, and new businesses.

Key Issues

In the April 1995 McCloud Community Action Plan, participants listed 28 key issues. Among those issues, participants of this assessment reported the following:

- Radical economic decline of the town's primary industry
- Displacement of businesses
- Loss of jobs
- Loss of population, especially families
- Need for industry
- Lack of services: garbage, police, medical, retail, professional
- Decrepit water and sewer systems
- Decrepit town buildings
- Rivalry with the three other nearby communities
- Lack of information or resources for economic development
- Lack of leadership
- A need to establish McCloud as a tourist destination



The McCloud Hotel was converted into a bed-and-breakfast.

NEAI Projects and Programs

Community Economic Revitalization Team (CERT)

Institutional Structure and Function

One of the goals of Northwest Economic Adjustment Initiative (NEAI) was to streamline funding processes in order to enhance access to federal programs for local groups. The California Community Economic Revitalization Team (CERT) met regularly and brought state and federal agency people together with county government representatives to share information and facilitate funding projects. In Siskiyou County, the primary funding agencies were the Forest Service, the United States Department of Agriculture (USDA) Rural Development, the Economic Development Administration (EDA), and Housing and Urban Development.

The California Employment Development Department funded a community coordinator for each of the participating nine northern California counties. The Siskiyou County Board of Supervisors delegated county coordination of the CERT process to the Siskiyou County Economic Development Council (SCEDC). The SCEDC contracted with the Siskiyou Training and Employment Program to provide the community coordinator position. Community coordinators linked communities to the CERT process. Groups seeking Initiative funding submitted a four-page concept proposal to the county community coordinator who forwarded the proposals to the CERT.

In addition, the Superior California Economic Development District (SCEDD) received annual grant support from the Shasta-Trinity National Forest Rural Community Assistance program (FS-RCA) to build capacity for communities in the region (Siskiyou, Shasta, and Trinity counties) and to help them access Initiative funds. In Siskiyou County, a portion of these monies went to the Siskiyou County EDC to hire a community development coordinator (not to be confused with the community coordinator) to assist communities and applicants throughout the county to identify projects, write proposals, and access funding sources.

Initially, many of the CERT proposals the community coordinator received were not eligible for

Agencies Represented on the California State CERT

- California Resources Agency
- California Technology Trade and Commerce Agency
- California Coastal Conservancy
- California Housing and Community Development
- California Employment Development Department
- U.S. Bureau of Land Management
- USDA Rural Development
- U.S. Department of Commerce EDA
- U.S. Bureau of Indian Affairs
- USDA Forest Service State and Private Forestry
- U.S. EPA
- U.S. Department of Labor
- U.S. Fish and Wildlife Service

funding because they requested assistance for individuals who wanted to start a business. Often, after the CERT notified applicants that they did not qualify for funding, the community coordinator and the community development coordinator provided technical assistance in writing business plans or in accessing other sources of financing. Nonetheless, “They would get very frustrated there wasn’t money directly for workers,” according to one economic developer. Over time, community members learned what qualified for NEAI support.

As originally envisioned, the California CERT would serve as a link between applicants and agencies. When the CERT received the concept proposals, if the project looked promising, CERT would assign a lead agency to the project. The agency would then review the project and contact the applicant to invite him/her to apply directly for funding. For applicants unaccustomed to the funding processes, this structure enabled them to submit one straightforward form in order to enter into the process. In Siskiyou County, however, those with more knowledge and experience with state and federal grants found the process cumbersome and applied directly to agencies and simultaneously submitted the four-page form to “register” the proposal. Indeed, many Siskiyou County project applicants were already familiar with state and federal funding programs.

The strength of the CERT process was that it facilitated cooperation among agencies, county politicians, economic developers, and workforce developers in funding projects and provided a network for addressing issues. One economic development specialist commented that the CERT meetings provided opportunities for informal conversations that gave regional and local interests direct access to agencies.

In early 1994, the Northwest Economic Adjustment Initiative was officially introduced to the McCloud community when a representative from the Shasta-Trinity National Forest Rural Community Assistance Program (FS-RCA) and the community development coordinator facilitated a community meeting to discuss a Community Action Plan. Both the Forest Service and the United States Department of Agriculture Rural Development (USDA-RD) funding programs required funded projects to originate from a broad-based, open strategic planning process. Many communities already had action plans; McCloud did not.

The facilitators held community meetings in McCloud over four months. Participation started with 50 persons and ended with 25. The resulting Community Action Plan, published in April 1995, defined strengths, weaknesses, opportunities, and threats; prioritized key issues; defined strategies; and produced the following vision statement:

McCloud is a clean, safe, attractive, rural community known for its civic pride, citizen involvement, and wealth of diverse natural resources. Growth within our community is carefully planned and directed to maintain these qualities; a place where seniors may retire in peace and security; where men and women have an abundance of well-paying jobs, and where young people participate in quality education and wholesome recreational and social opportunities. The community supports traditional family values and provides our youth with opportunities to remain here while pursuing meaningful and challenging careers.

We envision McCloud as a friendly town where visitors are always welcome to share

the beauty, culture, and history that this community nurtures and supports.

— *McCloud Vision Statement 1994 and 2000 Community Action Plans*

This process “got the ball rolling” for the community, because facilitators encouraged NEAI-funding pursuits within McCloud. The community development coordinator assisted the McCloud Chamber of Commerce in completing its CERT applications and writing grants. Together, they brought to McCloud three CERT-funded projects. The Community Services District also brought in three projects.

CERT Projects

In 1994, the McCloud Chamber of Commerce, with assistance from the community development coordinator, took the lead on economic development applications, using the McCloud Community Action Plan as its guide. Because the Chamber of Commerce did not have nonprofit status, and thus was ineligible to receive NEAI funds directly, it obtained grants through the Siskiyou County Economic Development Council (EDC), which also administered those grants. The Chamber reportedly pressed to include a cross-section of the community in the pursuit of CERT funding, recognizing the business slant of its own mission. At times, however, local politics challenged wider community involvement.

The Community Services District (CSD), which was responsible for maintaining facilities and infrastructure, took the lead on infrastructure applications. The CSD was not officially involved with the Chamber of Commerce projects, although individual CSD board members were involved in the Chamber.

Wastewater Lagoon Fracture Repair Project

In 1995, with its sewage ponds in disrepair, McCloud faced a “Cease and Desist” order, which disallowed new residential and businesses development. Untreated sewage leaked through large surface-fractures to an undetermined destination, in violation of state and federal Clean Water regulations. Consequently, the California State Regional Water Quality Board prohibited new sewer hookups until financing that would address the problems was secured.

The McCloud Community Services District received a \$521,400 loan from USDA Rural Development and increased the McCloud household service charges to raise an additional \$50,000 to repair McCloud's sewage lagoons, build and repair dikes, install new piping, and add sand liners in two ponds.

Completed successfully, this project increased capacity by more than 300 hook-ups. During the process, however, because of defective and hazardous sewer pipes, the CSD received another Cease and Desist Order, and faced \$11 million in repairs. The McCloud CSD has secured grants and loans from both federal and state agencies for the first phase and part of the second phase of this repair and improvement project. Though grateful for these funds, residents are concerned about the impact repayment will have on the community.

Wood Waterline Replacement

In 1991, Champion Corporation deeded the 50 year-old redwood water pipeline to the town of McCloud. The pipeline supplied drinking water, domestic needs, and fire protection to McCloud residents. Since its acquisition, however, the line has ruptured, broken, and been patched numerous times. Because part of the pipeline lies above ground, the structure also posed a potential health hazard. Although redwood pipes can last 200 years or more, repair techniques and materials have become outdated and difficult to access. By increasing household service charges by \$2.00 per month, the CSD raised \$40,000 for a pipeline replacement fund. In 1995, the CSD used this money to match a \$870,000 loan from USDA Rural Development for water system improvements.

The project, however, was only partially completed because of problems that arose midway through the repairs. The CSD learned that McCloud's waterline required not only structural replacements, but also a shift in location. The original waterline traveled from the mountain springs above McCloud through the California Cedar Products lumber mill and then down into town. Because water traveled through the mill-site and McCloud CSD did not own that portion of the system, federal funds could not be used to repair that section. As a result, monies for the Wood

Waterline Replacement Project covered only part of the proposed project—the replacement of the section from the mill into town with steel piping.

McCloud has long been blessed with an abundant water supply, but water supply problems occurred when the mill site was circumnavigated by a smaller diameter plastic pipeline that washed out within two months of installation. Several repairs later, a water line was brought around the west side of the mill site to connect to two lines and form a circulating system that duplicated the original design from 50 years before.

Until further repairs, the State Cease and Desist Order forbids new structures and, thus, the establishment of new businesses, industries, and residences. Meanwhile, the two infrastructure loans require repayment by McCloud community residents. Looking at this and the sewer project, some people say NEAI will be remembered primarily as being the cause of ever-increasing taxes. In general, residents acknowledge the success-to-date resulting from NEAI funding, seeing it as a period of transition, but worry about and feel frustrated by the high costs they face.

McCloud Economic Revitalization and Marketing Project

Considering McCloud a prime location for tourism, in 1994, the Chamber of Commerce decided to literally put the town "on the map" (many California maps did not include McCloud). Run by volunteers and with a limited budget, in 1995, it applied to the FS-RCA to expand the Chamber of Commerce's resources. The \$36,250 Forest Service RCA grant from the Shasta-Trinity National Forest funded an aide to the community development coordinator—a local project manager to coordinate community revitalization, coordinate grant research and submissions, and conduct a marketing campaign. In addition, funding was also used to purchase a computer to develop and maintain databases and statistics about visitors for future outreach as well as to design and produce brochures and handouts.

The local project manager was hired from outside of the McCloud community and helped to organize the Chamber of Commerce. The project

manager helped set up the office, which included a new computer, fax machine, and photocopier. In addition, she published a monthly Chamber of Commerce newsletter and hired someone to develop a McCloud web site. She also held training sessions for businesses on how to work with the public. The Chamber of Commerce became the place where people brought their ideas. Residents and business owners acted on some of those ideas and organized to make old-fashioned street signs and a decorative rail fence along the highway. In addition, the coordinator facilitated the creation of a brochure. This project provided an initial step in organizing the community to work collectively to attract visitors.

The project led to the McCloud Centennial Economic Revitalization Tourism Project and the McCloud Historic District Rehabilitation Project. One interviewee felt that the project provided momentum to promote the community. Others concurred, using words like “a boost,” “a shot in the arm,” “a jump off point,” “a turning point.” In addition, the McCloud Economic Revitalization and Marketing Project identified issues of organizational capacity, and beautification.

McCloud Historic Commercial District Rehabilitation

In 1996, the McCloud Chamber of Commerce received \$18,750 from the Shasta-Trinity National Forest RCA program to enhance McCloud’s downtown, for which the Heritage Junction of McCloud secured “historic district” designation prior to NEAI. Focused only on McCloud’s historic commercial district, the objectives of the project were to provide incentives and assistance for building renovations and landscape improvements and work with the local power company to bury utility lines. The outcome of the project was a Historic District Master Plan to enlarge the size of the historical district, among other things. Its implementation, however, required that Siskiyou County change some of its zoning requirements. Residents reported that time and financial constraints hindered the County’s ability to change the general plan to accommodate the zoning changes. Thus, in addition to developing a Master Plan, the project brought recognition of the need for rezoning.

McCloud Centennial Economic Revitalization Tourism Project

In 1997, the McCloud Chamber of Commerce applied for and received a \$25,000 grant from the FS-RCA to continue the McCloud Economic Revitalization and Marketing Project and to further promote the town’s history in commemoration of McCloud’s 100th anniversary. The Siskiyou County EDC hired a new local project coordinator to work with the McCloud Chamber of Commerce to continue marketing and to develop a plan for downtown enhancements.

In 1998, the new coordinator focused on promoting cooperation among local businesses as well as with businesses in neighboring communities. She created several brochures, and represented the McCloud Chamber of Commerce in meetings with neighboring communities to strategize promoting the south Siskiyou region. Some examples of her accomplishments include documenting how to organize the annual “Heritage Days” event and encouraging a local hotel owner who had never advertised in the past to create a brochure and send it to neighboring towns. Many local business owners were accustomed to thinking of their neighboring communities as rivals. This attitude began to change with these coordination efforts. The coordinator also encouraged restaurants to cater to guests of local hotels.

The project coordinator spent less money than anticipated in 1998, so the project continued into 1999. Based on conversations with various business owners, the coordinator decided to use the rest of the money to add public benches, trash cans, and a two-sided outdoor interpretive sign with regional and downtown maps. The project coordinator researched, designed, and found materials for the interpretive sign. The Chamber wanted to contract with an artist from McCloud to paint the sign to maximize local benefit of the grant money, but the artist did not do it because of confusion over payment for previous contracts. The sign was never completed. The project coordinator designed the trash cans and contracted the Siskiyou Opportunity Center, an organization that trains and employs mentally disabled adults, to build them. She found

a crafts person in Yreka to design three redwood benches in a 1920s style. The business community also contributed materials and time. At first, some business owners were reluctant, but the project coordinator convinced them to participate. One interviewee felt that this participation showed that “if we all work together and cooperate, we can improve the town.”

During this time the Siskiyou County EDC was undergoing staff turnover. The McCloud project coordinator submitted quarterly grant reports to the EDC coordinator who was supposed to review and forward them to the Shasta-Trinity National Forest, which in turn would keep track of the money spent. During this time, not all the reports were forwarded to the Forest Service and thus, they lost track of spending and there was some uncertainty as to whether there would be enough money to cover project expenses. However, the project coordinator located \$3,000 from the McCloud Centennial Fund and proposed \$1,400 be transferred to the Chamber of Commerce for the interpretive sign. The Chamber of Commerce did not transfer the money but did contract with a business in Weed (a neighboring community) to make the vinyl sign letters with the remaining grant money. Because the sign was never erected, neither were these letters produced. Despite these difficulties, the business community did come together by donating materials and some time for the benches and trash cans.

According to several participants in this study, this was a very challenging time for the Chamber of Commerce. Dissention existed between the Chamber members and the board. This made the job of the project coordinator difficult, so they proceeded with what the Chamber had proposed. All in all, most residents report that these were very successful projects and help build hope in the community. “The influx of grant money was a new idea to them . . . it gave people an incentive to move forward and take control of their lives,” reported one study participant.

McCloud Community Services District Water-Bottling Study

In 1999, the new general manager of the McCloud CSD applied for and received a \$24,860 grant from the FS-RCA program for a water-bottling feasibility study. A few years earlier, AquaPenn, a company involved in water-bottling, had expressed interest in McCloud’s spring-water for use in a water-bottling plant. However, when Dannon, a transnational corporation, bought out AquaPenn, Dannon decided to locate the water-bottling plant in Mt. Shasta. Residents began to re-evaluate their position, and hoped to bring a new company to McCloud. Consequently, this project sought to determine the feasibility of the McCloud CSD running its own water-bottling business.

The study results were pessimistic. Heavy competition and distribution issues would render entrance into the drinking-water market extremely difficult. For example, it would be hard to compete for drinking-water shelf space with corporations such as Coca-Cola, Pepsi, and Dannon. Nevertheless, there might be a market in the medical and scientific industries. In short, the study opened residents’ eyes to the reality of establishing, operating, and marketing an industry, particularly, an industry that uses water, which some residents consider McCloud’s number one resource.

Siskiyou Wood Products Manufacturing Network

Former staff of the Women’s Economic Growth (WEG), a nonprofit organization for promoting micro-enterprise in Siskiyou County, formed the Development Resource. They obtained a \$10,000 grant in 1996 for the Siskiyou Wood Products Manufacturing Network. This grant led to the creation of a network of manufacturers, a directory, and brought a highly individualistic group together to share experiences and network with each other. Another significant outcome of this project was the formation of a flexible-manufacturing network between three manufacturers, one of which was located in McCloud.

Socioeconomic Condition and Effects of NEAI Projects on Community Well-Being

By the time NEAI came to McCloud, the community had long experienced the financial and emotional strain associated with the downturn in the timber industry, and was beginning to “pull itself back up.” NEAI provided momentum. It was “good while it lasted,” but it came too late relative to responding to the declines in the timber industry and did not last long enough to be as effective as it could have been. As one resident asked, “When the paint wears off, then what?”

Nonetheless, every NEAI project that came to McCloud responded to McCloud Community Action Plan goals and planted seeds for future community development. If present capacity is maintained, NEAI may well lead to future endeavors. The array of NEAI projects helped the McCloud community begin to address some of the issues fundamental to community well-being. It helped to build community capacity by providing the resources needed, to identify problems, solutions, and strategies, and publicize the community. Immediately, NEAI was a success.

NEAI provided McCloud the opportunity to mobilize and the incentive to organize and focus. Without NEAI, McCloud residents likely would never have created a Community Action Plan. It also provided reason to create an Action Plan and opportunities to apply for project funding.

Socioeconomic Condition and Key Issues Today

By 2000, McCloud’s population had decreased from its 1990 level of 1,550 to 1,343, a 13% decrease. Enrollment at McCloud Elementary School had fallen from 226 in 1990 to 160 in 2000, almost a 30 percent drop, indicating that families with children have left McCloud. Participation in the federal free and reduced lunch program has risen from 46 percent to 52 percent, indicating a slight increase in impoverishment among remaining families with children.

Some key issues facing McCloud in 1994 and, again, in 2000 have changed. The “Let’s save the mill” mentality is gone now and residents have developed a sense that the future lies in tourism. Key issues facing

McCloud today concern economic diversification, keeping young families in town, maintaining the water and sewer systems, and responding to the limited leadership resulting from the same people always volunteering and attending meetings.

Community Capacity

Community capacity is the collective ability of residents in a community to respond to external and internal stresses, to create and take advantage of opportunities, and to meet local needs (Kusel 1996). For this study, we identify five dimensions of community capacity: (1) physical capital, which includes a community physical infrastructure (e.g., sewer systems, business parks, capital assets such as equipment, housing stock, and schools); (2) financial capital, which includes money, credit, and other financial resources available for local use; (3) human capital, which includes the skills, education, experiences, and general abilities and capabilities of residents; (4) cultural capital, which includes the myths, beliefs, norms, and lifeways that serve to organize groups and facilitate survival; and (5) social capital, which includes the willingness of residents to work together toward community goals (and not just self-interested goals). Evaluating the effects of NEAI projects on the capacity of McCloud thus requires a closer examination of these various dimensions of capacity.

Physical Capital

The economic growth that McCloud residents seek depends upon a sound town-infrastructure. Without safe water and sewer systems, McCloud has little chance to provide opportunities for tourism, residential, business, or industrial growth. These water and sewer projects funded through loans, provide the basic structure required for the future as envisioned in McCloud’s Community Action Plan.

McCloud’s downtown business community also benefits from physical improvements. The tourism marketing projects paid for office equipment, which serves to organize the Chamber of Commerce. The trash cans and benches help make the downtown



McCloud High School

business district more inviting for visitors. With privately funded building rehabilitation, McCloud maintains its company-town ambiance, its original downtown structures standing and renovated. There are quaint shops, businesses, and restaurants. Directly across from the elegant McCloud Hotel is the McCloud Sunset Dinner Train. The Company administration building, guest house, and boarding house all are bed-and-breakfasts now. The Company hospital holds shops and an office. The Company mess hall is a restaurant. And, new businesses have moved in downtown. For example, an out-of-town investor purchased the old Company Mercantile and is renovating it for new businesses.

Financial Capital

These new businesses and investors, attracted by an ever-improving community image bring new financial capital to the community. For existing businesses, training, provided by the Chamber of Commerce project coordinator, helped them to attract more visitors and thus more income. According to one study participant, the summer of 2000 was like a renaissance in McCloud, with events such as Heritage Days, a Civil War reenactment, and square dancing events that filled every available room in Mc-

Cloud and many in neighboring Mt. Shasta every weekend.

Several loan programs funded through the NEAI and administered through SCEDD offered funds that Siskiyou County entrepreneurs were unable to secure from banks. Many McCloud business owners, however, did not know about these programs, and several of those who did, did not obtain the loans they needed. One businessman explained that he tried to obtain a loan several times. "I was told to go to SCEDD, and they gave me really thick booklets to fill out. I asked for help to do it three times. No help." For people unfamiliar with the paperwork, this loan application process is time-consuming and intimidating.

Social Capital

McCloud residents demonstrated their ability to work together through the Community Action Plan. Meetings brought residents together to discuss and plan their community's future.

These community meetings marked the beginning of a post timber industry formal collective action in McCloud. It was a turning point. It took hold of the community, reflected a County representative. "People said, 'We love it here and what can we do to live here?'"

The Community Action planning process created the opportunity for residents who might otherwise not have interacted, to interact.

Furthermore, the second Chamber of Commerce project coordinator helped foster cooperation, rather than competition, with neighboring communities. McCloud residents say there is a less competitive feeling toward its traditional rival, Mt. Shasta. For instance, when McCloud accommodations reach full capacity, business owners suggest Mt. Shasta accommodations. And the McCloud tourism pamphlet addresses areas of interest outside of, as well as, within McCloud. Moreover, McCloud, Mt. Shasta, Weed, and Dunsmuir all work together to obtain grants to benefit the region.

Aside from the Community Action Plan update meeting in 1999, no forum exists for general community planning. It is also evident that many individuals do not participate in community networks. For example, a focus-group interview revealed a number of community concerns and instigated plans of action among several community members. It was clear such a networking opportunity had not taken place recently.

NEAI contributed to McCloud community members' ability to work together, beyond NEAI. It was consistently reported that people are more often working with one another than against one another. For example, a new, "energetic" Community Services District general manager recently moved to McCloud and appears to be widely respected among community members. This individual has stepped forward as a key community leader and the CSD cooperates more actively with the Chamber of Commerce. The CSD, more than ever, takes an interest in the community as a whole, according to several residents.

The Community Action process and the Chamber of Commerce projects led directly to business owners organizing to improve the image of downtown with old fashioned street signs and a new fence. In 1999, the Community Services District held a community meeting to revamp the Community Action Plan and some 25 community members attended. The community rallied to retain the McCloud high school. Community planning brought a new medical and dental center. At present, there

is talk about applying for Forest Service funding to renovate the historic jail and its artifacts, which formerly housed the McCloud Chamber of Commerce. Residents engage in some discussion of next steps. Accordingly, NEAI advanced the ability of McCloud residents to work together. It advanced it, but personality conflicts persist within the community that limit collective action. The fractionalization that results prevents groups of people from working together effectively, some residents said. Indeed, such challenges contributed to project implementation difficulties as reported by a few involved in the projects.

Although knowledge, skills, and resources have grown in McCloud, the NEAI networking may not prove lasting. When their projects ended, the Chamber of Commerce no longer served as a place for networking and the development of new ideas. Networking is vital to breaking down social barriers, fostering synergy fundamental to effective decision-making, building a sense of community, and sustaining community spirit. Within and outside of the community, networking allows the McCloud community to better understand needs, problems, solutions, and strategies; move beyond cliques; expand horizons; foster creative ideas; lighten the load of the few persons doing all of the work; and increase individual and collective capacity. People love McCloud but many still lack a true sense of community and empowerment.

Human Capital

Despite their history of being "cared for" by Mother McCloud, which did not foster a culture of entrepreneurship, a certain degree of community organizing and new business activity was taking root prior to NEAI. The Heritage Junction of McCloud formed to honor their rich history, the Garden Club sponsored beautification projects along highway 89 and worked to obtain Scenic Byway status for that road, the Chamber of Commerce sponsored annual events and festivals, and various businesses worked very hard to attract visitors to town.

Despite these efforts, fractionalization in McCloud hindered individuals with good leadership skills from pulling the community together in a unit-

ed effort, according to several study participants. The Community Action Plan process, facilitated by outside professionals, served as an initial step toward breaking down these barriers and spawned more activity for the Chamber of Commerce. The resulting projects, however, did not empower nor strengthen skills of the local people. According to one person involved in the Chamber of Commerce activities, “The projects that were completed gave people hope and the incentive that they could do it themselves.” Without leadership, however, community energy and enthusiasm were as ephemeral as the technical assistance that NEAI offered. “The Chamber projects helped at the time,” explained a resident, “but [the project aide] is gone and the computer is sitting in an empty building.”

Natural Capital

The Water-Bottling Plant feasibility study was an attempt at controlling the town’s future and resources. The CSD wanted to see if they could own and oper-

ate their own water-bottling plant. It represented an attempt to bring a new natural resource-based industry to provide a more stable future for McCloud residents.

Effects of NEAI on Workers

NEAI did not provide McCloud community members direct financial or educational benefit. By the time NEAI arrived, many mill workers had left and most businesses had closed. Researchers found no record of a McCloud worker entering the Northern California Ecosystem Training Program or the Process Technology Center training program (See Siskiyou County Projects). They found no record of a McCloud worker participating in the NEAI Jobs-in-the-Woods Program. Moreover, no McCloud resident was reported to have benefited from the loan programs through SCEDD. Furthermore, CERT projects did not directly lead to new jobs for McCloud residents. Each of the Chamber of Commerce Economic Revitalization projects hired persons from outside of McCloud.

Patterns and Themes

The Community Action Plan and Leadership of the Community Development Coordinator

Those involved in the Chamber of Commerce projects in McCloud assert that had it not been for the community development coordinator from the SCEDC, those projects would have never happened. He assisted in the application process as well as offered technical support for both of the local Chamber of Commerce coordinators. Similarly, on their own, McCloud residents reported they probably would not have thought to develop a Community Action Plan. The resources provided through NEAI for this outside assistance helped empower McCloud residents to undertake projects and create a vision for their future.

NEAI Resources Were Short-lived

NEAI fueled empowerment in the community, but by the time residents were feeling capable of forging their own destiny, NEAI ended. In one person’s words, “In 1993, the community’s economic capacity

was low. But now, when capacity has increased and the economy is coming around, only limited funding is available. It might have been better had the same amount of money been made available over a longer time.” NEAI is viewed as a short-term fix.

Burnout Among Community Leaders

Several study participants commented that there is very little time and energy in the community to pursue more projects on a volunteer basis. In McCloud, the leaders who have been doing most of the work are tired. That “the same people always do all the work” is a problem that corrodes enthusiasm, spirit, and sense of community. The key to future progress for McCloud, according to one economic developer is, “their ability to maintain participation from active members of the community.”

Some residents’ aversion to change and their criticism of those who advocate for it results in the resistance of potential leaders to placing themselves in a position of community disapproval. Community

leaders tend to be those involved on every committee and in all community events. In their daily lives, long workdays and involvement on committees result in exhausted community members. After years of time-consuming volunteer work, with “the same people doing everything,” many McCloud residents feel that it is someone else’s turn to step up.

Old Company-Town Culture

Several study participants spoke of the company-town culture of being taken care of as a barrier to proactive change from within the community. Long-time residents recall a time when if you had a problem with your house, a neighbor, or something in the community, you called upon Mother McCloud to address the problem. Even after the company sold to Champion, this company-town culture remained. As new people move to McCloud, this attitude is fading, but among the longtime, well-respected residents, change is more difficult.

Ambiguous Attitudes Toward Growth

McCloud residents want community development, but the “right kind,” and different residents have different ideas about growth. Acquiring new

industry, new businesses, tourists, and new residents carries problems of its own, residents acknowledge. McCloud’s downtown businesses do not necessarily want what other residents seek. Advertising the town as a destination point causes some residents concern that it will be “discovered” and, therefore, changed. They appreciate the benefits of the tourism industry, but want tourists to “come spend [their] money, but don’t stay here.” They understand the importance of new residents in town, but they “want the right kind of new people.” In short, while they don’t want to be a depressed former lumber town, they “don’t want to be a Lake Tahoe.”

Holistic Development

Economic development alone cannot build healthy communities; rather, it must be accompanied by community development. In McCloud, the Community Action Plan process initiated collective action and an opportunity to breakdown social barriers. The economic development projects helped bring the business community together in many ways. However, some interviewees reported personal conflicts that inhibited progress. Fragmentation structure impedes community progress.

Conclusions

NEAI came too late to help the community when it most needed help. Nevertheless, when it did come, it offered resources needed by the people of McCloud. Realizing their dilemma and contemplating their future, McCloud residents viewed NEAI as getting “the ball rolling.” It remains to be seen if McCloud residents can pull together to continue the momentum.

NEAI enhanced community members’ ability to identify problems and create solutions, as well as provided guidance when it was required to complete applications and write grants. Collectively, the community gained skills, confidence, and the money they needed to put words into action. Without NEAI, McCloud “would never have received funding or ex-

pertise,” said one economic development specialist. “Thank god for these projects because we wouldn’t be here,” said one resident.

Not only did NEAI provide incentives and support, but it also provided residents momentum to pursue goals. NEAI provided them real opportunities to identify problems and create effective solutions. “We’d never had a chance to make a difference before,” a lifetime resident said. NEAI revived community interest, rekindled community spirit, and added the enthusiasm and energy necessary to revitalize a town, resulting in collective confidence and pride. In short, NEAI gave the children of Mother McCloud along with the newcomers the push they needed to move forward on their own.

References

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Interviewees

Merle Anderson	Former Community Development Coordinator, Siskiyou Economic Development District
Jim Cook	Great Northern Corporation
Bruce French	Former Manager, McCloud Community Services District
Peter Kampa	General Manager, McCloud Community Services District
Duane Lyon	Rural Communities Assistance Program Coordinator, Shasta-Trinity National Forest
Bob Nash	Executive Director, Superior California Economic Development District
Annette Spitsen	McCloud Chamber of Commerce
Karla Straube	Grant Coordinator
Peter Van Susteren	U.S. Forest Service, McCloud Ranger District
Kathleen Suvia	Executive Director,
Joyce Zwanzinger	Former Community Coordinator, Siskiyou Training and Employment Program

Focus Group Participants

Ray Angle	Janie Murphy
Ron Berryman	Red Murphy
Sheri Burris	Scott Oliver
Jeff Forbis	Donna Parks
Marge Freeman	Linda Pridemore
Cherie Glynn	Melissa Rickard
Ken Goates	Dan Simons
Betty Gray	Annette Spitsen
Bob Gray	Marianne Terry
Roy Hargreaves	Rich Toreson
Tony Kydd	Jim Tyhurst
Andrew Larson	Mirella Wilson
Mary Markin	Cathy Young
Frank Moore	Raymond Zanni