

# Weed, Siskiyou County, California

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## NEAI Projects\*

Year	Applicant	Project	Funding Source**	Amount
1994	City of Weed	Interchange Area Water & Wastewater Extension - South	EDA, RD	\$1,090,000
1995	City of Weed	Weed Tourism Strategy, Phase I	FS	\$10,000
1995	City of Weed	Weed Tourism Strategy, Phase II	FS	\$7,500
1995	Weed Botanical Gardens	Feasibility Study/Marketing Study	HCD	\$35,000
1999	City of Weed	Vista Drive Extension	EDA	\$882,000
<b>County Projects</b>				
1994	College of Siskiyous/SCEDC	Process Technology Training Center	FS	\$74,000
1994	SCDC	SCDC - Small Business Center	RD, FS, TCA	\$504,000
1994-1995	Women's Economic Growth	Business Development	FS, RD	\$96,000
1994	Great Northern Corp.	Catalog for CA & OR	USDA-RD	\$52,370
1995	Great Northern Corp.	Siskiyou Food Processing Center	RD	\$16,000
1996	Great Northern Corp.	Production of Regional Catalogue	EDA	\$95,000
1996	Great Northern Corp.	Food Products Marketing	RD	\$10,000
1997	Great Northern Corp.	Expand Siskiyou Ag. & Food Marketing Strategy	FS	\$56,500
1999	Great Northern Corp.	Regional Products Catalogue	RD	\$68,750
1995	Siskiyou Hospital Inc.	Health Care Facility	RD	\$8,583,500
1995	SCEDD	Business expansion and Retention Program	FS	\$180,000
1995	SCEDD	Small Business Resource Guide		\$15,000
1995	Superior California EDD	Economic Diversification Revolving Loan Fund	RD	\$1,500,000
1996	The Development Resource	Siskiyou Wood Products Manufacturing Network		\$10,000
1996	Great Northern Corp.	Shasta River Bank Protection	EDA	\$14,000
1997	Tri Cities Weed/ Mt. Shasta/Dunsmuir	Tri-Cities Small Business Incubator	HCD	\$35,000
1997	Great Northern Corp.	Bike Route System Design	FD	\$33,000
1998	Tri-County Economic Dev. Corp.	Rural Venture Capital Network	EDA	\$100,000
1998	Siskiyou County EDC	South Siskiyou Economic Revitalization Project	FS	\$39,200

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

\*\* Key to funding sources: EDA=Economic Development Administration, RD=Rural Development, FS=Forest Service, HCD=California Housing and Community Development, TCA=CA Technology Trade and Commerce Agency

## Background and Context

Weed lies just west of Mt. Shasta in southern Siskiyou County, California, approximately 70 miles south of the Oregon border. This town of 2,950 residents is adjacent to two major highways, Interstate 5 and Interstate 97, and three railroads (Southern Pacific, McCloud River, and Yreka Western). Weed is surrounded by National Forest land—Shasta National Forest to the south and Klamath National Forest to the north.

The closure of the International Paper Company mill in 1981 and the subsequent reduction of logging and wood production operations, including the recent closure of the Morgan Door mill, has brought significant changes to Weed, a historical lumber town. The Northwest Economic Adjustment Initiative (NEAI) began in 1993, more than a decade after this change occurred. Although the projects funded through NEAI benefited the community and provided momentum for positive change in Weed, the monies came at a time when workers and the community had already long suffered the hardships associated with the downturn in the timber industry.

### Brief History

Weed began as a company town. As early as 1891, logging took place in the vicinity of the present-day community. Abner Weed founded the town in 1901 when he built the first lumber mill and started Weed Lumber Company. To facilitate the drying of green lumber, the mill was built in the path of a constant breeze that descended Black Butte from the south. In 1906, Long-Bell Lumber Company purchased Weed Lumber Company, and built a town in which the company owned the businesses, services, and residences. In 1907, others, not employed by the Weed Long-Bell Lumber Company, established another area of town called Shastina where residents owned their own homes and businesses. Thus, the company town co-existed with the non-company portion. Weed was ethnically diverse, but racially segregated, with Italians, Greeks, African-Americans, Mexicans, and whites all living in separate neighborhoods.

In 1919, as a result of poor working conditions and low wages, many workers joined the Interna-

tional Union of Timber Workers, Local #114. The company president at the time, Robert A. Long, was reported to have brought African-Americans to Weed from the South to serve as strikebreakers in anticipation of a union walkout. However, in March of 1922, when the company increased the number of required work hours and reduced wage rates, workers of all ethnic backgrounds participated in a strike. Nearly the entire workforce, 750 people, demanded an eight-hour workday and their former wage rates. After six weeks, however, the strike failed, partially because the company was able to keep the plant running by hiring other men, and also because of a lack of solidarity among the union members.

Long-Bell re-hired many union members, but the workers were not complacent. Without job security and seniority benefits, many decided to join Lumber and Sawmill Workers Union A.F.L. Local #2907 in 1937. In October of 1941, 1,100 men walked out on strike demanding a seventy-cent minimum wage, seniority benefits, a union shop, and one week of paid vacation. The plant closed until December 15th, when the union and the company agreed to a federal arbitrator because of the entry of the U.S. into World War II. Long-Bell subsequently granted all of the union's requests except for a union shop. Life-long Weed residents recall returning from the war with a new attitude, ready to stand up to the company. By the end of the 1940s, the union had successfully negotiated for a union shop.

When International Paper bought the company from Long-Bell in 1956, they did not wish to retain ownership of the houses or other buildings in the town. In 1959 and 1960, many residents chose to buy their homes, paying between \$2,500 and \$3,000. In January of 1961, the citizens of Weed voted to incorporate their town.

On December 10, 1981, International Paper closed the mill and sold it to Roseburg Lumber Company. A total of 650 people lost their jobs. For most, the closure came as a complete surprise. However, in retrospect, some say that the sale of raw logs and increased cutting rates foreshadowed the event.

This closure marks the turning point in Weed's economy for most Weed residents.

**Timber-Related Businesses in the 1980s and 1990s**

Although diminished in both scale and production capacity, Roseburg Lumber Company still operates today. Approximately 150 workers harvest trees, peel logs, and ship them to Oregon for manufacturing. Several residents indicated that current plant managers have "big plans" but no one knows quite what. Many point to the state-of-the-art, currently offline, cogeneration plant Roseburg recently built as one option, among others.

Weed residents feel a strong loyalty to Roseburg. The company has contributed to the community in a variety of ways, including purchasing police cars and snow removal equipment, donating a building for City Hall, and helping secure a one million dollar grant from its family foundation for a community center (still to be built).

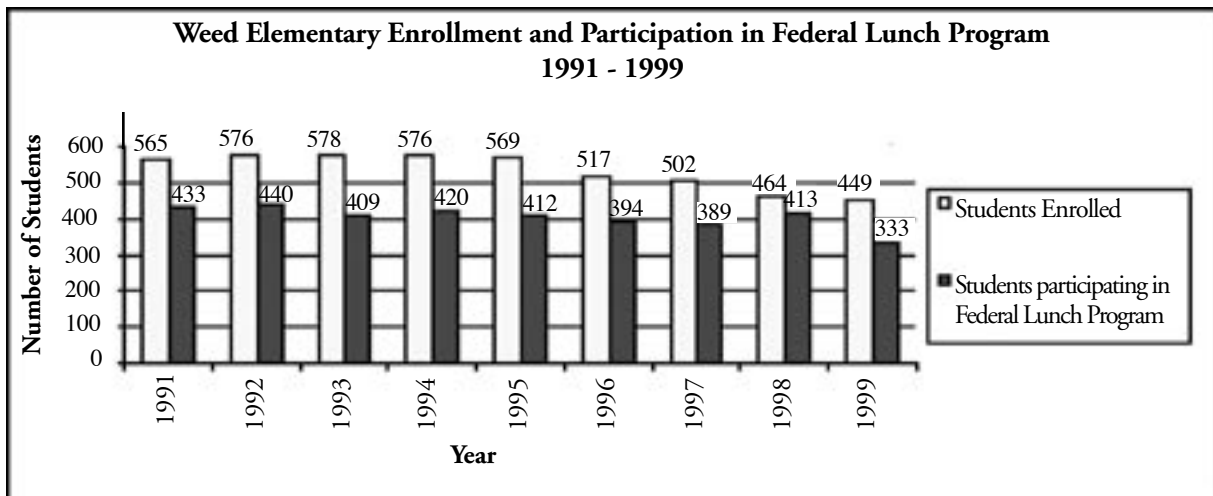
The other current lumber manufacturer in Weed is Baxter Forest Products, whose veneer plant has been in business for 39 years and today employs 23 people. Although the company has not undergone mass layoffs, increased mechanization has caused it to reduce its workforce from 60 to 23 over the past 30 years. Baxter depends on the continued supply of Douglas fir trees to stay in business.

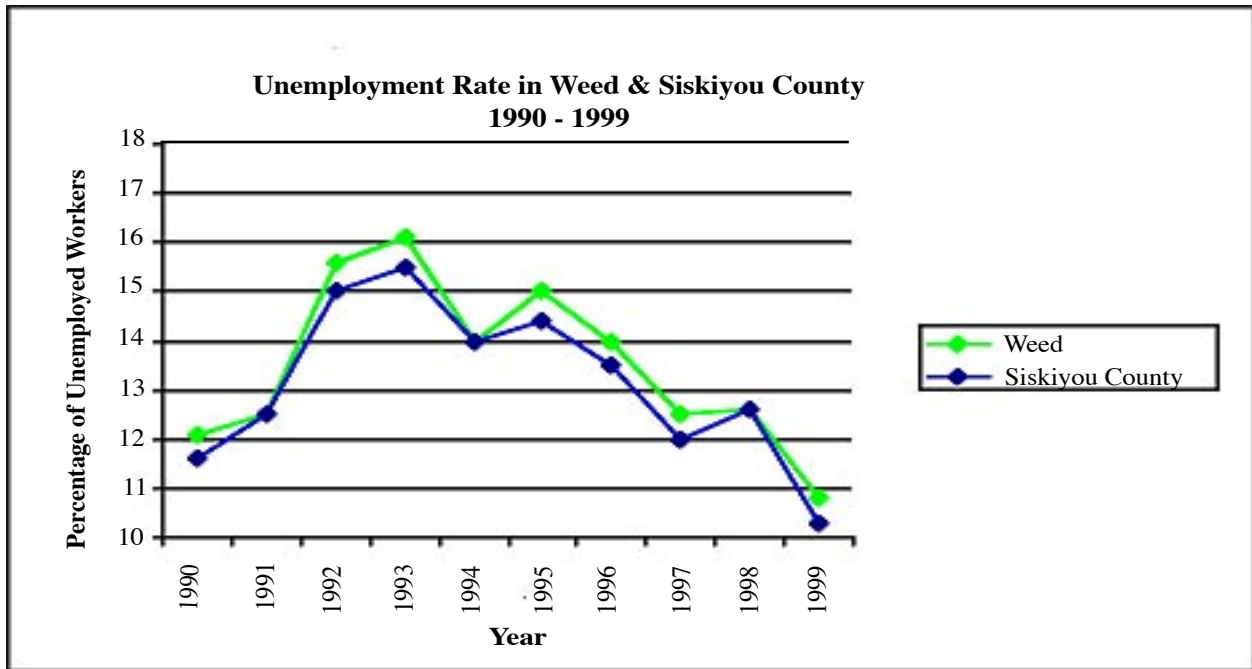
**Key Issues Facing Weed in the Early 1990s**

*Employment and Poverty*

Despite the closure of the mill, Weed's population increased from its 1980 level of 2,880 to 3,062 in 1990. However, in 1990 the per capita income in Weed was \$8,482 (1990 Census), compared to \$15,868 in Siskiyou County, and \$21,889 in California (Bureau of Economic Analysis). The unemployment rate was 12.1 percent in the community, slightly higher than the county rate of 11.6 percent (EDD). Of the 1,160 people in the Weed workforce, 210 worked in durable manufacturing, 217 in retail and trade, and 116 in education (1990 Census).

Interviewees cite a lack of family-wage jobs as the key issue facing their community in the early nineties. Many wished for another big industry to locate in Weed to attract families and professionals, and provide jobs for young people who do not wish to leave the community. Several residents point to poverty as a major challenge to Weed 10 years ago. A key indicator of poverty and unemployment is the number of elementary school students on free or reduced lunch programs. In 1990, 75 percent of children received free or reduced lunches (Siskiyou County office of Education). A total of 789 Weed residents lived in households receiving public assistance in 1990, 43 percent of which were children under 15 years of age (1990 Census).





*Image and Business Retention*

Many saw Weed as a “depressing place” and a “dying lumber town” in the early 1990s. Present and former business owners indicate business was declining and many vacant buildings stood in downtown Weed. Competition from larger “big-box” stores to the north and south and the lack of a state sales tax in Oregon has drawn business away from town. Talk of diverting highway 97 around Weed raised concerns in the community since Highway 97 feeds directly into the center of town and many travelers stop to patronize local businesses. Diverting the highway would have had a devastating effect on the business community and residents turned out in large numbers to protest.

**Community Development Efforts in the early 1990s**

Located on Interstate 5, the primary north-south highway linking California, Oregon, and Washington, Weed is poised to attract not only travelers passing through, but also manufacturing businesses. Easy access to highways, as well as railroads facilitates the shipping of goods. By taking advantage of its location at the base of spectacular Mt. Shasta and along

two major interstates, several Weed residents agreed that one way to improve its image was to attract more visitors and businesses into the community.

The State of California designates some economically disadvantaged rural areas as enterprise zones and offers state and local incentives in order to encourage development. The Shasta Valley Enterprise Zone, established in 1993, includes the cities of Weed, Montague, and Yreka. The Enterprise Zone provides tax incentives to businesses and industries that enter the area. Weed and the other two cities pay for staff at the Siskiyou Economic Development Council to market the zone and recruit businesses.

In 1993, two economic development groups and an employment development agency had offices in Weed. The Siskiyou Training and Employment Program (STEP), which has provided services to dislocated workers since 1971, implemented JTPA programs in Siskiyou County. Great Northern Corporation, a private non-profit organization, assisted local citizens and groups throughout Siskiyou County, as well as Jackson and Klamath counties in Oregon, to access financial resources. Women’s Economic Growth, another non-profit organization, provided business development services for start-up

and expanding businesses in Siskiyou County and focused on micro-enterprise development.

In the 1980s and early 1990s, a proactive City council and City staff began addressing issues facing the community. They sought funds for community development and mobilized Weed residents in a visioning process. In the summer of 1993, several downtown businesses on Main Street closed in Weed. A city council member and a college administrator recognized the need to gather people for a town hall meeting to create a community vision. Nearly 100 people attended. The group conducted a SWOT analysis, listing the Strengths, Weaknesses, Opportunities, and Threats in the community. Participants were enthusiastic about continuing the visioning process and were able to gain support from the U.S. Forest Service Rural Community Assistance Program. The City, working with a staff person from the Klamath National Forest who called a meeting, worked with the community to articulate their vision statement. An excerpt reads:

Weed is a clean, safe, attractive rural community, known for its civic pride, citizen involvement, cultural diversity and unspoiled mountain environment; where seniors may retire in peace and security, where working men and women have an abundance of well-paying jobs and a variety of available goods and services; where young people find wholesome, stimulating recreational and social activities; and where our children grow up with love, respect, guidance and the opportunity to remain here while pursuing meaningful and challenging careers; a friendly town where visitors are always welcome to

share the beauty, culture, and creativity that this community nurtures and supports (Preliminary Draft, Community Action Plan, City of Weed, California, 1995).

According to one City leader, people felt empowered through the visioning process, like what they said mattered. Staff from the Shasta-Trinity National Forest stepped in and organized subsequent meetings. With high turnout, agency staff were impressed with the efficient and constructive nature of the group's work. The Shasta-Trinity National Forest later distributed a draft Community Action Plan to Weed residents for feedback.

The Community Action Plan enabled the City and other organizations to apply for U.S. Forest Service RCA and USDA Rural Development monies to fund projects that addressed issues in the plan. Since 1995, various groups and leaders in Weed have been working to address some local community concerns, but there have been very few town hall meetings to move forward with the plan as a whole.<sup>1</sup> Only a few people came to the most recent meeting to update the plan. Nevertheless, a proactive City leadership, which helped to create the Community Action Plan, enabled Weed to immediately take advantage of NEAI funds when they became available.

Despite the numerous challenges facing the community, Weed was in a much better position to cope with the downturn in the timber industry than many other communities in Siskiyou County. Its economy was more diverse, it had resources such as the College of the Siskiyou, close access to major transportation corridors like Interstate 5 and the railroad, an Enterprise Zone, economic and workforce development groups, and a capable City staff.

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1. The community did come together to try to bring a state prison to the community. The City council unanimously approved the idea and the majority of the community backed it. According to one community leader, they thought they were following the goals of the Community Action Plan to bring in more jobs. However, the County Board of Supervisors was not willing to vote on it, so they put it to a countywide vote. The ensuing debate was bitter, and according to many residents, illustrated the differences between Weed, a working class town, and its more gentrified neighbor to the south, Mount Shasta, which vehemently opposed the prison. County voters overwhelmingly defeated the measure by a margin of 2 to 1. Disillusioned by this process, residents of Weed may not be ready to rally around a big issue or strategic plan.

## NEAI Projects and Programs

### Community Economic Revitalization Team (CERT)

#### *Institutional Structure and Function*

One of the goals of NEAI was to streamline funding processes in order to enhance access to federal programs for local groups. The California Community Economic Revitalization Team 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 U.S. Forest Service, the United States Department of Agriculture (USDA) Rural Development, and the Economic Development Administration (EDA).

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 coordination of County CERT activities to the Siskiyou County Economic Development Council (SCEDC). The SCEDC contracted with the Siskiyou Training and Employment Program to fill the community coordinator position. Community coordinators linked communities to the State 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 RCA program to build capacity for communities in 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 funding because they requested assistance for indi-

viduals who wanted to start a business. After the CERT notified applicants that they did not qualify for funding from participating agencies, the community coordinator and the community development coordinator provided technical assistance in writing business plans or in accessing other sources of financing. Nonetheless, according to one economic developer, "They [local applicants] would get very frustrated there wasn't money directly for workers." Over time, community members better understood what qualified for NEAI support.

As originally envisioned, the 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

#### **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 U.S. Forest Service State and Private Forestry
- U.S. EPA
- U.S. Department of Labor



Roseburg Mill at Weed, CA with Mount Shasta in the background.

cumbersome and applied directly to agencies and simultaneously submitted the four-page form to “register” the proposal. Indeed, most Siskiyou County project applicants were 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.

### **Funded Projects**

With a completed Community Action Plan and community leaders on the lookout for funding sources for their ready-to-go projects, Weed was in an excellent position to take advantage of NEAI monies. One City employee asserted that they were the only community in the County who knew what was needed and did it themselves. Indeed, according to various regional agency staff, Weed received considerably less technical assistance from the national forests and the SCEDC because they simply didn't need as much help from the outside. City staff and Great Northern Corporation worked together to bring in most of the projects for Weed.

### *South Weed Infrastructure Projects*

Prior to NEAI, to broaden the community's economic base with non-timber related jobs, City staff identified an area on the southern end of town as the best location for development. Straddling Interstate 5, the property was ideal for highway-related businesses designed to attract travelers' dollars as well as manufacturers who needed to ship goods by truck or railroad. However, the limited water supply and pressure supported only a fast food restaurant and a gas station. In May of 1993, the City contracted with Great Northern Corporation to apply to EDA and USDA Rural Development for funding. They received a \$656,000 grant from EDA, a \$150,000 grant from USDA Rural Development and approval for a \$284,000 loan from USDA Rural Development. A City employee succeeded in persuading landowners in the development area to pay their hookup fees and future utility fees in advance, so the City acquired \$284,000 and consequently did not need the loan.

On the west side of the highway, the City installed additional water and sewer lines and a 350,000-gallon water tank. The additional water supply and fire protection served a 79-acre commercial area on both sides of the highway. The City received assurances from a restaurant and a hotel that they would build in the area after the systems were in place.

Approximately 200 new jobs have been created as a result of the South Weed project. Since project completion, several businesses have located in the area, including a truck and travel center, a hotel, three restaurants, a gas station, and a Crystal Geyser water bottling plant. The additional fire protection and water supply was one of the many factors Crystal Geyser considered when deciding to locate in Weed.<sup>2</sup> Although all of the new business owners live out-of-town and a majority of the service jobs do not pay family wages, at Crystal Geyser wages range from \$8 to \$17 per hour with benefits. The City has also benefited considerably from the increased tax revenues.

Building on the success of the South Weed projects, in 1999, the City received another grant from EDA for \$882,000 to extend Vista Drive in the South Weed area on the east side of Interstate 5. The City used a traffic study completed in the 1980s to design roads for this project. The landowner provided the \$282,000 local match by donating the land on which the road was built. The road was completed in December of 2000 and it leads to property zoned for commercial uses.

Residents hope that this infrastructure development and business recruitment approach will bring another large company to Weed and more family-wage jobs for the community. The South Weed area is now poised for additional industrial development and, according to City staff, some companies are considering moving to the area.

#### *Public Art (Tourism Strategies Phases I and II)*

Prior to NEAI, downtown business owners formed a Revitalization Team to find ways to revitalize downtown. In the early 1990s, the City received a \$20,000 grant from the U.S. Forest Service Economic Diversification Studies Program to produce a Tourism Development and Marketing Action/Work Plan for the City of Weed. The City held community meetings and worked closely with the Revitalization Team as part of their research. The group's final report outlined strategies to develop and market tourism and proved to be a springboard for early NEAI project development.



“Vision,” one of the sculptures resulting from the Public Art projects, stands on the lawn in front of City Hall.

The City called the community together to help decide on the next steps for tourism development. About 20 people attended to voice opinions. In 1995, the City received a \$10,000 Rural Community Assistance grant from the Shasta-Trinity National Forest to 1) erect wooden sculptures crafted by local artisans in historical downtown and 2) build two permanent lighted signs to display community events and information. Shortly thereafter, the City applied for an additional \$7,500 in funds to enhance sculpture areas with lighting and landscaping, create historical murals, and start a plant-a-tree program. City Council members and the Revitalization Team garnered wide community support to implement these projects. Roseburg Forest Products donated logs for the sculptures, dozens of people participated in painting the murals, and local artists crafted the sculptures.

Since the completion of these projects, community members have undertaken a number of beautification and clean-up efforts including an

<sup>2</sup> Crystal Geyser joined with the City to build a road from the interchange area to their plant and is currently in the process of turning it over to the City. This indicates that Crystal Geyser has the capacity to build their own infrastructure.

adopt-a-street program and a program to help people get rid of junked cars. Recently, the City and community created “Centennial Plaza”—complete with murals, a fountain, and a statue of the town’s founder, Abner Weed—for their 100th anniversary celebration. The initial public art project was the first effort to improve the image of Weed. Now, according to one resident, people see art as a way to express their history and community identity. Because residents directly participated in this project, they have a sense of ownership and pride in their downtown. These relatively small steps for a relatively small amount of money (\$17,500) laid the groundwork for more extensive enhancements and community involvement.

### *Botanical Gardens Feasibility Study*

In the early 1990s, a nursery owner from Mt. Shasta approached Weed residents with a proposal for locating a Botanical Gardens complex in or near Weed. The Mount Shasta Botanical Gardens Foundation formed to implement this idea. Members envisioned a project that would provide employment, foster partnerships with the College of the Siskiyous, and enhance the tourist industry.

The community development coordinator assisted in writing a grant proposal for a Conceptual Plan and Market Feasibility Study. In 1995, the Foundation received a \$35,000 Community Development Block Grant (CDBG) from the Housing and Community Development program (the California program for dispersing Housing and Urban Development money to rural communities) to complete the study. Initially, the community generally supported the botanical gardens. The Foundation sponsored many events and raised money from the community. A consortium of owners and developers agreed to donate a portion of the land for the gardens, but according to several residents, would not donate the land until the Foundation secured funding. When the market feasibility study was completed in 1997, however, it showed that costs vastly exceeded revenues. The nurseryman left, and community support for the project waned, with the eventual disbanding of the Foundation.

In the summer of 2000, a few community members decided to revive the project. The City owns

wetlands across the highway from the South Weed development and has agreed to donate the property for Botanical Gardens. A handful of dedicated and motivated residents remain enthusiastic and say that portions of the study remain useful for this new site. However, many community members question the general feasibility of the project.

### *Process Technology Center*

In the early 1990s, prior to NEAI, the director of the SCEDC recognized that lumber mills in the area used high-tech computerized machinery to run their operations and Siskiyou County had a shortage of workers who could operate and maintain such equipment. The program was initially motivated by the downturn in the timber industry and associated layoffs. The College of the Siskiyous, the Siskiyou Training and Employment Program (STEP), the Employment Training Panel (ETP), and local industries partnered with SCEDC and broadened the program goals to include training necessary for workers to operate in an increasingly automated technical environment. The program intended to re-train dislocated workers and to attract industry to Siskiyou County. Prior to the Initiative, the program received funding from various sources to build the facility and get the project off the ground. In 1994, through the Initiative, the Process Technology Center received \$74,000 from the Klamath Forest RCA program to hire staff for technical assistance and to purchase software and equipment critical to program development.

The Process Technology Center, a huge warehouse-like building to house large industrial equipment, was built on the Yreka campus. The Employment Training Panel agreed to reimburse the College for the cost of students placed in jobs for which the program prepared them, and industry in the area had agreed to hire qualified program graduates. The College of the Siskiyous hired an instructor with both teaching and industry experience and provided tutors for students who needed help. STEP recruited dislocated workers and provided 14 of them with a stipend and supplies.

Twenty-five students participated in the first year of the program, three of them from Weed. This cohort group met five days per week for eight hours

per day for 11 months. At the end of the first year, the students had roughly the equivalent of the first two years of an electrical engineering or computer science major. Twenty-one students graduated and 15 students found full-time work (most related directly to their training) immediately following the program, while two found part-time work and three continued their education. The Employment Training Panel, however, only reimbursed the College for seven students because, according to the Dictionary of Occupational Titles (DOT),<sup>3</sup> some of the jobs the graduates took did not fall into the category of "instrumentation technician." If students pursued further education or found jobs in Oregon, the Employment Training Panel could not reimburse the College. Furthermore, industries in Siskiyou County were unable to hire as many skilled technicians as they had initially promised.

By the second year, lack of student interest in the program could not justify another cohort-style program. Classes were integrated into the College curriculum and well attended by industry people (when the industry paid their employees to attend class), but poorly attended in general. During that second year, several college staff worked to create a certificate program. The Chancellor's Office, however, did not approve this program because the State's Labor Market Division would not support it. With the help of two additional U.S. Forest Service grants in 1997 totaling \$72,500, the program has since evolved into an open-entry, open-exit lab with self-directed study and access to computer software and the instructor. The lab is open five days and two nights per week but is poorly attended. Some graduates from the first year of the program still hold technical or computer-related jobs in Siskiyou County, but many have left the area or found other types of work.

In hindsight, those who developed the program admit that it would have been better to invest less money in big machinery that would quickly become obsolete and invest more money into computer simulation software that could easily adapt as

the technology changed. The program was also unsustainable as an ongoing training program and the warehouse building design has proven impractical. However, the primary weakness of the program was that it trained people for jobs that did not exist locally. Thus, after the class graduated, the local market was saturated with skilled technicians.

#### *Business Development*

Women's Economic Growth (WEG), a nonprofit group that provided business development services for start-up and expanding businesses in Siskiyou County, received \$46,000 from the U.S. Forest Service in 1994 and \$50,000 from Rural Development in 1995 for an Entrepreneur Development Program. The goals were to provide business training and capital to natural resource based start-up businesses.

Internal board-staff issues resulted in the board dissolving WEG and turning the grants and projects over to Great Northern Corporation. WEG intended the program to serve the general business community, but Great Northern focused on the agricultural and food production sector. Although Great Northern Corporation provided business services with the second portion of the funding, they did not have the benefit of the groundwork laid by WEG to implement the program. Efficiency and continuity of project objectives were lost in the transition.

#### *Siskiyou Wood Products Manufacturing Network*

Former staff of WEG formed The Development Resource (TDR), a business development partnership. SCEDD obtained a \$10,000 grant in 1996 and contracted with TDR to develop the Siskiyou Wood Products Manufacturing Network. Originally, they applied for \$53,000 and intended to identify opportunities in marketing, purchasing, and explore the possible development of a shared-use mill modeled after The Wood Center in Medford, Oregon. With the \$10,000 they received, they created a network of manufacturers, a directory, and brought a highly individualistic group together to share experiences and

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3. The Dictionary of Occupational Titles is a list of job titles and descriptions used by the Employment Training Panel to categorize jobs. This dictionary has proven to be a constraint when trying to receive federal funding for training programs, which train people and place them in occupations that are not in the dictionary.

network with each other. One of the more significant outcomes of these efforts was the formation of a flexible manufacturing network between three manufacturers. This network brought additional business to two manufacturers with excess capacity and allowed the third manufacturer to fulfill two larger accounts that he could not have served individually.

#### *Economic Diversification Revolving Loan Fund*

In 1995, the Superior California Economic Development District requested \$500,000 and received \$1,500,000 from Rural Development for an Economic Diversification Revolving Loan Fund. The goal of this project was to foster job creation through financing businesses that would create or retain jobs. Specifically, the objective was to create at least one job per \$10,000 in funds loaned. To avoid competing with the private sector, only businesses that did not qualify for bank loans could receive money from this fund. According to one economic developer, this fund, like most revolving loan funds, has rates close to market value and responds to the concerns of most entrepreneurs: accessible capital, not a reduced interest rate. Because there weren't enough business owners ready to take a plunge with a new business, SCEDD returned \$1,000,000. Now that the business community is more prepared to take on debt, the funds are not available. One economic developer commented that, rather than flooding communities with money right away, NEAI could have distributed the money more slowly and built capacity, ensuring that communities were ready for the funds.

#### *Micro Loan Program*

SCEDD received a Rural Enterprise Grant from USDA Rural Development for \$200,000 in 1995 to provide gap financing for micro enterprise loans of \$5,000 or less. SCEDD only found a few micro enterprise opportunities, so they used the fund to make larger loans as well.

#### *Small Business Development Center Entrepreneurship Project and SCDC—Small Business Center*

The Small Business Administration (SBA) funds Small Business Development Centers. However, in California at the outset of the Initiative, disagree-

ment between SBA and the State on how to spend SBA funds impeded the creation of a Small Business Development Center in Superior California. Meanwhile, from the Community Action Planning process, the need for technical assistance in helping small businesses start, expand, write business plans, and obtain financing became increasingly evident, according to one agency representative. SCEDD secured \$504,000 in funding from the U.S. Forest Service and Rural Development in 1994 and an additional \$70,000 from the U.S. Forest Service in 1996. With these funds, SCEDD ran a Small Business Development Institute for two years, including a satellite office through Women's Economic Growth in Weed until the fall of 1995.

The funding from the Initiative leveraged the Small Business Development Center for SCEDD. When the State finally requested proposals for housing a Small Business Development Center, SCEDD prevailed over Shasta College and College of the Siskiyou because it already had a program in place. SCEDD continues to serve businesses in Siskiyou, Shasta, Trinity, and Modoc Counties and contracts with business counselors to travel and provide services throughout these counties.

WEG housed the Small Business Development Center satellite office in Weed. One Weed business owner commented that WEG worked very hard to keep hope alive in the community and found their services very helpful. Although WEG no longer exists, some of the former staff continue to offer business services as designated SBDC counselors through a new organization called the Jefferson Economic Development Institute (JEDI).

#### *Tri-Cities Small Business Incubator*

HUD provided \$35,000 through a Community Development Block Grant in 1997 for a feasibility study for a Small Business Incubator for the cities of Weed, Mt. Shasta, and Dunsmuir. A City staff person from Dunsmuir spearheaded this project and envisioned an agency akin to the small business incubator in Yreka that would serve businesses in the southern portion of Siskiyou County. Although this person left the area partway through the project, others stepped in to complete the work. A consultant from the Bay

Area sub-contracted with the principals of what is now the JEDI to conduct the study. The researchers held focus groups for the various business sectors including tourism, food production, woodworking, alternative health, and more. The study found that because the area lacked a critical mass of similar businesses in need of a physical incubator, an incubator without walls was the best alternative. Those involved in the project could not agree on further direction for the study, and when the group lost its primary leadership, the project lost focus and momentum.

#### *Rural Venture Capital Network*

In 1998, Tri-County Economic Development Corporation received \$100,000 from EDA and \$36,043 from Rural Development to launch a project to explore the potential for linking high net-worth investors with entrepreneurs in need of financial capital. It proved difficult to implement because the business environment in rural Northern California did not yet lend itself to this type of investment, according to one economic developer. Access to financial capital is a critical piece of any economic diversification strategy and an exceptional challenge for rural communities traditionally dependent on timber resources. The Rural Venture Capital Network did not take hold in rural northern California.

#### *Regional Products Catalog and Food Products Marketing Association*

In 1994, Great Northern Corporation received \$68,750 from USDA Rural Development for production of a regional catalog for Siskiyou County entrepreneurs. At about the same time, a Regional Marketing Association formed to promote cooperative marketing of products from the region. In an 11-month time period, Great Northern hoped to identify producers and products, create producer agreements, locate shipping facilities and offices, create the catalog, hire staff, and circulate the catalog. The project attempted to create a “store without walls” in order to facilitate small entrepreneurial efforts by absorbing some of the start-up costs of selling products. The steep learning curve in the design and marketing phase required more time and money than originally anticipated. In 1994, Great Northern

received another \$52,370 to continue the project. Great Northern identified over 250 entrepreneurs in the region with over 600 products that could be sold through a catalog. A great deal of money was spent in recruiting producers. Two companies helped develop a business plan and a catalog mock-up.

In 1996, EDA granted \$95,000 to Great Northern to complete a business and mail plan, and conduct producer identification and product review. In addition, Great Northern hoped to reduce or eliminate local producer costs for the catalog by printing and mailing approximately 100,000 catalogs and operating a warehouse and packaging facility to sell regional products.

During this phase, Great Northern found a business in Oregon that already produced a catalog called Northwest’s Best Limited and decided to partner with them to include clients from Siskiyou County rather than producing a separate catalog. In the first year, goods from producers across Siskiyou County were featured in the catalog. Because the business no longer exists, we have been unable to determine how many Siskiyou County residents participated in this project. The warehouse and packaging facility also did not come to pass. By initially contracting with someone experienced in producing catalogs, this project could have saved a great deal of money and time. Although the project did not result in a sustained catalog, it contributed to the formation of a Food Products Marketing Association.

#### *Food Products Marketing Association*

In 1995, local producers held a public meeting where 25 people indicated a desire to market their goods through a regional association. Producers saw this as a “spin-off” of the regional catalog project. In 1996, Great Northern Corporation received a \$10,000 grant from Rural Development to form a regional marketing association. This project leveraged a series of subsequent grants that funded a deliberate and linear process to establish a marketing association and a food-processing center.

#### *Food Processing Center*

In 1995, Great Northern Corporation secured \$16,000 from USDA Rural Development to

purchase equipment for a certified shared kitchen. Great Northern hoped to encourage food producers to enter the market by reducing the start-up costs of building a certified kitchen. Access to expensive equipment in a kitchen compliant with state regulations facilitates market entry for entrepreneurs. Great Northern partnered with a person who produced applesauce and apple juice. In exchange for free use of the new equipment, the producer allowed open access to his certified kitchen. In addition, Great Northern placed herbal manufacturing equipment in a Weed health food store that employed three people, including the owner.

This relatively small project (\$16,000) has leveraged \$160,000 in private funding for expansion of the facilities, a marketing association, as well as a marketing director for the food processors. Fifteen people are currently using the kitchen—10 from Targeted Income Groups. One producer is from Weed.

#### *Expansion of Siskiyou Agricultural, Food and Beverage Marketing Strategy, Phase 2*

In 1997, Great Northern Corporation received \$56,500 from the U.S. Forest Service RCA program to expand upon the Siskiyou County Agricultural Products, Food and Beverage Marketing Initiative, and to assist the stakeholders in moving forward with the tools the initiative provided. The marketing cooperative still exists and a Community Development Block Grant recently funded a part-time marketing director who is an expert at moving products from kitchens into the hands of consumers. The marketer works out of the SCEDC and assists 15 producers in following regulations and marketing their products. The marketing cooperative is trying to create another kitchen in Mt. Shasta, and the Karuk Tribe is hoping to start one in Happy Camp.

#### *Health Care Facility, Yreka*

In 1995, the Siskiyou General Hospital in Yreka applied to the USDA Rural Development loan program for \$8,465,300 for a replacement facility. State law required the hospital to upgrade to meet earthquake standards. The hospital determined they would either have to build a new facility or close.

During community meetings in Yreka in the early stages of the Initiative, residents raised the issue of replacing the hospital. A local representative from the McConnell Foundation approached the community and offered to give \$2 million with the condition that the community match it with another \$2 million, \$500,000 of which had to come from the hospital doctors. The community raised \$2.8 million. The hospital had \$2.5 million in reserves. A representative from Rural Development approached the hospital and said that they could offer funding because of NEAI. The loan from Rural Development provided the balance of the \$16 million project. At the end of the fiscal year, California Rural Development did not have enough money to pay the loan. Oregon and Washington Rural Development, which had not allocated all of their funds for that fiscal year, agreed to contribute to the loan for the Yreka Hospital.

Without the Rural Development funds, northern Siskiyou County would be without a hospital. Following completion of the new hospital, 30 new employees, some of whom came from Weed and other neighboring communities, were hired. In terms of added service, one individual commented, “We are looking at things we never could have looked at before.”

#### *Shasta River Restoration*

According to one economic developer, Great Northern Corporation has engaged in many restoration projects on the Shasta River—enough to justify employing a full-time crew. In general, these projects involve cleaning up trash, adding willow matting, stabilizing banks, and constructing fences to keep livestock away from the river. Funding for one of these projects happened to go through the CERT process, and EDA granted \$14,000 for bank stabilization on the Shasta River in 1998.

#### *Bike Route System Design*

Great Northern applied for and administered a \$33,000 grant from the Forest Service Rural Community Assistance Program in 1997 to design a bike route system throughout Siskiyou County. Great Northern hired a consultant to design and map the bike route. The consultant held public meetings in every town and, according to one economic develop-

ment specialist, did more than originally outlined for the project. Although the project ran behind schedule, according to one source, the consultant donated many extra hours. The blueprints are ready for the County to review.

*South Siskiyou Economic Revitalization Project—  
Promotional Video*

The SCEDC received \$39,200 from the U.S. Forest Service in 1998 to provide technical assistance for coordinating a regional community enhancement and promotion program in McCloud, Dunsmuir, Weed, and Mount Shasta. The program would operate through cooperative marketing programs and implement related aspects of local community action plans. However, at that time, SCEDC experienced staff turnover and was unable to implement this proj-

ect. They transferred the money to the College of the Siskiyous, which agreed to produce a video through its media and communications program for community access television that promoted attractions throughout Siskiyou County. The resulting product, a high-quality professional video depicting year-round recreational opportunities throughout Siskiyou County, not only continues to promote the region to visitors, but the project itself directly benefited the media and communications program as well as the students who produced the video. With the grant money, the College of the Siskiyous upgraded some of their media equipment, and two students gained professional experience as well as a video for their portfolios. "It's amazing the quality of work they did . . .," said one College employee. Both students received full scholarships to a film school in New Mexico.

## **Current Socioeconomic Conditions and Effects of NEAI on Community Well-Being**

In the late 1980s and early 1990s, when Weed was coming to terms with the downturn in the timber industry and exploring avenues for action, NEAI funds provided Weed a springboard to leap into an economic development strategy of attracting business, industry, and tourists to their community. Far from the community of the past that bustled with families and activity, Weed is still struggling to forge a path to a brighter future. With the South Weed infrastructure and Public Art projects, Weed took some initial steps toward broad economic and community development, but NEAI had a relatively small effect on individual Weed residents' economic and community development.

### **Demographics**

By the year 2000, Weed's population had dropped to 2,950 from its 1990 level of 3,050 (3.3 percent). The number of people in the labor force dropped from 1,060 to 1,010 (4.7 percent) and the percentage of them collecting unemployment fell from 12.1 percent to 9.9 percent. Enrollment at Weed Elementary School dropped from 580 in 1990 to 449 in 1999, a 23 percent decline. The percent-

age of children on free lunch programs during this period remained high, but relatively stable, hovering between 70 and 80 percent."

### **Community Capacity**

NEAI was designed to help timber workers transition to new jobs, to diversify timber-based economies, and to enhance community infrastructure. To varying degrees, the suite of NEAI programs and projects were successful in increasing Weed's 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. Community capacity consists of five dimensions: (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, the myths, beliefs, norms, and life ways 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). Natural capital, separate from the community—though the community is dependent upon it in many ways, is the forest and associated biophysical elements.

### *Physical Capital*

NEAI successfully enhanced the physical capital of Weed, particularly in South Weed. Constrained by limited water, sewer, and fire-defense capacity in the only undeveloped commercial zone, Weed had little potential for physical expansion prior to the Initiative. The water and sewer project led directly to more gas stations, fast food restaurants, a travel center, and a water bottling plant, which brought approximately 200 new jobs into South Weed and tax revenues for the City. In addition, the downtown area offered little in the way of physical attraction (besides the Weed arch), “No one was taking pride in their community,” said one resident. The community came together to enhance downtown Weed by painting murals, planting trees, and erecting sculptures. These projects were critical steps toward improving the appearance of downtown, and the image that residents had of themselves and their community.

Officially separate from NEAI, though undoubtedly related in some cases, the City secured additional funds for infrastructure projects. The State contributed \$3 million from its Small Community Grants program and HUD contributed \$1 million to repair the sewer system. In 1998 and 2000, the State Transportation Improvement Program awarded \$1,910,000 to resurface roads. FEMA and the State Department of Water Resources awarded a total of \$542,000 for stream restoration and flood control on Boles Creek that runs through town. Finally, HUD’s Housing and Community Development program granted the City \$35,000 annually between 1997 and 1999 for planning projects including a map of the City’s infrastructure, a Community Center plan, and a traffic study.

At the county level, NEAI projects made investments in physical capital, which affected Weed. The new hospital enabled health care service to continue in northern Siskiyou County and added roughly 30

new jobs to the area. Without a hospital in northern Siskiyou County, the patient volume at the Mt. Shasta hospital would have increased and given fewer health-care options to the people of Weed. The \$74,000 grant from the U.S. Forest Service helped purchase computer software and equipment for the Process Technology Center. Finally, one small business owner from Weed uses the food processing equipment in the shared kitchen.

### *Financial Capital*

The South Weed project enhanced financial capital for Weed by attracting new businesses and thus broadening the tax base. Most of the jobs created by these businesses were not family-wage jobs and all of the owners are from outside of Weed. However, the fact that the City was able to secure grants for the project rather than loans saved Weed residents from increasing their collective debt.

Prior to NEAI, Weed businesses had access to loans and services through Great Northern Corporation, WEG, and SCEDD. NEAI funds enhanced these organizations’ ability to offer assistance. Yet many business owners in Weed are not aware of the services offered through SCEDD and JEDI (recall that JEDI is run by former WEG staff and the SBDC). One economic development specialist commented that getting the word out about programs and workshops is an ongoing challenge. A business owner stated that most workshops were poorly attended and commented that “it’s hard to change older minds.” Although more people seemed to know about the City of Weed’s revolving loan fund (funded by Community Development Block Grants), a number of business owners did not.

Between 1995 and 1999, the City applied for and received \$1,382,000 in HUD grants (not part of NEAI) for a revolving loan fund to create and retain jobs. The City offers local businesses high-risk, low-interest loans. At the time of this study, no business had defaulted on a loan.

### *Human Capital*

Weed’s leadership and organizational resources were well-developed at the outset of NEAI. The City staff was competent and productive, Great Northern

Corporation helped the City find sources of federal funding for projects. STEP offered services for dislocated workers. WEG provided workshops for small business people in career transitions or entering the workforce from public assistance. The College of the Siskiyous offered educational opportunities. These assets put Weed in an excellent position to take advantage of NEAI funds when they came available. Weed did not need much help with the community action plan process. Indeed, they had already completed the visioning portion before contacting U.S. Forest Service facilitators. One economic developer commented that Weed seldom utilized outside help because they had internal resources. NEAI enabled the City of Weed to access funding for several projects and, in doing so, the City staff developed additional grant and project management skills. This enabled them to leverage more money from state and private sources for additional projects. Today, the City of Weed has 15 active grants.

The Process Technology Training Center directly affected human capital by giving dislocated timber workers and others new technical skills. Much to the disappointment of many graduates and to the detriment of Siskiyou County, the local job market did not offer adequate job opportunities, and many people left the area to find work. Although this program improved human capital for those individuals, it actually resulted in a “brain drain” from Siskiyou County.

NEAI did little to enhance the overall skills of Weed’s workforce. Weed currently lacks the human

capital necessary to meet the needs of large businesses. One business-person acknowledges that any industry that comes to Weed will have to bring in professional level staff. If a company brings its own professionals, that may benefit the community by bringing in a few more salaries, but it would do little for most current residents. It is not apparent that current residents have the skills or desire for manufacturing jobs. Residents report that the SCEDC recruited a Chico company to locate in Weed to take advantage of the Enterprise Zone. It reportedly would have brought 39 jobs, paying \$10-\$12 per hour. However, because so few people came to take the aptitude test required to apply for the jobs, the company stayed in Chico.

*Social Capital*

Over the past decade, the community has demonstrated an ability to pull together and accomplish goals. In 1993, when a city council member and a college administrator called a community meeting to begin a visioning process, close to 100 people attended and held a constructive meeting. The fact that most of these people stayed involved in the Community Action Plan process illustrates the ability and willingness of residents to come together to accomplish something. The Public Art project advanced social capital by directing this energy into concrete outcomes that significantly improved the appearance of downtown Weed, not to mention increasing the local conversations about the new sculptures. The mural and tree-planting projects involved several

<b>Examples of Successful Partnerships</b>	
<b>Organizations</b>	<b>Projects</b>
Siskiyou Training and Employment Program, the Siskiyou County Economic Development Council, the College of the Siskiyous, and the State Employment Training Program	Process Technology Center
Great Northern Corporation and the City of Weed	Infrastructure projects and public art projects
Superior California Economic Development District, the Siskiyou County Economic Development Council, and the U.S. Forest Service	Capacity building
Superior California Economic Development District and Women’s Economic Growth	Small Business Development Center

community members that instilled a sense of pride in their downtown. These projects laid the foundation for continued enhancements and community projects. The recent completion of Centennial Plaza and the 100th anniversary party is another example of continued community cooperation and involvement.

In addition, the City of Weed and the College of the Siskiyous collaborate on curriculum development and training programs. The Fire Chief coordinates the Fire Technology Program and the College purchases and uses some of the City's equipment. The City police provide security training for the student campus security program. The College provides leadership and computer training for City staff, and the College works with the City to provide training for skills required by new businesses that locate in Weed.

Despite these examples of social capital, Weed is not as cohesive as it could be, either socially or geographically. South Weed, downtown, and the College, separate both physically and in the minds of many residents, could build more cooperative partnerships for the advancement of the community as a whole. South Weed establishments thrive by drawing business from travelers, while downtown businesses continue to struggle, with some closing down. The College of the Siskiyous is in a residential area not far from downtown, but many residents view it as "over there," and as a separate power structure that some describe as elitist. The College of the Siskiyous enrolled 4,505 students in the spring of 2001, 655 of which were full-time. The College draws students to the community with student housing and several certificate programs, including the largest fire academy in the state. In the spring of 2001, 667 students reported that their permanent residence was somewhere outside of Siskiyou County. These students bring expendable income and a demand for services that Weed businesses all too often don't provide, according to College officials. Some College officials feel Weed could be promoted as a college town, but residents, who still see their community as an industrial town and separate from the College, are unwilling. Both the business community and the College recognize the potential and the power of cooperation in community events and community development but have yet to capitalize significantly on these opportunities.

In Siskiyou County, approximately 10 organizations provide business services. In some cases this is useful because it offers clients a choice in business approaches and personalities of the service providers. However, opportunities for collaboration among these groups are under-utilized, with some groups suspicious of others. Working relationships have been improving with time, however, and collaboration is beginning to occur. The director of one of these organizations is working particularly hard to open avenues for collaboration and initiated a forum for representatives from business service providers to meet and share information. Several economic developers commented that this forum introduced them to programs offered by other groups.

Three groups that do have a close working relationship are JEDI, the SBDC, and the College of the Siskiyous. JEDI and SBDC have an Memorandum of Understanding (MOU) and jointly fund some staff positions as well as publicize and refer clients to each other's programs. The College of the Siskiyous provides all business training to JEDI's clients. The Small Business Institute, funded through NEAI, laid the groundwork for this partnership when SCEDD contracted with WEG for the satellite office in Weed. Also, SCEDD contracted with SCEDC to hire the community development coordinator at the beginning of NEAI with the capacity-building programs. Now, according to one economic developer, SCEDC is also beginning to collaborate more with JEDI and SCEDD to coordinate and publicize programs.

The partnerships that formed between organizations reflected a spirit of cooperation and collaboration that facilitated success in securing funding for and implementing projects. For examples of successful partnerships, see the chart on the previous page.

### *Cultural Capital*

In some ways, Weed's history reflects the attitudes in the community today. One resident commented that as a single-industry town, "We were so taken by [the timber company], they took care of everything. We need to learn that we need to do things." Residents are very proud of their heritage as a logging community and still feel a great deal of loyalty to

Roseburg, yet they recognize that they can no longer depend on the timber industry. Indeed, many see the answer to their woes as having a big industry locate to Weed and employing everyone in the town. There is little talk about diversification or having several smaller industries to help stabilize the local economy.

### *Natural Capital*

Although outside of Weed, the Shasta River bank stabilization project enhanced natural capital by improving water quality in the Shasta River. The community of Weed attempted to use the natural beauty of the area and its most prominent landmark, Mt. Shasta, to design botanical gardens in order to attract tourism, create jobs, and provide artistic and educational resources for the community. Fresh water springs exist in many places around the base of Mt. Shasta. Weed's spring has brought a water bottling plant to the community already and will continue to bring business and revenues as long as the water flows. The Ecosystem Management Technician

Training Program (See County section) participated in several ecosystem investments in the area. These investments in ecosystem health help to preserve the quality of natural resources in the area that are necessary to sustain communities.

### **Effect of NEAI on Workers**

Most workers and families adversely affected by the mill closure and industry restructuring in the 1980s moved away or found other work by the time Initiative monies became available. Those that remained found little in the way of direct assistance. In the beginning, the highly publicized message of NEAI was one of new money in the pockets of dislocated workers. Many economic and employment development specialists agree that this publicity led to expectations that a dislocated worker could get a grant to start a business. Indeed, one of the primary goals of NEAI was to help workers and families, but in Weed, Initiative monies focused primarily on community and general economic development.

## **Patterns and Themes**

### **Leadership and Partnership**

Having leadership and organizational capacity in place at the outset of the Initiative enabled Weed to successfully secure and leverage funds in the early NEAI years to implement ideas as well as to mobilize the community in a visioning process. Cooperation between agencies and organizations also facilitated success in securing funding for and implementing projects.

### **Tangible Projects**

Visible projects that give people something to point to increased the "self-esteem" of the community and contributed to local perception of success. When a helicopter brought in the water tank for the South Weed water flows, people were excited, reported one community leader. People see the fast food restaurants, hotels and gas stations in the South Weed area and know that something concrete resulted from the infrastructure expansion. Many people, both in Weed and from the region, say that Weed benefited from

NEAI more than any other community in Siskiyou County. It was a "huge change in the community for not that much money," said one resident. When walking through downtown, people enjoy trees, sculptures, and murals and see improvements in appearance. These resulted from a great deal of work from many community members. These types of projects promote optimism and hope for the future.

### **Infrastructure Approach to Development**

The strategy of infrastructure development in order to attract business and industry to South Weed brought most of the new jobs to the community. However, these jobs did not replace the many family-wage jobs lost with the downturn in the timber industry. Most residents appreciate the business development, but this type of development should be one part of a broad strategy. It has succeeded in stopping traveler dollars as they go through on the highways, but, with the exception of the bottling plant, it has not created family-wage jobs.

### **Community Support and Involvement**

The public art and tree-planting projects demonstrate that with good leadership and broad-based community involvement, a little money can go a long way toward improving self-image and social capacity in the community. “It’s the little things that make the difference,” commented one community leader. However, expensive projects like the botanical gardens and the Yreka Health Center will not happen without broad-based community support. In Yreka, the community raised \$2.8 million. This financial commitment demonstrated the importance of the project and leveraged the remainder of the funding from private and public sources. The Botanical Gardens never received this level of support and its supporters have had a difficult time securing funds for the project. Without broad-based support, it is unlikely that the Botanical Gardens will receive enough funding to complete the project. Projects that require significant resources require equally significant support, and stressed communities will only provide such resources for critical projects.

### **Training Programs in an Uncertain Economic Climate**

The Process Technology Center could not sustain a program without a local demand for skilled technicians. When the project started (prior to the Initiative), there were more lumber mills in the County that needed skilled technicians. Only three mills remain in Siskiyou County. The curriculum adjusted to provide a general technical education, but in recent history, Siskiyou County has never had enough of an industrial base to support a continuous stream of skilled technicians. In order to locate in an area an industry needs a skilled labor force, and in order to sustain a training program and allow students to live locally, there needs to be a local demand for skilled technicians.

### **Agency Accessibility and Streamlining**

According to one agency representative, the key to successful projects and programs was having local agency representatives who are intimately familiar with the communities. Most applicants found these representatives, particularly USDA Ru-

ral Development and EDA, very professional and helpful in the whole process. “I’m proud to be a taxpayer and my money goes to those people,” said one City employee, “they go above and beyond the call of duty.” Each agency has a different application process and, although these are sometimes long and cumbersome, applicants generally greatly appreciated the support of the local agency representatives.

Because applicants for most of the funded projects in Siskiyou County were experienced in accessing agencies, the CERT structure did not streamline the application process, rather, it added an additional step. However, CERT did streamline interagency coordination in funding and implementing projects. The South Weed interchange project received both EDA and USDA Rural Development funds. CERT facilitated agency cooperation and certainly increased efficiency in project implementation.

### **NEAI was Seed Money and Came too Late to Help Workers**

As in many northern California communities, by 1994, the community had already reacted to the worst of the local timber crisis. Indeed, focusing on broad community development rather than on direct assistance to dislocated workers may have made sense in this situation, as most workers had either left the area or retrained prior to the Initiative.

Residents say that the NEAI projects helped the community to start implementing their vision for the future, “Our foundation is being built.” Many say that this was seed money, but is just the beginning. “They [the projects] pumped blood into the community but we need a transfusion.” These projects were critical in treating the symptoms of the downturn in the timber industry, but the root cause of economic and social distress in Weed—reliance on a single industry—has clearly not been fully addressed.

### **Looking to the Outside**

Many people in Weed continue to look to the outside for help and for someone to “rescue” their community. When asked what Weed needs, many people say a big industry with lots of jobs. Another

way Weed is looking to bring in some outside help is through tourism. However, residents acknowledged that “tourism is the icing on the cake” of a larger economic development picture. “Tourism is not going to do it,” said one City employee, “we need jobs . . . with benefits that can support families.”

Some people mentioned the need to bring in fresh ideas and new people from the outside to jumpstart their community. Most acknowledge that, for the long-term, Weed needs a diverse economy safe from market fluctuations, however they are unsure of how to proceed. “The problem with this community is we are so close to the forest, we can’t see the trees,” admitted one long-time resident. Weed citizens feel like there is a solution to their economic development challenges, but they do not know precisely what.

### **Fear of Change**

Several people in Weed mentioned that displaced workers often fear change. Someone who lived in Weed all of his/her life may not want to leave to find another job. A person who has worked for years in the woods may not want to retrain as a computer technician. Despite reluctance, many people did change. One College of the Siskiyous employee remembers when a participant in the Process Technology Center program said, “Look at these hands. They won’t fit on a computer, they are shaped like a chainsaw.” This person graduated from the program. Another former timber worker reportedly expressed discontent with his new job at Crystal Geyser because it was inside. Now he has worked his way up and is making a good living. Many people moved their families and started new careers outside of Siskiyou County.

## **Conclusions**

NEAI helped Weed breathe life into ideas and visions put forth in the late 1980s and early 1990s to attract businesses and travelers into their community. The infrastructure and public art projects laid the groundwork to pursue state, federal, and private funds to build more infrastructure and conduct more beautification projects. However, NEAI projects in Weed have not yet resulted in broad-based economic diversification, nor have they succeeded in

significantly enhancing human capital. With a limited number of family-wage jobs and several struggling businesses downtown, it is not surprising that many residents still question the future. Yet Weed continues to move in a positive direction. The community’s challenge now is to take full advantage of its many assets, form partnerships, diversify its economy and develop a community that serves visitors and residents alike.

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Weed, California

**Interviewees**

Neva Barnett	Weed City Council, business owner
Mel Borcalli	Weed City Council, business owner
Susan Brown	Economic Development Consultant, former Women's Economic Growth
Dotha Cheney	Botanical Gardens Board
Arlandiis Clark	Baxter Forest Products, Weed
Jim Cook	Great Northern Corporation
Dawna Cozallo	College of the Siskiyou
Dennis DeRoss	College of the Siskiyou
Larry Glen	College of the Siskiyou
Chris Wrona Giallongo	Economic Development Consultant, former Women's Economic Growth
Jim Gubetta	Retired Woods worker and former City Council member
Dwayne Jones	Yreka Health Center
Duane Lyon	Shasta-Trinity National Forest
Kathy Moody	Northern California Ecosystem Training Center
Kelly McKinnis	City of Weed
Bob Nash	Superior California Economic Development District
	Siskiyou Training and Employment Program
Kathy Suvia	Jefferson Economic Development Institute
Nancy Swift	Women's Economic Growth
Milan Vodika	College of the Siskiyou
Paul Wagner	Great Northern Corporation
Joyce Zwanziger	Siskiyou Training and Employment Program

**Sources**

Larry Alexander	Northern California Ecosystem Training Center
Merle Anderson	Economic Development Consultant, former
	Siskiyou County Economic Development Council
Kevin DeMers	United States Department of Agriculture Rural Development, Yreka
Nancy Gibson	Klamath National Forest
Alford Linville	Retired mill worker and former City Council member, Weed
Rick Moore	Crystal Geyser, Weed
Jim Van Cura	Oregon California Resource Conservation and Development
Peter Van Susterin	Shasta-Trinity National Forest

**Focus Group Participants:**

Ken Cleland	Business owner, long-time resident
Margaret Dean	Former business owner
Jack Colombana	Former business owner
Jill Colombana	Former business owner
Mary Mazzei	Botanical Gardens Board, long-time resident
Orville Renning	Long-time Weed Resident
Debbie Salvestrin	City of Weed
Virgil Tuman	Long-time Weed Resident