



STAFF REPORT – CITY COUNCIL MEETING

TO: Honorable Mayor and City Council Members

FROM: Merritt Perry, City Manager, Jen Dart, Community Development Director, Tabatha Miller, Assistant City Manager

PREPARER: Merritt Perry, City Manager

DATE: September 16, 2026

TITLE: **Consider Adopting the 2026-2031 City of Arcata Economic Strategic Plan.**

RECOMMENDATION:

It is recommended that the Council receive a presentation; and adopt the 2026-2031 City of Arcata Economic Strategic Plan.

INTRODUCTION/BACKGROUND:

The City Council set a goal to update the Economic Strategic Plan and authorized funds in the Fiscal Year 2025/26 Budget. The City's most recent economic strategic plan was last updated in 2010 and was intended to cover a four-year period from 2010-2014.

The City issued a Request for Qualifications & Proposals for services to update the Economic Strategic Plan on February 20, 2025, and awarded the project to Civic Possible, a firm that demonstrated a deep understanding of the community and issues and proposed a method of engagement and involvement that staff believed would work very well for Arcata. The City established the following objectives for the development of the plan:

- Enhance quality of life for the community
- Retain and strengthen existing businesses
- Create jobs and diversify the local economy
- Support vitality in the City's commercial and tourism areas
- Grow the tax base and improve the City's fiscal stability
- Strengthen the Arcata brand to attract businesses and visitors

DISCUSSION:

The plan was built on findings from engagement with community economic development stakeholders from a variety of fields. The effort began in August 2025 in partnership with Civic* Possible. It included a review of background reports and data, a 10-day site visit in September to conduct interviews in person, attend community events, and gain first-hand experience of the community, and interviews with 56 individuals connected to the Arcata economy representing government, local businesses, education, social services, health care, real estate, property

development, finance, small business support organizations, arts and culture, environmental stewardship, and specific under-represented communities. A community survey ran from September through November 2025 and received 256 responses. The team also participated in community meetings including the Rotary Club and hosted a city booth at the Friday Night Market in September 2025.

Following the discovery Phase, Civic* Possible facilitated two in-person co-design workshops in February and March 2026 with community economic development stakeholders. Workshop participants reviewed the landscape report and then worked through the foundational elements of the plan: defining what good growth means for Arcata, brainstorming projects, identifying measures of long-term community success, and establishing and prioritizing the plan's strategic direction.

Civic* Possible, working with city staff March through June of 2026 completed the Economic Strategic Plan update for 2026-2031 that will provides a framework for the City of Arcata and its partners to pursue economic growth on its terms and with its vision at the center.

This Plan works alongside the City's parallel investments in housing, the Reconnect Arcata effort, parks and trail expansion, and climate action. Each of these reflects Arcata's broader commitment to sustainable, value-driven growth. Together, these efforts are how Arcata is imagining and building its future.

The approach most likely to move Arcata's economy is not a fixed set of projects but a shared adaptive strategy. An economy is shaped by many factors, most of them outside any one organization's control, so the City's role expands beyond projects to convening for collaborative impact, bringing together a standing group of partners who read where the economy is heading through a shared set of indicators, identify what each effort needs to succeed, and help one another improve the economy.

Sustaining that convening work will require a designated person responsible for keeping the practice alive between gatherings, maintaining the shared landscape of indicators, and connecting with the partners advancing individual actions to clear the path in front of them. Dedicating capacity for that role is among the most consequential commitments the City can make to this strategy's success.

Progress is read through the direction those indicators show rather than a count of completed projects, which is what ensures accountability to the strategy while the plan adapts. Actions may be added, revised, or retired as Arcata and its partners learn, and the strategy holds its direction steady throughout. Within that adaptive approach, five near-term actions have been identified as an impactful starting point, reflecting where momentum, funding, and community readiness are aligned today. They are highlighted throughout the Plan and described together in their own section.

When fully realized, this Plan positions Arcata to grow on its own terms: a community that values connections and quality of life, with a diversified, resilient economy, businesses and places that reflect who Arcata already is, and a shared practice for navigating the next five years.

POLICY IMPLICATIONS:

Completing the Economic Strategic Plan 2026-2031 and implementing programs and projects was identified as a City Council Priority Project for the 2026-27 fiscal year as well as the development of an Economic Development program with staff support that includes the implementation of the Economic Strategic Plan.

Many of the activities identified in the plan are also consistent with other City Council Priority Projects, City Council Goals and Policy Objectives, including:

- Improving the quality of services for the public
- Improving the local economy and quality of life for residents
- Supporting community creative and cultural life
- Develop policies and support community organizations that provide services that improve the quality of life in Arcata and events that promote Arcata as a “livable community”

ENVIRONMENTAL REVIEW (CEQA):

The California Environmental Quality Act (CEQA) includes a statutory exemption for feasibility and planning studies pursuant to CEQA Guidelines Sec. 15262.

The Study was determined Categorically Excluded from the National Environmental Policy Act by the Community Development Director as Certifying Officer under City Council Resolution No. 212-71.

BUDGET/FISCAL IMPACT:

The Economic Strategic Plan was funded by the Revolving Loan Fund, which supports economic development and a variety of loan programs, and the General Fund. The total amount expended on the project is \$148,650, which is within the Council approved budget of \$200,000. Additional expenditure of funds from the Revolving Loan Fund, Public Improvement Fund and/or General Fund will be required to implement the plan. No budget for implementation has been prepared at this time but will be brought to the council for approval in the future after staffing recommendations and budget estimates are developed.

RECOMMENDED COUNCIL ACTION:

1. Receive a staff report and presentation from staff and the consultant team.
2. Open public comment.
3. Close public comment.
4. Motion to adopt the City of Arcata Economic Strategic Plan 2026-2031.

ATTACHMENTS:

- A. City of Arcata Economic Strategic Plan 2026-2031