

# 4. Financial Capital

## The Economy: Local Industry and Business

“ Part of this national trend that's happening in response to Covid that people are waking up to a lifestyle that they could have in the Cobb area is actually pretty much the optimum lifestyle. Like connection with local community health and wellness activities, food and diet and wanting to know where your food comes from and a farm to table awareness. And it's a lifestyle that is about balance and sustainability. ”

- Local Resort Developer



*Financial Capital includes the money and service that are critical to the operation of a healthy, resilient, sustainable and thriving community.*

*Financial Capital provides a principal means by which the various elements of the community relate to each other by giving and receiving, buying and selling, serving and being served. Under the right circumstances, these flows are mutually reinforcing and build every kind of capital<sup>34</sup>.*

*In a healthy, thriving community each sector is stable and full of the required energies needed to function and adapt. This energy may be in the form of money, either spent in exchange for goods*

*and services or given as patronage or a gift. The energy may be in the form of direct service, which can take a thousand forms of exchange. It can be an exchange or gift of food, labor or things.*

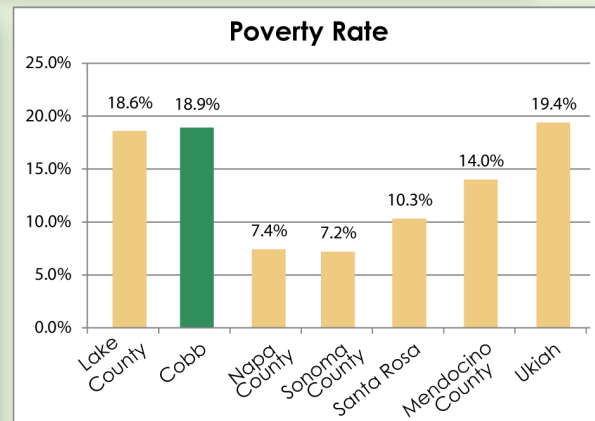
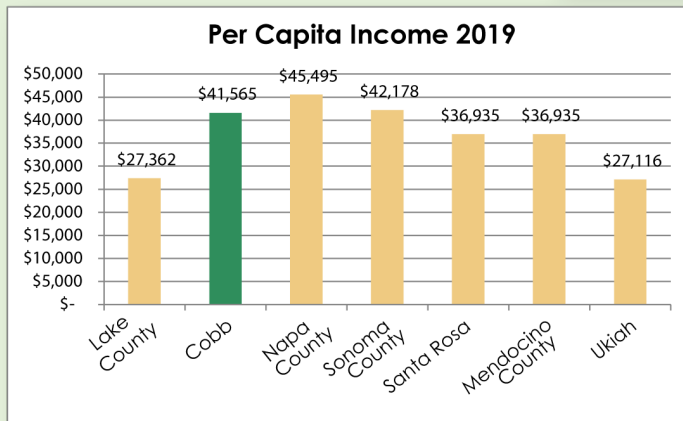
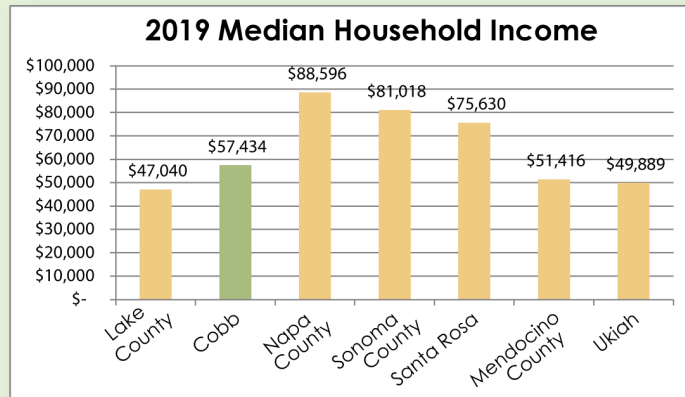
## Connections with other Community Capitals

The state of “The Economy”, or the flow of financial capital, is the most widely used perspective from which the resilience and overall state of the community is gauged. This generally refers to the local “gross product” - the total amount of goods and services transacted for money, with the base presumption that the more the better. It is certainly true that the level of economic activity influences every other form of community capital. Economic wealth generally results in the capacity to strengthen the stewardship of the natural environment, support local culture, promote active participation in local affairs, finance local housing, health and recreation. However, there are now enough examples of wealthy communities where economic capacity has not resulted

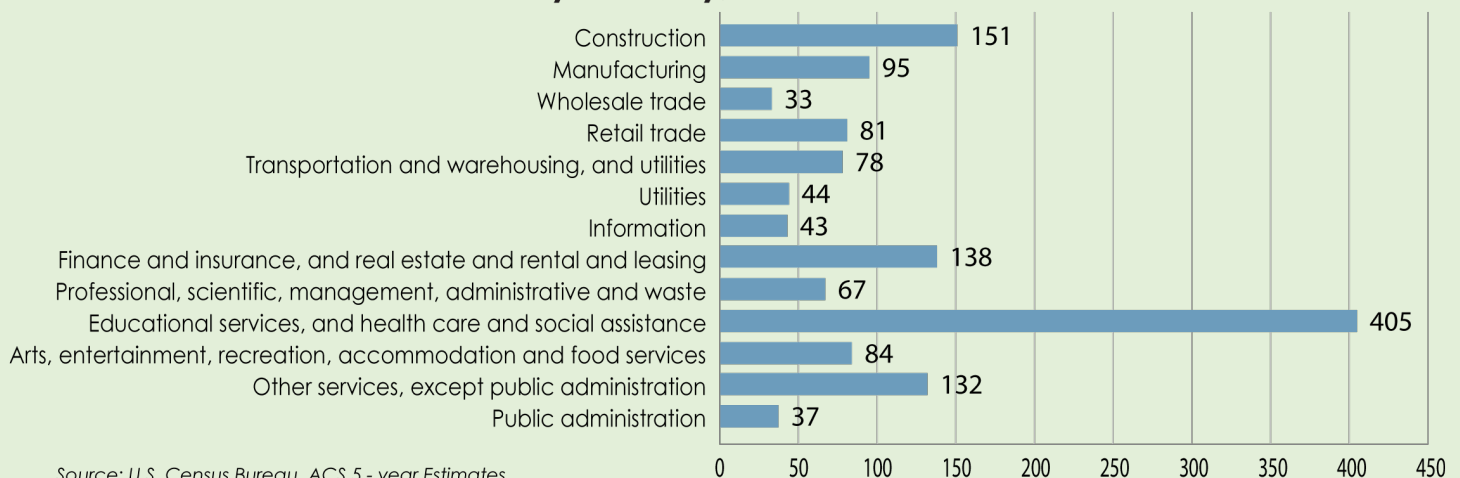
in the strengthening of other community capitals but rather has led to unbalanced systems where community culture, health, housing, and even the local environment, has not been well cared for, to the detriment of the whole system. Therefore, it is critical that economic expansion be closely integrated with the development of the other forms of local community capital.

## 1. GENERAL FINANCIAL CAPITAL DATA

Data provide by North State Planning and Development Collective, California State University, Chico



### Jobs by Industry, Cobb CA 2019

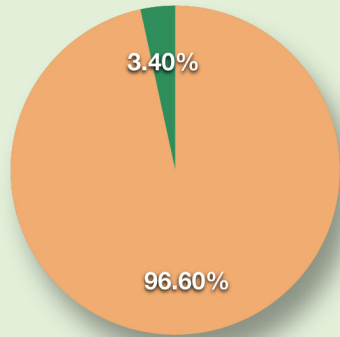


Source: U.S. Census Bureau, ACS 5 - year Estimates

## 2. AGRICULTURAL PRODUCTION

### Lake County Agricultural Lands

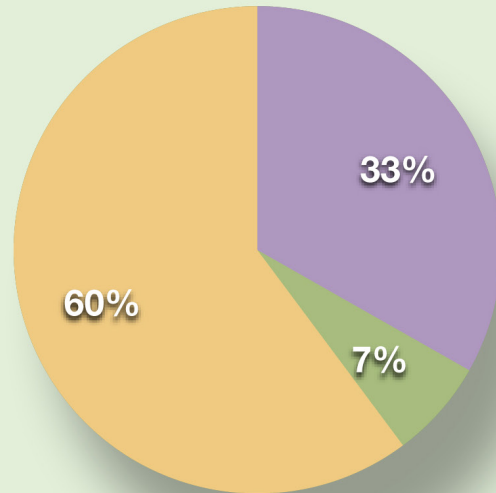
Total Acres: 71,753 Acres  
(zoned Ag or Ag Preserve)



- Cobb Mountain Area: 2,405 Acres
- Other Lake County Areas: 69,348 Acres

### Value of Cobb Mountain Agriculture 2019

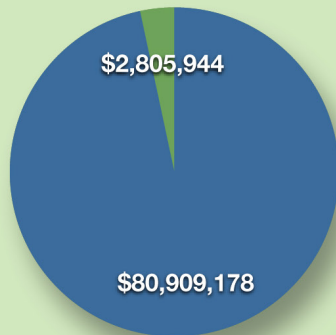
Total Value: \$8,447,254



- Winegrapes: \$2,805,944
- Timber: \$556,310
- Cannabis: \$5,085,000

### Lake County WINE GRAPES Value 2019

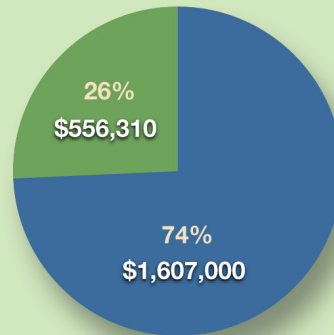
Total Value: \$ 83,715,122



- Cobb Mountain Area: 313 acres  
(based on % of county agricultural lands)
- Other Lake County Areas: 9,026 acres

### Lake County TIMBER PRESERVES Lands

Total Acres: 20,992

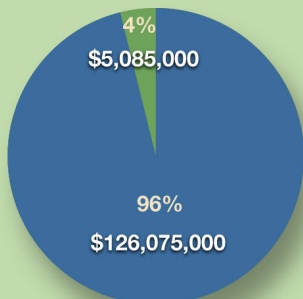


- Cobb Mountain Area: 7,267 Acres (MFB 3,934)
- Other Lake County Areas: 13,725 Acres (MFB 11,365)

### Lake County CANNABIS Agriculture 2019-2021

#### 2019 Totals

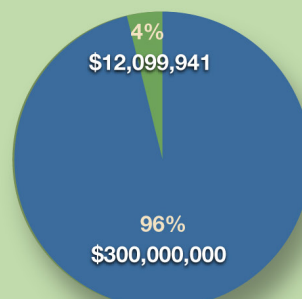
As per the Lake County Community Development Dept.



- Cobb Mountain: 3.39 acres
- Other Lake Co. Areas: 84.05 acres

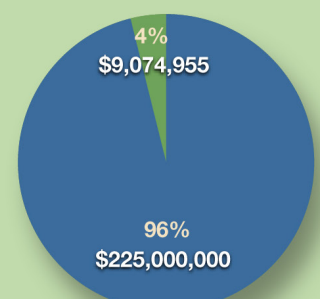
#### 2020 Projections

Acreage and value projections (\$1.5M/acre in 2020, \$750K/acre in 2021)  
based on interviews with local licensed growers and suppliers



- Cobb Mountain: 8.07 acres
- Other Lake Co. Areas: 220 acres

#### 2021 Projections



- Cobb Mountain: 12.10 acres
- Other Lake Co. Areas: 300 acres



### 3. TOURISM AND SUMMER VISITORS

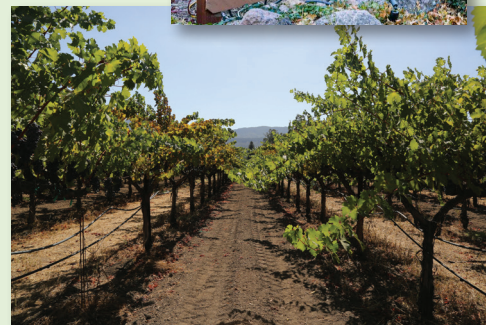
Cobb Mountain has been a getaway destination for over 100 years, and the features that have attracted people here remain important elements of the local character. The community faces key challenges rebuilding this critical sector of the economy - it is a classic case of “chicken and egg”: we need the residents and visitors to support a critical mass of local attractions, and we need the local attractions to draw the visitors.

These are some of the core visitor serving businesses in Cobb today:

- **WHISPERING PINES RESORT:** Family owned and operated for five generations of the Strickler family, an authentic yet comfortable cabin experience
- **PINE GROVE RESORT:** a forest retreat bordered by Kelsey Creek with spring-fed pools, year round cabin overlooking the creek, treehouse retreat, and glamping tents
- **MANDALA SPRINGS RESORT:** A 200-acre wellness retreat, vegetarian, substance free with a variety of cottages, country lodges, cabins and RV and camping spots to accommodate up to 500 guests
- **COBB VILLAGE INN:** 19 guest rooms close to the center of Cobb
- **MOUNTAIN MEADOW GOLF AND RESTAURANT**
- **VARIOUS B AND B VENUES.**

Many local attractions closed following the Valley Fire, including:

- **VILLAGE PUB**
- **MATT AND JESS CAFÉ**
- **BOGGS MOUNTAIN** hiking and mountain biking trails  
(see section 7 on Human Capital for rebuilding activity)



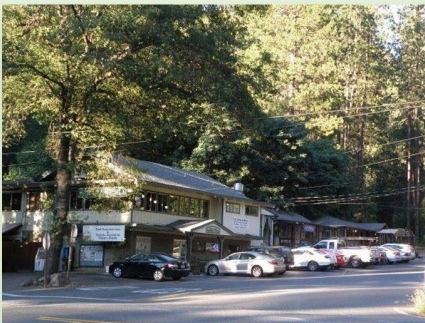
## 4. CORE LOCAL BUSINESSES

Here are some of the core local businesses that have survived and still provide the core retail economy for the community, attracting and serving both visitors and local residents.

- **HARDESTER'S GROCERY:** A locally-owned full-service grocery and key local "anchor" institution
- **MOUNTAIN HIGH COFFEE:** A classic "third place" gathering hole complete with chess board and comfy reading room
- **COBB MOUNTAIN PIZZA:** An essential "family night out" destination for visitors and locals alike
- **LOCH LOMOND CORNER:** convenience store, deli, mail stop and coffee shop
- **ADAMS SPRINGS GOLF COURSE:** nine holes and new clubhouse restaurant
- **COBB PACIFIC:** GAS STATION

### ADDITIONAL DATA WE WOULD LIKE TO HAVE:

- Taxable retail sales in Cobb Area
- Lodging occupancy and ADR (average daily rate) in Cobb Area including AirBnB and VRBO
- Number and nature of home-based businesses
- Remote workers depending on broadband







## Analysis:

Based on all of the information gathered for this report, on the eve of the 2015 Valley Fire, the Cobb Mountain economy was already in the midst of a transition. A core year-round population maintained a stable base “on the mountain.” This provided a base for a consistent presence of seasonal residents and visitors from the Bay Area who fueled a vibrant resort culture. This summer economy, which once supported over a dozen resorts, was significantly diminished by the 1960s and ‘70s when the construction of I-80 made the Tahoe area the go-to getaway destination for the region<sup>35</sup>. In the years leading up to the fire, the Cobb community was experiencing an increase in year-round residents, including many who may have enjoyed summers on the mountain and decided to move up permanently as well as a new cohort attracted by the conversion of historic resorts to private retreat facilities. Another important sector was the flourishing illegal cannabis grow operations that provided a cash infusion to local retailers around harvest time.

In 2015 this population of old-time locals, new year-round residents, pot growers, and a diminished but still important summer population supported a modest local business community concentrated in one central business center in Cobb and one satellite commercial area in Loch Lomond. Establishments included several eateries, a full-service grocery, a gas station, the post office, a deli/convenience store, two golf courses, two coffee shops, a motel and a collection of other service providers. All of this was very negatively affected by the Valley Fire and by five subsequent years of more, even larger fires nearby that poured smoke into the area for weeks on end. Additional burdens due to the COVID-19 pandemic have added further challenges to recovery and development.

For the Cobb Mountain Area, the most significant comparisons are to the rest of Lake County and to the three areas where Cobb residents most commonly may work and shop - Napa (especially the city of Napa), Sonoma (especially the city of Santa Rosa) and Mendocino (especially the city of Ukiah). It is also useful to think about Cobb Mountain as a central point in a commercial, cultural and social axis that runs from Middletown to Kelseyville. These two larger neighboring communities, each about 15 miles away, are home to businesses that provide both goods and services to Cobb. They also provide some employment opportunities for Cobb residents and attract visitors that add potential markets for Cobb Mountain visitor -serving businesses.

The principal economic goal for the Cobb Mountain community is to restore population to the pre-Valley-Fire level. This will give local businesses the necessary base to thrive. There is of course something of a chicken-and-egg situation in that it is the existence of local businesses and services that are part of the attraction for new residents. On another note, the COVID pandemic demonstrated that the community has a good potential to attract new residents who are able to work remotely and increase the base economic level of the community. Cobb Mountain shares with the rest of California the daunting challenge of building new housing, including replacing homes destroyed by fire.

Cobb also shares with other rural communities the challenge of bringing high quality broadband connectivity to all local households and businesses. Another key important factor for home-based employment is good quality Broadband access.

### **Financial Capital Goals:**

- Restore local business activity to pre-fire levels
  - re-open the three local eateries (or equivalent) that are currently closed as key attractors for new residents and important contributors to the community's quality of life
  - approval of a development plan for the Hoberg's Resort Property
- Nurture the development of a balanced economy where vulnerability is limited by having the economy distributed across a variety of local sectors. Encourage a balanced mix of
  - visitor-serving businesses
  - local retail establishments
  - local agriculture - vineyards, cannabis, timber
  - local service businesses - construction, forest maintenance, FIRE (finance, insurance, real estate)
  - transfer income (residents drawing retirement pensions, Social Security and other passive income)
  - home-based businesses and remote workers
- Create a cohesive "Village Center" in the Cobb commercial center, with space for public gathering

## Financial Capital Strategies:

- Move aggressively to increase the Broadband capacity, starting in selected neighborhoods
- Continue to expand and promote activities and programs that improve local forest health and fire safety and make this a key element of the “brand” image of the Cobb community - (use quote from CMAT rep about Cobb’s strength in this)
- Partner with the Middletown Area Merchants Association (MAMA) and the Kelseyville Business Association (KBA) to support local businesses
- Continue the “Explore Cobb” cooperative marketing of Cobb as a destination
- Continue to promote the CAC local small business loan program
- Continue to court regional mountain bike racing events to return to Boggs Mountain for major races
- Commission a design study of the Cobb commercial center to tie together the disconnected elements
- Identify key development parcels, such as the former Hoberg’s resort property and actively promote projects that meet community goals