

February 19th, 2026

Ms. Amy Nilsen, City Manager
City of Fortuna
621 11th St.
Fortuna, CA 95540

Dear Ms. Nilsen,

Thank you for the opportunity to provide input from Fortuna's business community to the Economic Development Element in Fortuna's 2026 General Plan Update and new Strategic Plan for the city. Sixty-four (64) business owners and senior management individuals from nine industry sectors completed a survey addressing the following four questions:

- What are the most significant issues facing Fortuna's economy today?
- What opportunities and challenges do you see for Fortuna's economic future?
- What actions in Fortuna, if any, do you believe would most benefit your business?
- What are key assets Fortuna could be known for that can be leveraged to develop a unique community theme and strong economy for Fortuna.

The attached report includes an Executive Summary of those findings and summary findings for each of the industry sectors. In addition, an overview of key events in Fortuna's economic history is provided for context.

The parallel timing of the substantial decline of jobs in the timber industry and the rapid increase in cannabis economic activity twenty years ago is significant. Cannabis appears to have cushioned what otherwise would have been a major blow to the local economy. With the recent collapse of the cannabis market, the question is now being asked: Does Fortuna, the

Eel River Valley and Southern Humboldt have any evidence of a developing replacement economy for the loss of those two economic anchors? Dozens of individuals were asked that question and the unanimous response was no. If that is accurate, Fortuna is facing a structural change in its economy instead of a normal business cycle and the need to have serious discussions about Fortuna's economic future is now.

Please let me know if you have any questions. Once again, thank you for the opportunity to assist with this effort. Best wishes.

Sincerely,

Jon Sapper
(707) 498-6065
jsapper1965@gmail.com

Cc. Fortuna Chamber of Commerce
Downtown Merchants Association

**Survey of Fortuna's Business Community Providing Input to the
2026 General Plan Update and Strategic Plan
February 18th, 2026**

Introduction

Healthy small communities across our country have one thing in common; a strong, sustainable and stable economy. It is this desire that brought people together to gather information in support of specific actions to improve the long-term economic health and vitality of Fortuna's economy. The City of Fortuna is undergoing a General Plan Update and new Strategic Plan in 2026 and wants to include an economic development element with identified business and community needs in those plans. The city asked for help in compiling this information and those involved are volunteering their time toward this effort.

Individuals and business owners from nine business sectors in Fortuna provided input and guidance in drafting a report to the City of Fortuna with a request to include the findings in Fortuna's 2026 General Plan Update and Strategic Plan. Those business sectors are:

- | | |
|--------------------------------|--------------------------|
| - Ag/Horticulture/Natural Res. | - Health Care |
| - Ranching/Dairy | - Hospitality/Tourism |
| - Grocery and Beverage | - Retail |
| - Restaurants | - Developers/Contractors |
| - Industrial/Manufacturing | |

In addition, the Fortuna Chamber of Commerce and Downtown Merchants Association were also involved in helping to reach out to business owners requesting their participation and input.

Each business representative was asked to complete a survey responding to the following four questions:

1. What are the most significant issues facing Fortuna's economy today?
2. What opportunities and challenges do you see for Fortuna's economic future?
3. What actions in Fortuna, if any, do you believe would most benefit your business?
4. What are key assets Fortuna could be known for that can be leveraged to develop a unique community theme and strong economy for Fortuna?

All returned surveys were analyzed by North Coast Small Business Development Center staff in Arcata using a sophisticated AI tool to identify common themes and draft summary reports. A report was compiled for each business sector, in addition to an overall report reflecting input from all business sectors combined. Those reports will be provided to the City of Fortuna, Fortuna Chamber of Commerce and members of the Downtown Merchants Association. Business sector representatives will also be provided reports, upon request.

The initial goal was forty-five (45) responses. Employers were told that responses would be anonymous and no individual or business name would be included in the report. Sixty-four (64) surveys were returned with a mix of small and large businesses/companies participating. Employers with large employee numbers submitted responses.

The number of returned surveys by sector is as follows:

● Retail	11
● Downtown Merchants	8
● Developers/Contractors	7
● Restaurants	6
● Ranching/Dairy	5

● Industrial/Manufacturing	4
● Grocery/Beverage	4
● Ag./Horticulture/Natural Res.	3
● Health Care	3
● Hospitality/Tourism	1
● Other/Did not Declare	12

It is possible some Retail responses are Downtown Merchants, but they decided to complete the Chamber of Commerce distributed form instead of the Downtown Merchant form.

After completing forms, members from three sectors (Restaurants, Ranching/Dairy and Industrial/Manufacturing) wanted to attend separate group meetings to discuss their sector's results. Two to three notetakers also attended to capture any comments that were in addition to their returned surveys.

Length of Time in Business in Fortuna

- 3 respondents have been in business less than 1 year.
- 12 respondents have been in business between 1 & 5 years.
- 6 respondents have been in business between 5 & 10 years.
- 41 respondents have been in business over 10 years.

Executive Summary

The collective input from all sectors, restaurants, retail, developers and contractors, ranching and dairy, industrial and manufacturing, grocery and beverage, agriculture and natural resources, healthcare, hospitality and tourism, downtown merchants, and general respondents, reveals a consistent and clear narrative: Fortuna is widely viewed as a wonderful place to live, rich in natural beauty, community spirit, and strategic location, but economically underperforming relative to its assets. Business owners and stakeholders describe the city as stable yet stagnant, with significant untapped potential. Across nearly every sector, respondents expressed

pride in Fortuna's small-town character, riverfront setting, redwood identity, and family-friendly culture. However, they also emphasized structural economic weaknesses that must be addressed if Fortuna is to thrive long-term.

The most consistent concern across sectors is the lack of economic diversification and the loss of anchor industries such as timber and cannabis. Many participants described the current economy as retail and service heavy, without a strong base of high-paying employers to drive disposable income and sustained growth. Without new industry or exportable economic drivers, local spending power remains limited, retail leakage continues to neighboring cities and online platforms and municipal revenues struggle to grow. There is strong consensus that Fortuna needs to attract manufacturing, value-added natural resource industries, or other scalable economic engines to replace the industries that once supported middle-class wages.

Housing availability and affordability emerged as a second dominant theme. Nearly every sector identified housing as a direct barrier to workforce attraction and business expansion. Employers struggle to recruit and retain employees due to limited housing supply, aging rental stock, and rising costs. Healthcare providers report building their own housing units to accommodate staff, developers cite high fees and permitting delays that hinder new construction, and business owners consistently link workforce shortages to housing constraints. Participants emphasized that housing is not merely a social issue but a central economic development challenge that affects nearly every industry.

Downtown vitality and retail leakage were also repeatedly cited. Many stakeholders described Main Street as lacking vibrancy, cohesion, and destination appeal. Retail dollars are flowing to Eureka, Costco, and online retailers, while downtown struggles with limited variety, insufficient foot traffic, and an unclear identity. Respondents called for beautification, stronger visual appeal, more concentrated retail uses, and anchor attractions that would give residents and visitors a reason to stop and stay. Several bold ideas were proposed, including pedestrian-oriented redesigns,

historic district branding, expanded events, and leveraging the Great Redwood Trail and Riverwalk to activate the core.

Another cross-sector theme was the need for more efficient permitting processes, clearer regulatory pathways, and stronger city capacity. Developers, industrial operators, healthcare leaders, and downtown merchants all referenced delays, rising fees, and limited staffing capacity as obstacles to growth. There is widespread support for creating or strengthening a dedicated economic development function, improving interdepartmental coordination, and fostering a more proactive “how can we help you succeed” approach within city operations.

Finally, nearly every sector emphasized that Fortuna’s greatest competitive advantage lies in its natural and cultural assets—its redwoods, Eel River, climate, outdoor recreation, rural character, and friendly community identity. However, participants repeatedly stated that the city does not effectively promote or unify these strengths into a cohesive brand. There is strong interest in positioning Fortuna as a gateway to the redwoods, a river-centered destination or a sports and recreation hub. The Mill Site and riverfront redevelopment were consistently identified as catalytic opportunities that could reshape the city’s economic trajectory, if executed strategically.

In summary, Fortuna’s stakeholders see a city with strong foundational assets but lacking a diversified economic base, adequate housing supply, downtown vitality, streamlined development processes, and a unified identity. There is broad agreement that meaningful progress will require coordinated leadership, strategic industry recruitment, housing expansion, downtown revitalization, and a bold but practical branding and development strategy centered on Fortuna’s unique natural advantages. The community is ready for forward momentum; what is needed now is alignment, execution capacity, and a clear economic vision that translates pride in place into measurable growth.

See Appendix A for individual sector summary reports.

Overview of Key Events in Fortuna's Economic History

Following completion of surveys and input from local businesses, an overview of key events in Fortuna's economic history and a review of recent Fortuna's Sale Tax and Transient Occupancy Tax revenues is included in order to provide context to the survey findings and determine relationships, if any. That overview follows:

1860's through 1970

- The economic anchor in Fortuna, the Eel River Valley and Southern Humboldt was the Timber Industry during this time period. Agriculture, dairy and ranching was also a very important sector. The largest company, Pacific Lumber Company (PALCO), was founded in 1863, headquartered in Scotia and later included a sawmill operation in Fortuna and a mill operation in Carlotta. The company was stable and operated on a sustained yield basis where the board footage of lumber harvested annually was offset by the amount of board footage the company's timber holdings grew each year. PALCO provided living wage jobs, high quality benefits, pensions, health insurance and stock options for its employees. The company also provided free life insurance, bonuses and college scholarships for the children of its employees. In addition to PALCO, Eel River Sawmills, operated just north of Rio Dell during this time and was a significant contributor to the timber based sector. Fortuna's economy was stable with an abundance of blue collar, family living wage jobs for its citizens.

The 1970's and early 1980's

- The timber industry continued as the economic anchor for the Eel River Valley and Southern Humboldt with harvesting on private and US Forest Service land.
- During the early/mid 1970's, a movement of "back to the land" individuals, many from the SF Bay area, moved to Southern Humboldt and started small fledging marijuana growing operations and other businesses.

This movement increased through the 1970's and by the early 1980's, Southern Humboldt started to become known throughout the country for cannabis.

1985 - Maxxam, Inc., led by Charles Hurwitz, initiated a hostile takeover of PALCO, which was completed in 1986. Maxxam accelerated harvesting timber beyond sustainable levels in order to pay off the debt it incurred as a result of the takeover.

The 1990's was the decade of the timber wars. Charles Hurwitz and Maxxam lit a firestorm of protests from environmentalists who criticised the significant increase in harvesting of old growth redwoods. These timber wars and protests were national news and became the lightning rod for increasing attacks on the timber industry. Debates over old growth protection and the Northern Spotted Owl led to the Northwest Forest Plan which drastically reduced volumes on US Forest Service lands to protect critical habitat.

1996 - Marijuana is legalized for Medical purposes in California via Prop 215. The underground black market begins to expand in Southern and Eastern Humboldt County.

Late 1990's and early 2000's - Pressure on the timber industry continues to increase. At this time, PALCO and Eel River Sawmills had a combined employment of approximately 2,000 employees (1,600 PALCO and 400 Eel River Sawmills). Those 2,000 living wage economic anchor jobs supported an additional 4,000 (6,000 total) jobs in local communities when using an employment multiplier of 2.0. Each base industry job in this sector averages 2.1+ additional jobs in the local economy. (retail, restaurants, services, trades, etc.) The majority of those jobs were in Fortuna, the Eel River Valley and Southern Humboldt.

- The black market in cannabis now is showing substantial growth

2004 - The Carlotta Mill owned by PALCO closed.

2005 - Eel River Sawmills closed laying off all 400 employees and PALCO closed its Fortuna Mill June 30th, 2005.

2007 - PALCO files for Bankruptcy Protection and lays off employees resulting in another major hit to the economic anchor of timber in the Eel River Valley and Southern Humboldt.

2008 - Humboldt Redwood Company takes over the assets and operations from Maxxam (PALCO), including the remaining 350 employees. Using the 2.0 employment multiplier (350 economic anchor jobs plus the 700 supported jobs remained.) There were now an estimated 1,050 total jobs in 2008 from the base timber industry employment and supported jobs combined, compared to 6,000 total jobs in 2000/2001.

2010 - City of Fortuna develops a Year 2010-2030 General Plan that includes an Economic Development Element acknowledging the reductions in the timber economy and recommending prioritizing the need to develop a stable and balanced economy, improve workforce development, re-define Fortuna's economic base, develop business attraction and retention strategies, promote increased tourism and develop economic related infrastructure.

Why wasn't the economic impact of losing 1,650 economic anchor jobs in timber and the expected loss of an additional 3,300 supported jobs in our communities realized? Did a high percentage of those who lost jobs find other jobs locally with wages at a similar level? Or, could it be the black market cannabis industry was cushioning what otherwise would have been severe economic impacts with that level of job losses?

2011 - A comprehensive economic study was done to determine the impact of cannabis in Humboldt County. That study, using a conservative methodology, estimated the annual economic impact of cannabis between 1.0 and 1.2 billion dollars countywide. If that is anywhere close to the actual number, cannabis softened or eliminated what would have otherwise

been the significant economic impact from the bankruptcy and sale of PALCO and the closure of Eel River Sawmills. Cannabis then, in fact, became the new “economic anchor”, especially in the Eel River Valley and Southern Humboldt.

2015 - There are an estimated 10,000+ cannabis grow sites in rural Humboldt County with approximately 58% of rural parcels having active grows according to county reports. The economic impact continues to expand.

2016 - Cannabis is legalized for recreational **use** in California. Black market cannabis explodes in Humboldt County, predominantly Southern and Eastern Humboldt.

2018 - Cannabis is legalized for recreational **sales** in California. Legal grows begin developing throughout the State.

2020 - COVID significantly impacts businesses and economic activity

2021 - The cannabis black market starts to show evidence of decline in Humboldt County with legalization. Sales tax revenue in Fortuna, Southern Humboldt and countywide showed a strong recovery post-COVID, but at the end of that period and into the next year, sales tax revenues began to trend downward.

2022/2023 - The cannabis market collapses in Humboldt County. 2022/23 Sales Tax Revenues declined 7.1% in the County and 7.8% in Fortuna after peaking in 2021/22. Transient Occupancy Tax revenue declined 17.7% in 2022/23 compared to the prior year in Fortuna and continues to trend downward. (The reported numbers are not adjusted for inflation).

City of Fortuna
Sales Tax & Transient Occupancy Tax Revenue
July 1, 2021 - June 30, 2025

	Sales Tax <u>Revenue</u>	Transient Occupancy Tax (TOT) <u>Revenue</u>
2021/22	\$2,309,839	\$951,038
2022/23	\$2,129,109	\$782,808
2023/24	\$2,207,164	\$722,447
2024/25	\$2,142,353	\$710,118

Sales Tax and Transient Occupancy Tax revenues are important sources of funding for cities in California. Using 2021/22 as the benchmark year and hypothetically having flat or zero annual growth, Fortuna's sales tax revenue in 2024/25, adjusted for inflation, should have been \$2,533,353. Using this same approach for Transient Occupancy Tax, the city's 2024/25 amount collected should have been \$1,053,700. A stable, flat, zero annual growth from 2021/22 and adjusted for inflation would have yielded an additional \$734,582 in 2024/25 from these combined revenue sources.

Fortuna's 2025/26 Budget states "...that rising costs of materials, insurance, utilities and labor will result in a need to reduce the budget or seek new sources of funding. Ongoing inflationary pressure continues to influence consumer spending behavior, project costs and labor market dynamics." The Budget further states, "...that creating a community that attracts and retains businesses is highly competitive and will be key to keeping pace with expenditures. Focusing on economic growth and business support will be as important in the near future as it ever has been in the City."

Timber companies and support businesses related to the timber/wood products sector are still very important economic contributors to the Eel River Valley and beyond. Health care and government employment is also significant. Agriculture, ranching and dairy continues as an important sector, as well. However, many small businesses in Fortuna are struggling and unsure of the future.

A few questions come to mind:

- From 2000 to 2020, did cannabis cushion what otherwise would have been a major economic upheaval in the Eel River Valley and Southern Humboldt with the loss of 1,650 timber related base industry jobs and the expected loss of 3,300 support jobs?
- If yes, are we now beginning to see the true economic impact of the loss of those timber related jobs with the collapse of cannabis?
- Or, is there another economic anchor that is developing or has developed in the last 10+ years that has or can replace those lost timber related jobs?

In summary, with the significant reductions over the last twenty-five years in the timber industry and the collapse of the cannabis market in the last 3-4 years, are the current economic challenges in Fortuna cyclical with economic vitality returning soon, or for the first time in over 130 years is Fortuna facing systemic and structural changes to its economy requiring Fortuna to redefine its economic future and take the necessary actions to make it happen?

Based on the answers to those questions, the needed strategies for Fortuna to grow and sustain a healthy, economically vibrant community that we all want are significantly different. Whatever direction is taken, it will take the entire community working together to achieve the desired results. For example, if it is determined that we are currently experiencing an economic cycle, doing more of the same with a few additional strategies would be satisfactory. However, if it is determined we no longer have the economic anchors of the past and there is no evidence of new foundations developing, then a new vision for Fortuna's economic future needs to be developed and steps in that direction need to be taken. Other small communities have faced these challenges and been successful. If needed, we can, too.

Fortuna's 2010 Economic Development Priorities

The last General Plan for Fortuna was approved in 2010 and included an Economic Development Element. That report states, "Economic Development was one of the driving forces behind the General Plan Update." Broad community involvement through public meetings was a part of that process. That document further states: "The Economic Development Element provides the goals, policy guidance and implementation measures to promote long-term job creation, business opportunities and prosperity."

Maintaining Fortuna's small town character and culture is stated as a key driver of the 2010 plan. A "snapshot" of Fortuna's economic condition as of 2005, was used to help inform the discussions and economic decisions for the 2010 - 2030 plan. Recent developments (at that time) of mill closures and forecasted implications were also noted.

Citywide **opportunities** identified in the plan included:

- The **Mill District** for economic drivers.
- **Downtown Revitalization** to create a unique destination and active pedestrian traffic.
- **Fortuna Blvd.** for a mixed use of economic and residential opportunities.
- **Riverwalk District** as a local, regional and tourist destination for shopping, recreation, lodging, conferences and civic/community activities.

Priorities in the Economic Development Element included:

- **A Stable and Balanced Economy** - Achieved through diversification, entrepreneurship and small business development, **removing regulatory hurdles and barriers to development** and investment in the city's assets. **The need to develop a strategic plan** for this work was noted.
- **Workforce Development** - Achieved through developing partnerships with Fortuna Union High School District, College of the

Redwoods and Humboldt State University (now Cal Poly Humboldt) and the business community to address local workforce needs.

- **Redefining the Economic Base** - Achieved through **addressing the local economic needs due to reductions in the timber industry**, such as; niche manufacturing, speciality agriculture, e-commerce, development of a business park, maintenance and expansion of health care, food processing and manufacturing,
- **Business Attraction and Retention** - Achieved through working with Fortuna's Chamber of Commerce and FBID by developing and implementing business attraction strategies, developing and offering business retention and expansion support services, **streamlining permitting processes**, revitalizing areas within the city, **starting a business incubator** including **support for entrepreneurs and small business start-ups**, **developing a trained and educated workforce** and **developing affordable housing and executive housing**.
- **Tourism** - Achieved by **promoting growth of tourism**, capitalizing on Fortuna's historical character, scenic beauty and small town charm.
- **Infrastructure** - Achieved through coordination of land use policies and decisions with future economic development infrastructure.

Conclusion

Fortuna's core economic needs, opportunities and strategies identified in 2010 remain relevant today. Addressing them now may be significantly more urgent due to prior losses in timber and the recent collapse of cannabis with no evidence of new economic anchors emerging. If that is the consensus, what economic development structure does Fortuna need to put in place to move this economic agenda forward?

Appendix A

Retail

Input was gathered from retail business owners operating in Fortuna. Overall sentiment reflects a sector that is stable but economically pressured, with responses ranging from easy to neutral when describing the business environment.

Retailers report strong small-town advantages, including word-of-mouth marketing, friendly local shops, and community support. However, they are heavily impacted by online competition, big box pricing, rising operating costs, inconsistent foot traffic, and limited disposable income within the community.

Unlike the restaurant sector, retail owners did not overwhelmingly describe the economy as poor. However, they emphasized structural challenges that limit growth, including lack of economic diversification, retail saturation, missing retail categories (clothing, shoes, home goods), and residents shopping online or traveling to Eureka.

Retailers consistently expressed concern that Fortuna is overly retail-dependent without sufficient manufacturing or industrial employers to support balanced economic growth. Many believe that attracting industry and higher-paying jobs is critical to strengthening local purchasing power.

Despite these challenges, retailers see meaningful opportunity in coordinated promotion of local shopping, Main Street events, cross-business referrals, improved marketing, and leveraging Fortuna's identity as "The Friendly City." There is strong belief that collaboration among businesses and targeted growth strategies could improve economic vitality.

In summary, retail business owners believe Fortuna has a strong community foundation but requires economic diversification, improved foot

traffic strategies, and stronger promotion of local shopping to ensure long-term sustainability.

Downtown Merchants

Input was gathered from Downtown Merchants and small business owners operating primarily along Main Street and surrounding commercial areas. Overall sentiment is mixed — ranging from easy and steady to difficult — but strongly centered on concerns about economic stagnation, housing affordability, municipal capacity, and lack of economic diversification.

Many merchants describe Fortuna’s business environment as stable but not growing. Downtown location alone does not guarantee increased traffic. While several businesses report strong brand recognition and loyal customer bases, others cite zoning challenges, regulatory paperwork, and inconsistent city staffing as obstacles.

The most significant economic concerns include loss of high-paying industries (timber and cannabis), limited economic diversification, municipal budget shortfalls, housing affordability constraints, workforce attraction challenges, inflation, high energy costs, and retail leakage to Eureka and online shopping.

There is a strong desire for a unified community identity, revitalized downtown, strategic industry recruitment, and clearer economic development leadership. Merchants consistently emphasized beautifying downtown, improving permitting processes, expanding the commercial tax base, reducing red tape, and creating a dedicated economic development team.

In summary, Downtown Merchants believe Fortuna must redefine its economic identity, revitalize Main Street, attract higher-paying industries, strengthen collaboration, and create a predictable, business-friendly development environment to ensure long-term sustainability.

Developers/Contractors

Input was gathered from developers and contractors working in Fortuna. Overall sentiment reflects a sector that finds doing business in Fortuna difficult and increasingly burdensome, particularly due to permitting timelines, rising fees, and inconsistent regulatory processes.

Many respondents described the city's permitting and planning environment as slow, complex, and frustrating. Comparisons were made to neighboring jurisdictions, particularly Eureka, where projects reportedly move faster and staff are viewed as more collaborative. Developers cited increasing fees, connection costs (water/sewer), and regulatory uncertainty as major deterrents to new housing and commercial projects.

Housing was identified as a critical issue. High permit and hookup fees, sewer plant upgrade costs, PG&E connection costs, and rising development expenses can result in significant capital outlays before construction even begins. There is concern that Fortuna lacks sufficient housing for professionals and middle-to-upper income residents, limiting workforce attraction and economic expansion.

Developers also emphasized that Fortuna lacks economic diversification and higher-paying industries. The decline of timber and cannabis as economic drivers, combined with limited manufacturing and industrial presence, has weakened the local economic base. Many believe Fortuna must actively recruit industry and redefine itself as a regional hub.

Despite frustrations, respondents see substantial opportunity. Fortuna's natural beauty, freeway access, land availability, family-friendly character, airport, mill site, sports facilities, and educational institutions were repeatedly identified as strong assets. Developers believe that with clearer leadership, streamlined processes, incentives, and a defined economic vision, Fortuna could attract meaningful investment.

In summary, developers and contractors believe Fortuna has strong physical and geographic advantages but must reform permitting processes, reduce costs, clarify its long-term economic vision, and actively recruit industry to unlock its growth potential.

Restaurants

Input was gathered from owners of eight restaurants operating in Fortuna. Overall sentiment reflects a business community that is struggling to remain viable, with most owners rating the local economy as poor and none rating it as good or excellent.

Restaurant owners report being financially squeezed by rising costs—including food, utilities, insurance, housing, credit card fees, and regulatory compliance—while simultaneously facing reduced customer spending due to inflation and the loss of major local industries. Staffing challenges, lingering impacts from COVID-19, and increased petty crime further strain operations.

While Fortuna is not viewed as hostile to business, it is widely seen as not business-friendly. Owners cited excessive regulations, limited communication, and a lack of practical support from the city. Several expressed frustration that small-town businesses are governed with big-city policies, without adequate consideration of scale or impact.

Despite these challenges, owners see clear opportunities for economic improvement. Fortuna's strongest assets include its family-friendly and safe image, Highway 101 visibility, natural surroundings, parks and river access, and a collaborative local business community. Tourism, sporting events, local festivals, and coordinated downtown activities were consistently identified as growth opportunities.

Business owners emphasized that increased events, regional marketing, downtown beautification, public safety, housing development, and economic diversification would provide the most immediate benefit. There is a strong desire for city leadership that better understands business operations and works collaboratively with local owners.

In summary, restaurant owners are committed to Fortuna but believe meaningful economic recovery will require lower barriers to doing business, stronger city-business communication, targeted cost relief, and active use of the city's existing assets to drive foot traffic and consumer spending.

Ranching / Dairy

Input was gathered from representatives within the Ranching and Dairy sector. Overall sentiment reflects a steady but cautious outlook, with emphasis on long-term economic sustainability rather than immediate regulatory frustrations.

Respondents identified the decline of traditional resource-based industries, an aging population, limited workforce opportunities, and housing shortages as major economic concerns. While agriculture remains stable, the broader economic base that once included timber and related industries has weakened.

There is strong belief that Fortuna must adopt a proactive, solution-oriented mindset — shifting from questioning why projects won't work to asking how they can succeed. Clear strategic planning, especially for the Mill site, was emphasized as essential.

The sector sees significant opportunity in leveraging natural resources, value-added agricultural production, tourism, education partnerships, and innovation. However, challenges include California's regulatory climate, limited manufacturing and technology jobs, and insufficient collaboration between the business community and local educational institutions.

In summary, the Ranching/Dairy sector believes Fortuna has strong environmental and agricultural assets but must focus on innovation, strategic planning, higher-end tourism development, and economic diversification to strengthen long-term stability.

Industrial / Manufacturing

Input was gathered from representatives in the Industrial and Manufacturing sector. Overall sentiment reflects a neutral but concerned outlook, with businesses operating steadily yet facing structural challenges that limit expansion and workforce stability.

Respondents identified workforce shortages, housing availability, infrastructure limitations, and lack of economic diversification as primary constraints. Many employers report difficulty attracting and retaining qualified workers due to housing costs and limited availability. Some are contracting work outside the region because they cannot find skilled labor locally.

Transportation and logistics costs are also significant concerns. Shipping in and out of the area is expensive, fuel costs are higher than many other regions, and limited local support industries (such as machine shops) restrict operational efficiency.

There is a shared belief that Fortuna has not invested aggressively enough in attracting new businesses or industries. Without diversification and stronger economic drivers, sales tax revenues may decline, placing further strain on the city's budget.

Despite these concerns, the sector sees strong opportunity in workforce development, tourism capture, downtown revitalization, sports and event-based branding, and leveraging Fortuna's climate, location, and natural beauty. There is clear consensus that Fortuna needs a defined economic vision and stronger branding to give travelers and investors a reason to stop, stay, and invest.

In summary, the Industrial/Manufacturing sector believes Fortuna has strong geographic and environmental advantages but must address workforce, housing, infrastructure, and economic vision gaps to create sustainable industrial growth.

Grocery/Beverage

Input was gathered from representatives within the Grocery and Beverage sector. Overall sentiment reflects a mixed outlook — day-to-day business operations are described as generally easy, but regulatory burdens and broader economic pressures create significant challenges.

Respondents cited taxes, fees, insurance, and state-level regulations as major burdens on small business owners. While Fortuna is viewed as somewhat easier than neighboring cities like Eureka and Arcata, California's overall regulatory climate is seen as restrictive and costly.

The most significant economic concern identified is declining disposable income due to the rising cost of living. Consumers are spending less, directly impacting grocery and beverage sales. Additionally, the loss of traditional industrial economic drivers (lumber, fishing, cannabis) and lack of new industrial development have weakened the valley's economic base.

There is strong sentiment that Fortuna must rebuild its industrial foundation to restore economic strength. Challenges include high living costs, crime concerns, lack of incentives for new industry, and difficulty transporting goods into Humboldt County.

Despite challenges, respondents see potential in positioning Fortuna as business-friendly and leveraging natural resource-based industries such as lumber, dairy, cannabis, and tourism centered on rivers, forests, ocean access, and the Lost Coast.

In summary, the Grocery/Beverage sector believes Fortuna's economic struggles stem from reduced disposable income, loss of industry, and regulatory burdens, and that revitalizing industrial development and reinforcing natural-resource-based identity are key to economic recovery.

Ag / Horticulture / Natural Resources

Input was gathered from representatives within the Agriculture, Horticulture, and Natural Resources sector. Overall sentiment reflects a generally positive view of operating in Fortuna, with appreciation for the community, tourism blend, and Chamber of Commerce leadership.

However, respondents identified structural economic concerns including lack of living-wage jobs, an aging population, rising labor and utility costs, and the continued shift of retail dollars to online platforms and neighboring cities.

There is concern that downtown retail is changing character, with fewer core businesses and more niche retail uses, and that shopping sprawl has diluted the city's commercial strength. Online shopping, Costco, and Eureka-area retail centers continue to pull spending away from Fortuna.

Opportunities center on strengthening Fortuna's small-town identity, supporting local food production, leveraging special events, improving walkability, capitalizing on the Eel River as a major recreational and tourism asset, and supporting infrastructure projects like the Great Redwood Trail.

In summary, the Ag/Horticulture/Natural Resources sector believes Fortuna's strengths lie in its natural assets, community feel, and event culture, but economic vitality depends on reinforcing downtown identity, protecting agricultural land, managing utility costs, and addressing retail leakage.

Healthcare

Input was gathered from representatives within the Healthcare and Medical sector. Overall sentiment reflects a community with strong potential but significant structural barriers related primarily to housing, downtown vitality, and economic positioning.

Healthcare leaders emphasized that affordable and quality housing is a critical issue — not only for residents, but for recruiting and retaining medical staff. Providers report difficulty housing medical assistants, technicians, and traveling staff. Some organizations have built their own housing units to accommodate employees. The aging population is increasing demand for Medicare and Medi-Cal services, placing additional strain on the healthcare system.

There is broad agreement that Fortuna lacks a defined business attraction strategy, downtown vision, and cohesive branding effort. Main Street is described as underperforming and not visually appealing or robust compared to neighboring cities. Respondents believe Fortuna has an image problem and does not effectively promote its strengths, particularly its family-friendly identity and natural beauty.

Opportunities include expanding airport utilization, leveraging Cal Poly Humboldt partnerships, developing higher-end lodging, packaging regional tourism assets, and capitalizing on climate migration trends. The medical sector sees potential in senior services expansion and tourism-based economic growth.

In summary, the Healthcare sector believes Fortuna's economic future depends on improving housing availability, revitalizing downtown, strengthening branding, fostering business attraction, and leveraging its climate, educational institutions, and natural assets.

Hospitality / Tourism

Input was gathered from a representative within the Hospitality and Tourism sector. Overall sentiment reflects a generally positive view of operating in Fortuna, with business described as “easy.” However, the sector sees significant opportunity for stronger coordination, clearer messaging, and improved tourism promotion.

The most pressing issues identified include difficulty getting residents to shop locally, limited awareness of what businesses and services are available in Fortuna, and the need to boost tourism traffic. There is also a

desire for better public understanding of how local spending supports the community and circulates within the economy.

The hospitality leader emphasized that business owners, stakeholders, and event organizers must work more collaboratively. Improved communication, stronger marketing, and better alignment between events and lodging are seen as essential to maximizing overnight stays and visitor spending.

Challenges include limited youth employment opportunities and a perceived need for more open-mindedness in community decision-making.

In summary, the Hospitality/Tourism sector believes Fortuna has a strong foundation but must improve coordination, local promotion, tourism marketing, and event integration to unlock greater economic benefit.

Other / No Declaration

Input was gathered from respondents who did not identify with a specific sector. Overall sentiment trends positive regarding quality of life and ease of doing business, but concerns center around retail leakage, lack of economic diversification, limited downtown vitality, housing affordability, and insufficient municipal capacity.

Many respondents describe Fortuna as a great place to live and work, citing strong community support and natural beauty. However, recurring economic concerns include competition from Amazon and big box stores, lack of retail variety, limited exportable industries, expensive shipping, housing costs, and crime perception.

There is strong interest in revitalizing Main Street, developing the Mill site, expanding tourism, improving community gathering spaces, and creating anchor attractions that give people a reason to stop in Fortuna rather than pass through.

Several comments emphasized the need for a “big idea” — a transformative project such as a Main Street walking plaza, Riverwalk expansion, equestrian center, RV tourism hub, theatre reopening, or

river-based development strategy. There is also consistent support for building around Fortuna's natural assets and identity as a friendly, redwood-rooted community.

In summary, respondents believe Fortuna has strong assets but lacks a cohesive economic identity, sufficient downtown vitality, workforce housing, and municipal staffing capacity to execute transformative change.