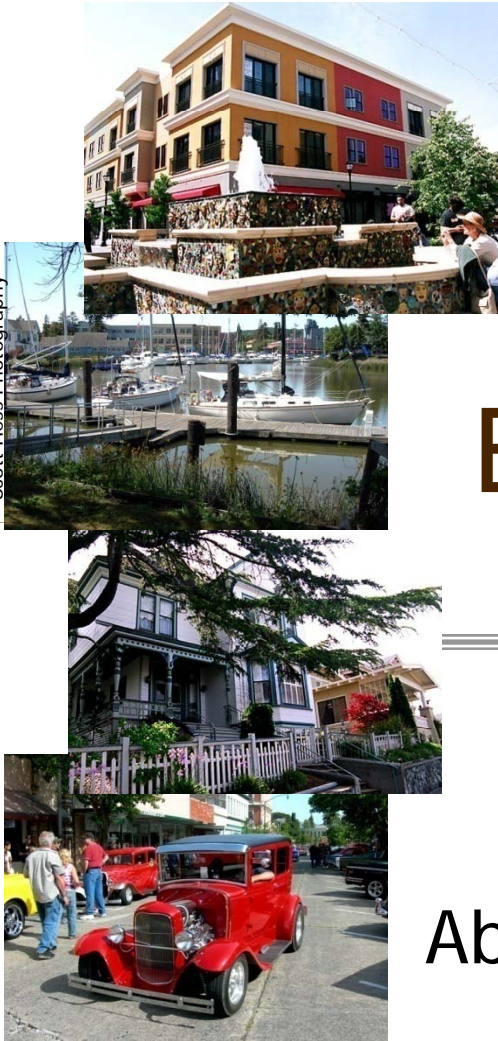


Scott Hess Photography



PETALUMA Economic Strategy

Presented by

Kathie Studwell, ADE

Abe Farkas, ECONorthwest

March 10, 2010



Agenda

✦ 4:00 Timeline & Public Input

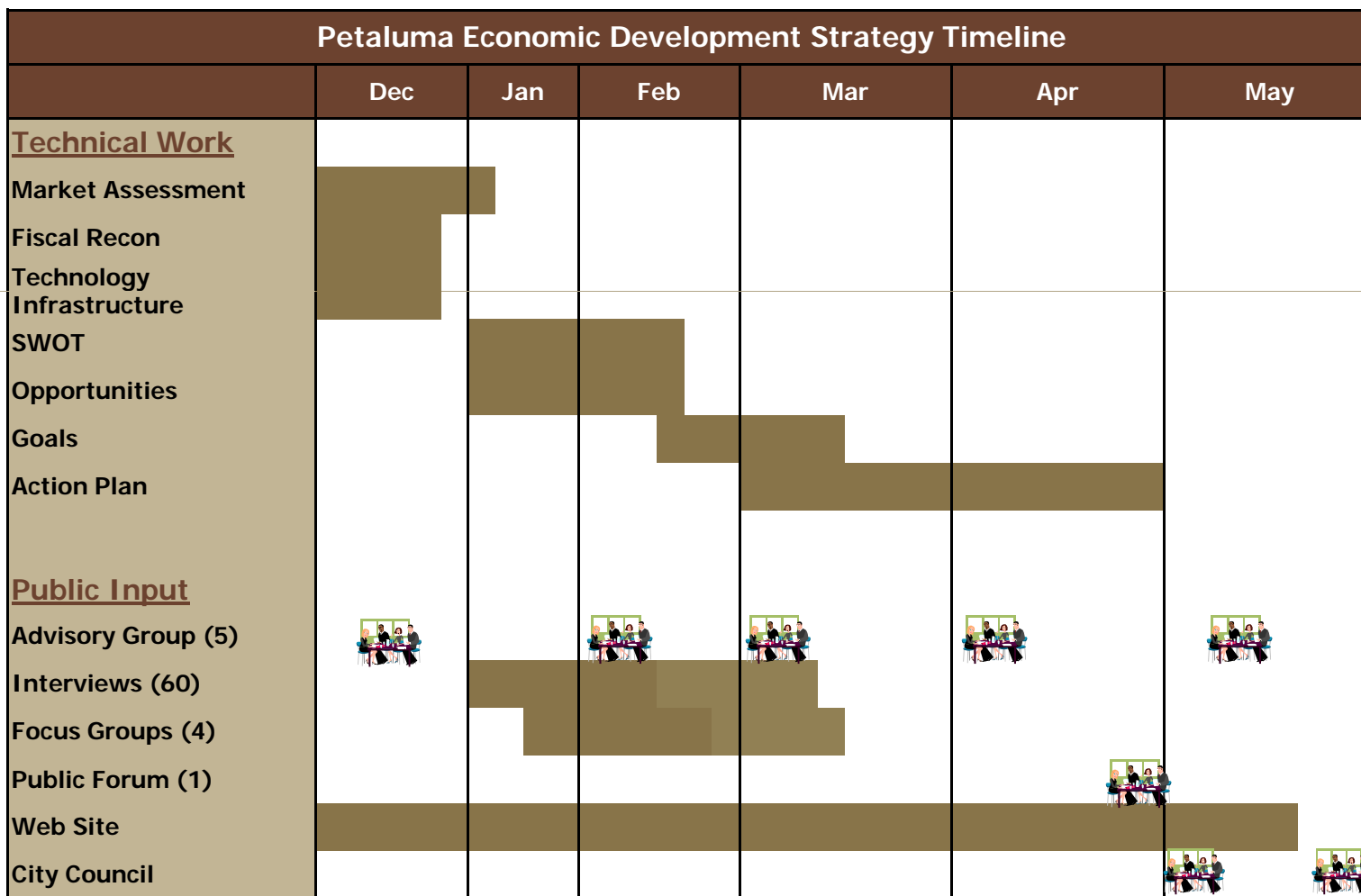
✦ 4:15 SWOT

- » Strengths
- » Weaknesses
- » Opportunities
- » Threats

✦ 4:45 Opportunity Site Assessment

✦ 5:40 Public Comment

Timeline



Public Input

- ✦ Interviews: 55-60
- ✦ Focus Groups: small business; arts; Latino; technology;
- ✦ Public Forum: April 10, 8 am -noon
- ✦ Website:
cityofpetaluma.net/edr/econplan.html

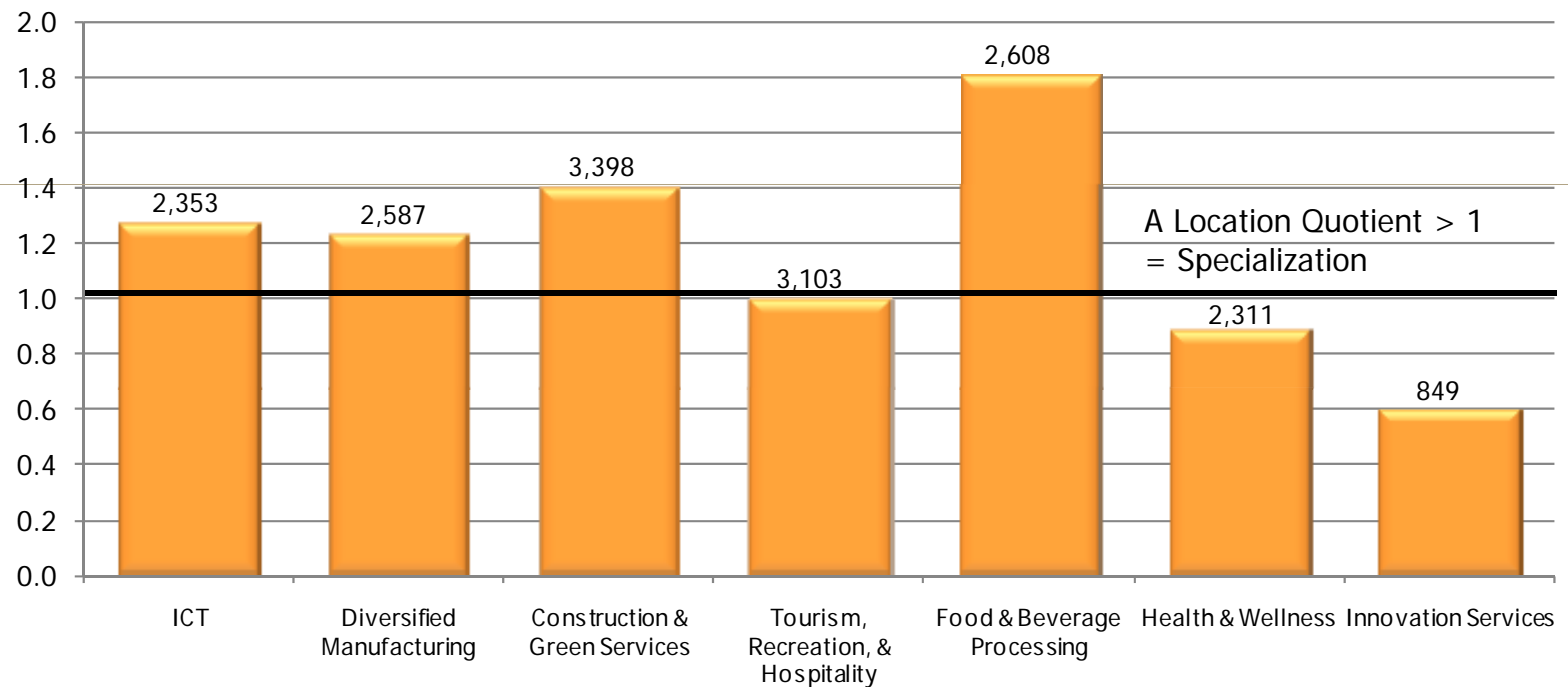
Strengths

- ✦ Location: access to Bay Area workforce and networks; access to North Bay activities, attractions.
- ✦ Petaluma River & natural environment/marsh
- ✦ Strong base of manufacturing
- ✦ Innovative food processing/agriculture
- ✦ Quality of life: arts, restaurants, education, historical bldgs., films, small town feel
- ✦ SR Jr. College-Petaluma & Sonoma State
- ✦ Santa Rosa Airport
- ✦ Non-profit sector

Economic Base

Location Quotients by Cluster Petaluma, 2008

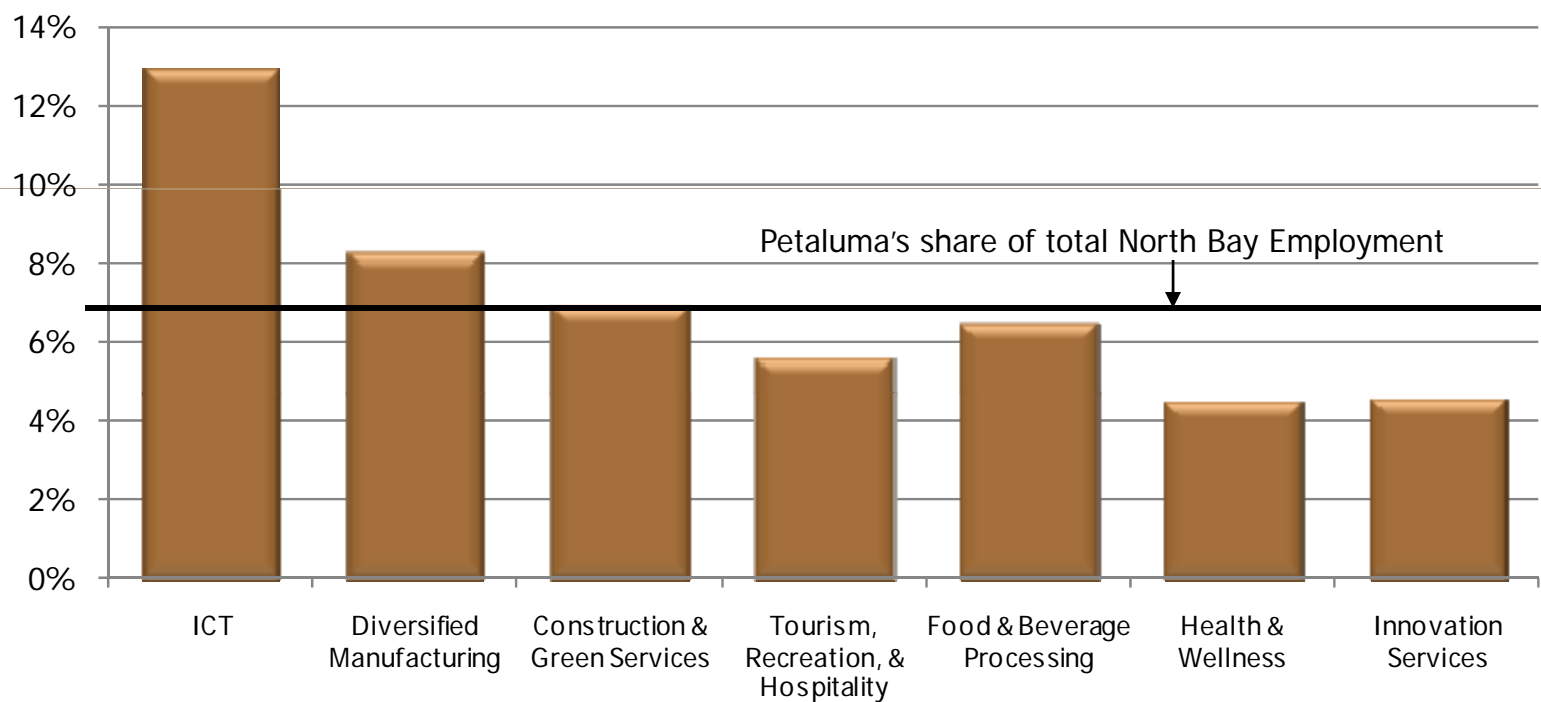
Total Employment: 27,268



Source: ADE, Inc., Employment Development Department, 2010

Economic Base

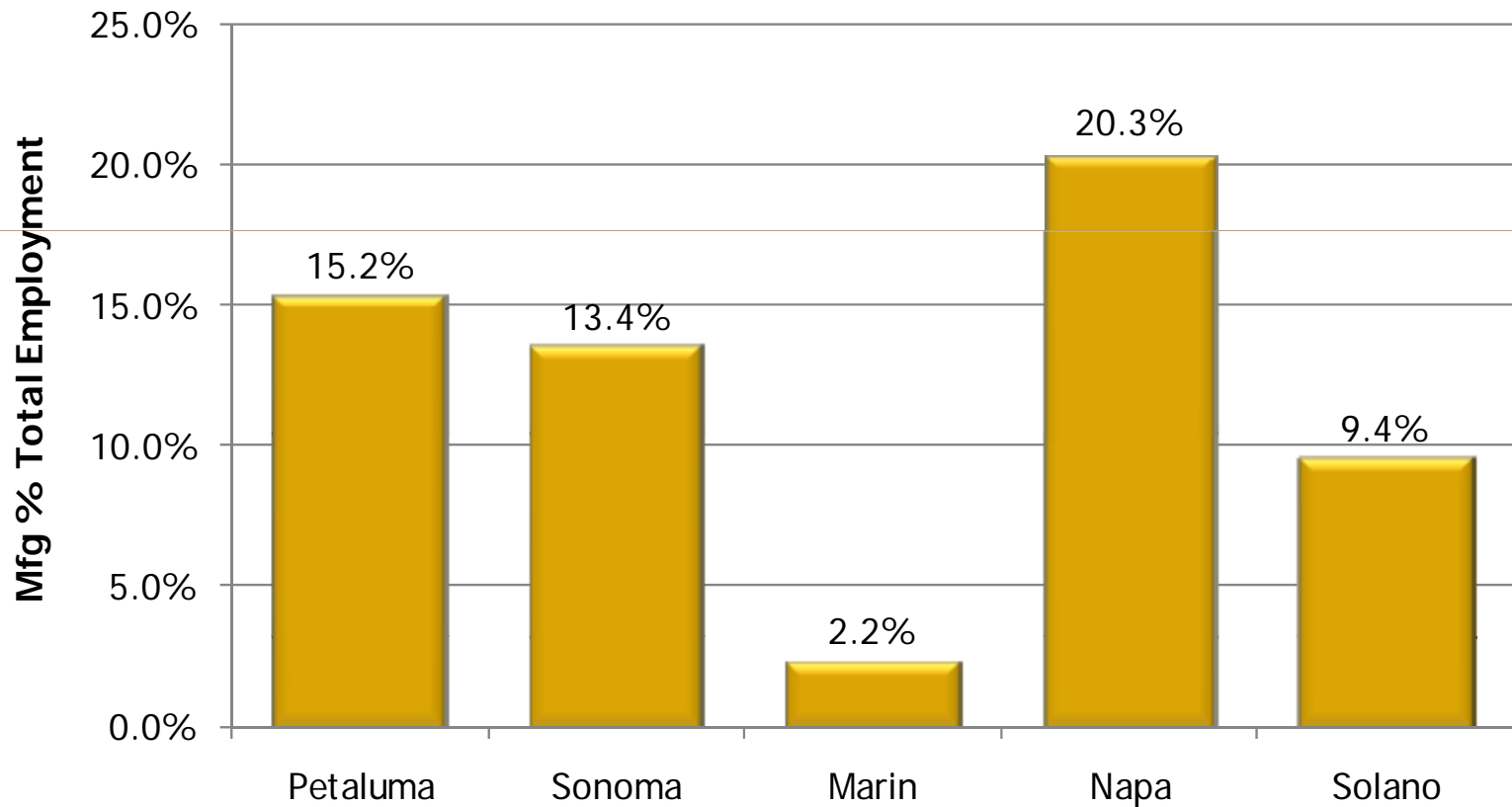
Petaluma's Share of North Bay Cluster Employment, 3d Qtr. 2008



Source: ADE, Inc., Employment Development Department, 2010; North Bay = Counties of Sonoma, Marin, Napa, Solano

Economic Base

Manufacturing as Percentage of Total Employment



Source: ADE, Inc., Employment Development Department, 2010

Weaknesses

- ✦ City finances, lack of investment in infrastructure, parks; lack of development activity hurts finances
- ✦ General public perception of business climate is somewhat unfavorable, no economic development activities, limited business services; perceptions of limitations/restrictions of zoning ordinance, though improving
- ✦ Congested freeway
- ✦ Physical divide between east and west
- ✦ Workforce housing expensive, less so now
- ✦ Not thinking in regional context; need to work with regional partners. Missing opportunities to get more funding
- ✦ Lack of collaboration across interest groups; lack of consensus-building.

Opportunities

- ✦ Future SMART Stations (2)
- ✦ Availability of lower cost office, retail, industrial space
- ✦ Declines in housing prices
- ✦ Growth in cultural/heritage, agri-food/wine, eco, tourism
- ✦ Growth in demand for medical services
- ✦ Fairgrounds
- ✦ Redevelopment bonding capacity & TIF

Tourism: Visitor Spending

**TABLE 1
VISITOR SPENDING, 2007**

Visitor Spending by Commodity	Sonoma County	Petaluma (Estimate)
<u>Total</u>	<u>\$1,298,500,000</u>	<u>\$101,636,116</u>
Accommodations	\$239,600,000	\$17,061,988
Food Service	\$312,500,000	\$37,041,900
Food Stores	\$43,500,000	\$5,156,232
Ground Trans and Motor Fuel	\$201,400,000	\$6,112,485
Arts, Entertainment, Recreation	\$245,800,000	\$5,942,493
Other Retail Sales	\$255,800,000	\$30,321,018

Source: ADE, Inc., data from Dean Runyan Associates, California Board of Equalization, and U.S. Economic Census.

Threats

- ✦ State finances, reduced investment in infrastructure and education
- ✦ Future fresh water supply
- ✦ Future energy costs
- ✦ Economic development activities of nearby communities

SWOT Summary

- ✦ Must find ways to leverage strengths to take advantage of opportunities.
- ✦ Minimize weaknesses to avoid threats
- ✦ Leadership and collaboration are the most important ingredients; brings together all the assets to realize the opportunities.

Guidelines for Transit-Oriented Development

- ✦ Develop a vision to guide development and create a sense of place

- ✦ Consider the market

TODs should be market-driven and transit-enhanced

- ✦ Plan for a mixture of uses/incomes

Vertical and horizontal mixture

Mix of incomes

Higher-density uses benefit from pedestrian traffic and transit access

Guidelines for Transit-Oriented Development

✦ Create transit connections

Connect the regional transit with local transit

✦ Form public private partnerships

TODs are more challenging to develop, requiring cooperation among partners

✦ Include additional parking

Preferably structured and in amount that fosters transit

✦ Design and build quality

TODs should be special places
Devote attention to detail and quality design

Opportunity Site Assessment

✦ Downtown SMART Station

- Site #s: 15-17; 18-20; 21-23;
26-28; 24 & 25

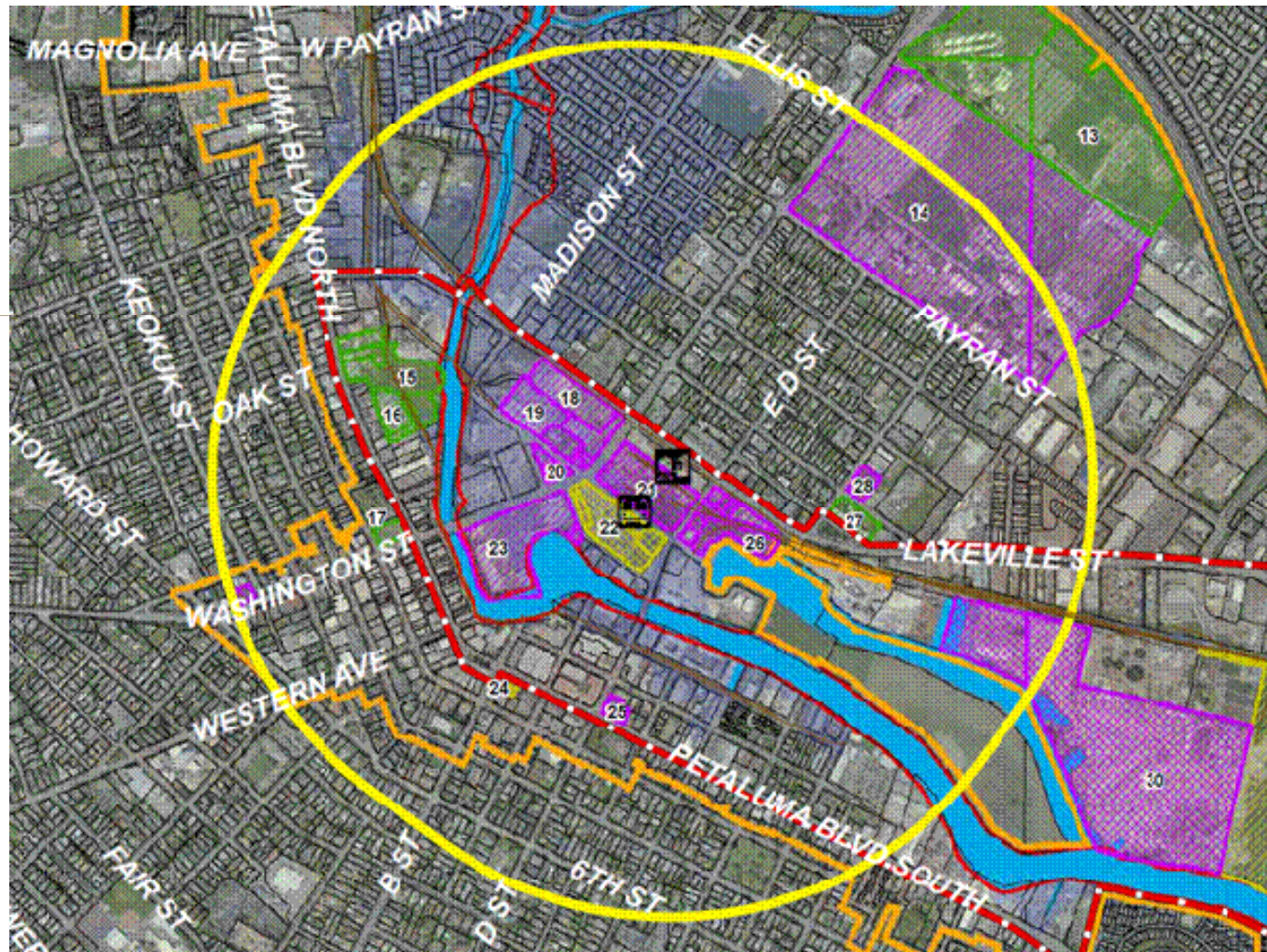
✦ Corona SMART Station

- Site #s: 6; 7; 1-5

✦ Pomeroy Site: #30

✦ Fairgrounds Site: #14

Map 1: Downtown SMART



Downtown SMART Station

✦ Primary TOD opportunity sites

- SMART Site: 4.7 ac., station area (Site 21)
- Haystack Site: 4.1 ac., (Site 22)
current plans: 100 townhouses & 40,000 ft. retail
- Golden Eagle: 7.5 ac., (Site 23)
2 parcels, currently one-story retail, old plans for boutique hotel

Downtown SMART Station

- ✦ Smaller sites within ½ mile of the SMART Station
 - Sites 15-16: 6.7 acres total, west side of the river, approved uses – 80-unit assisted living & retail (site 15), live/work (site 16)
 - Sites 17, 24 & 25: 0.6 acres or less for each site, west side of the river, some approved uses
 - Sites 27-28: 0.7 acres or less for each site; approved hotel (site 27); about ¼ mile southeast of the SMART Station

Downtown SMART Station

✦ Other long-term TOD opportunity sites

- Sites northwest of the SMART site (Sites 18-20)

8.1 ac., 9 lots & 6 owners, urban core, Mixed Use, single-story retail, surface parking

- Site southeast of the SMART site (Site 26)
3.8 ac, SMART Station, 8 lots, 2 improved, mostly industrial adjacent

TOD Approach for Petaluma Station

✦ Potential organizing principles

- Existing historic buildings, an art gallery, and visitor center

- Potential emphasis on the arts

✦ Street layout

- Encourage greater connectivity, pedestrian access
- Divide SMART Station site into 2 blocks, separated by a “complete” street
- Continue complete street on adjacent blocks, especially the Haystack site

Complete Street



TOD Approach for Petaluma Station

- ✦ Building design distinguished from Downtown

- ✦ Sustainable development

 - Incorporate features like district heating and cooling

 - Structured parking

- ✦ Incorporate public art

- ✦ Incorporate public or open space

Potential TOD Uses

✦ Focus: Arts Center

Arts/culinary/music schools, arts supplies, galleries, wine tasting, music supplies, and related

✦ Mixture of multi-family housing

Condos and apartments

✦ Active ground floor retail uses

Restaurants, fitness centers or daycare centers, specialty stores, grocery store

✦ Institutional uses

Educational facilities, medical facilities

✦ Boutique hotel

Transit Oriented Design



TOD Development Phasing

✦ Phase I: SMART site and Haystack mixed use site

- Divide into 4 parcels and redevelop in phases;
- Leverage public investment in structured parking, streetscape, public art, utilities, to facilitate private investment;
- Use development agreements for increased intensity
- Reassess surrounding parcels in context of SMART station

Phasing



TOD Development Phasing

✦ Phase II: Golden Eagle Shopping Center

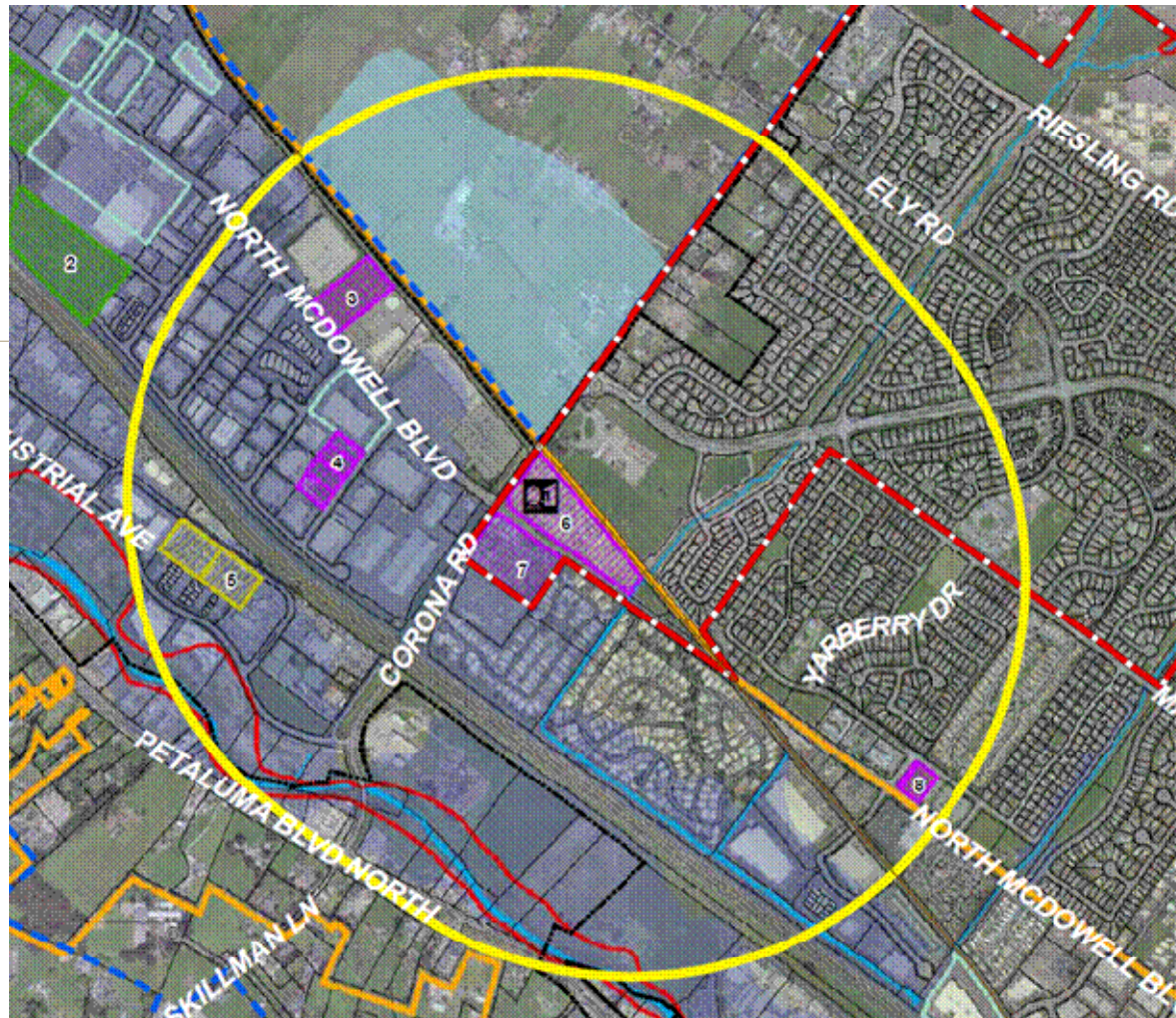
- Sensitive redevelopment offers walkable connectivity between transit station, Haystack, downtown and river
- Could incorporate greater densities and mix of uses that include housing, retail, hospitality, office and institutional

TOD Development Phasing

✦ Phase 3: E. Washington to Madison

- Relatively recent retail development on multiple parcel ownerships
- Redevelopment over time, maybe 7 to 12 years
- To expedite, consider options or forming horizontal development entity; may involve re-locating tenants

Map 2: Corona SMART



Corona SMART Station

- ✦ Corona SMART Station (Site 6)

7 acre site; Station and park & ride

- ✦ Site adjacent to SMART Station (Site 7)

5 acre site; 1 or 2 units; car repair

- ✦ Other sites within ½ mile of Station

- Site 3: 3.1 acre site
- Site 4: 2.6 acre site, 4 parcels with 2 owners
- Site 5: 4 acre site, 2 parcels with 1 owner

TOD Development at the Corona Road Station

✦ Immediate uses will be for park and ride

✦ Longer-term TOD development

– Active use on the corner of Corona Road and North McDowell Boulevard

– Potential development on 5 acre parcel:

- Well-designed hotel (could be limited service)
- Vertical light industrial
- Educational facilities

Pomeroy Site

- ✦ 34 acres located along River, Site 30, zoned D-3
- ✦ Petaluma has demand for river-dependent industrial uses
- ✦ Potential uses
 - Boat building & repair, transportation, water recreation equipment/supplies

Fairgrounds

- ✦ 64 acre site, located north of the River and Downtown, Site 14
- ✦ Potential for transition from exclusive Fairgrounds use
 - Reserve some portion of the site for the Fair
 - Trade and/or convention center use, with hotel
 - Organic Culinary uses
- ✦ We recommend that the City conduct vision and market feasibility studies for use of this site

Tools for Implementing TOD in Petaluma

- ✦ Commercial and retail development tools
 - Tax increment financing
 - New market tax credits
 - HUD Section 108 Loan Guarantee Program
 - Expediting permits
 - Sole source impact fees
 - Revenue bonds
 - Options for land or building acquisition

Tools for Implementing TOD in Petaluma

- ✦ Residential development tools
 - Commercial linkage fee per sq. ft. (industrial/retail/office)
 - HCD (State)
 - HCP
 - HUD: subsidy programs & CDBG
 - Low-income housing tax credits
 - Property tax exemption
 - Land trusts
 - Land write-downs, site acquisition
 - Tax increment financing (\$3.2 annual)

- ✦ Public Private Partnerships

Site Assessment Summary

- ✦ Potential to develop a unique TOD at the Downtown Petaluma Station site
- ✦ TOD development at the Corona Road site may take time
- ✦ Potential redevelopment for:
 - Pomeroy Site
 - Fairgrounds
- ✦ Filling vacant office space requires flexibility and creativity

Next Steps

- ✦ Public Forum: April 10
- ✦ AC Meeting #4: April 14
 - Summary of Public Forum
 - Discussion of Strategic Issues
 - Discussion of Goals & Strategies
- ✦ Meeting #5: May 12
- ✦ City Council Update: May

Public Comment