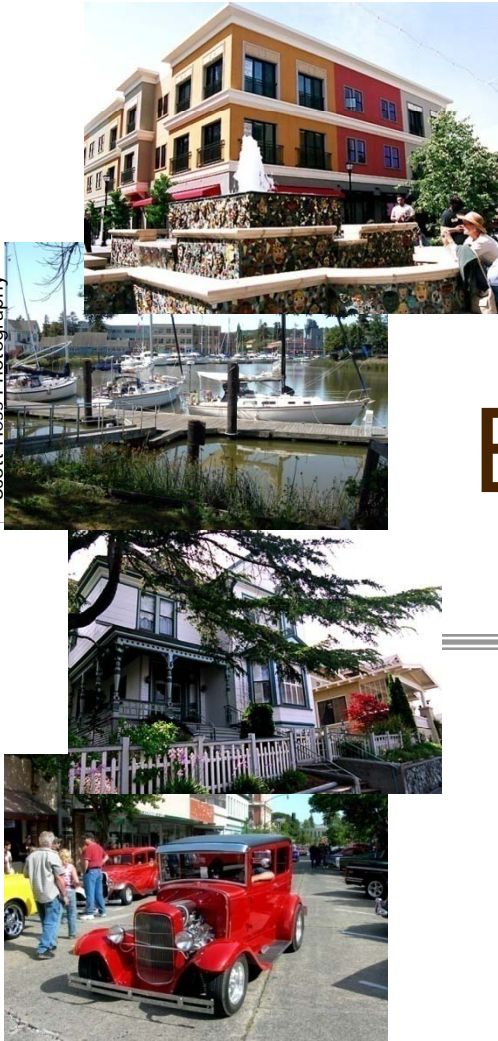


Scott Hess Photography

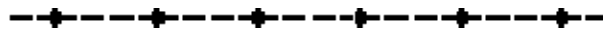


PETALUMA Economic Strategy

Presented by

Doug Svensson, ADE

Kathie Studwell, ADE



May 1, 2010

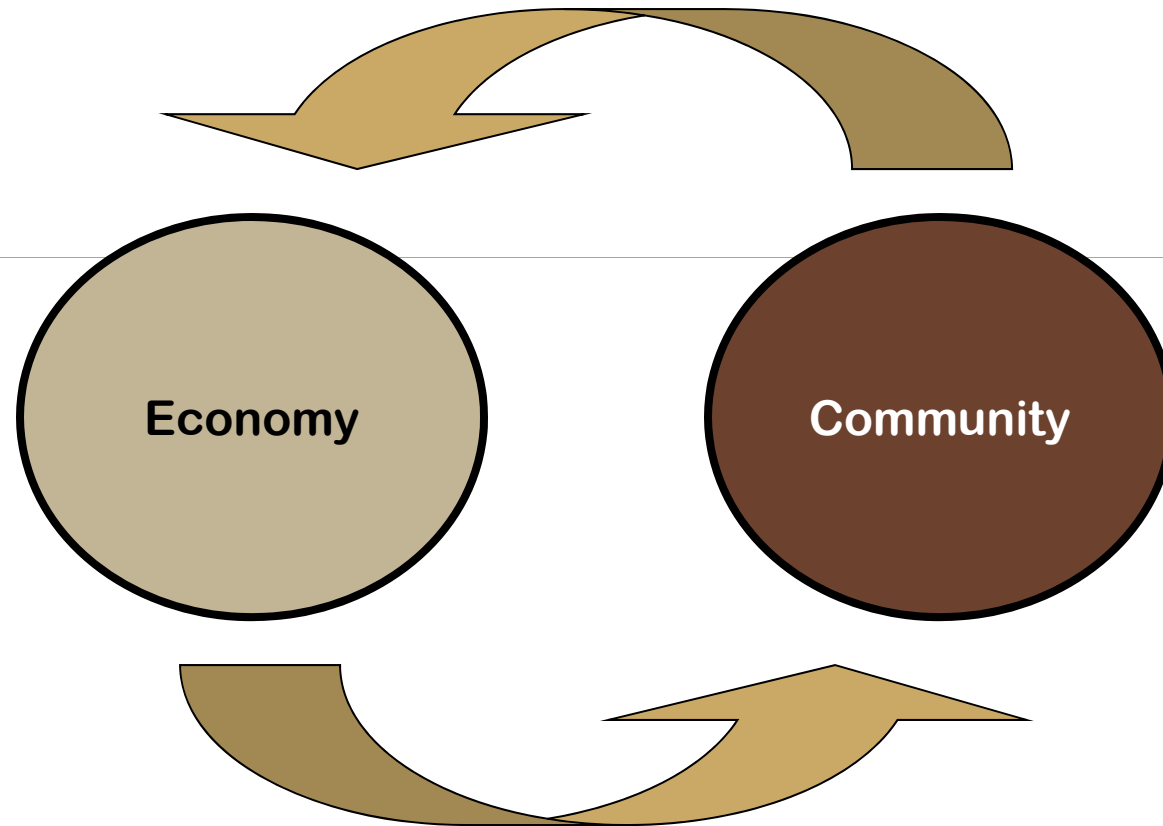
Agenda

- ✦ 3:00 Welcome & Overview
- ✦ 3:15 Vital Cycle
- ✦ 3:30 Economic Assessment & Opportunities
 - » Fiscal, Vacancies, Employment, Retail Sales
- ✦ 3:45 Setting Priorities
- ✦ 4:10 Vision Statement
- ✦ 4:30 Public Comment

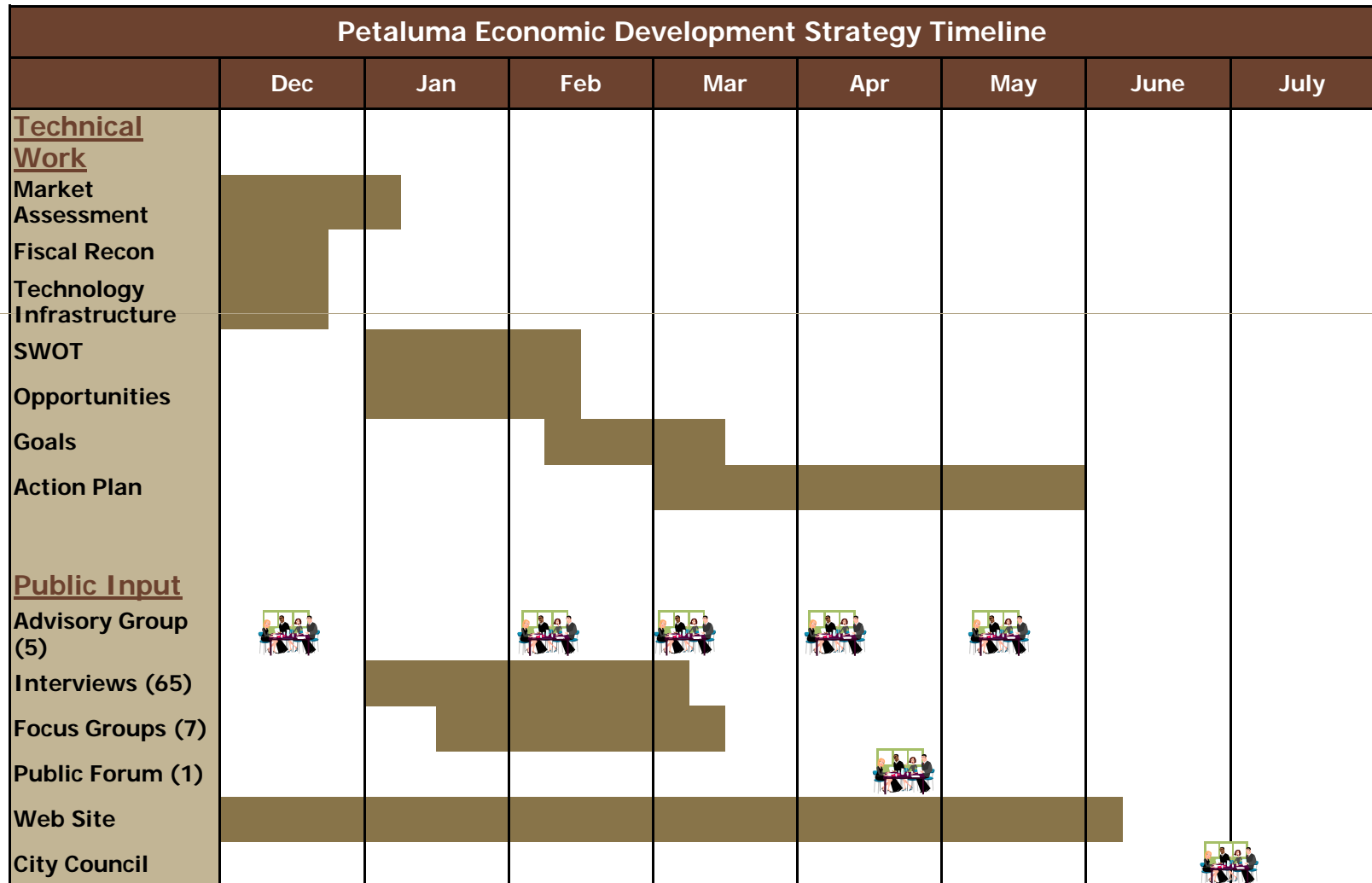
Economic Development

- ✦ Economic stability: a diverse economic base
- ✦ Economic opportunity: business growth potential and quality jobs
- ✦ Choice and access to shops/services
- ✦ Healthy tax base to sustain city services

Vital Cycle



Timeline

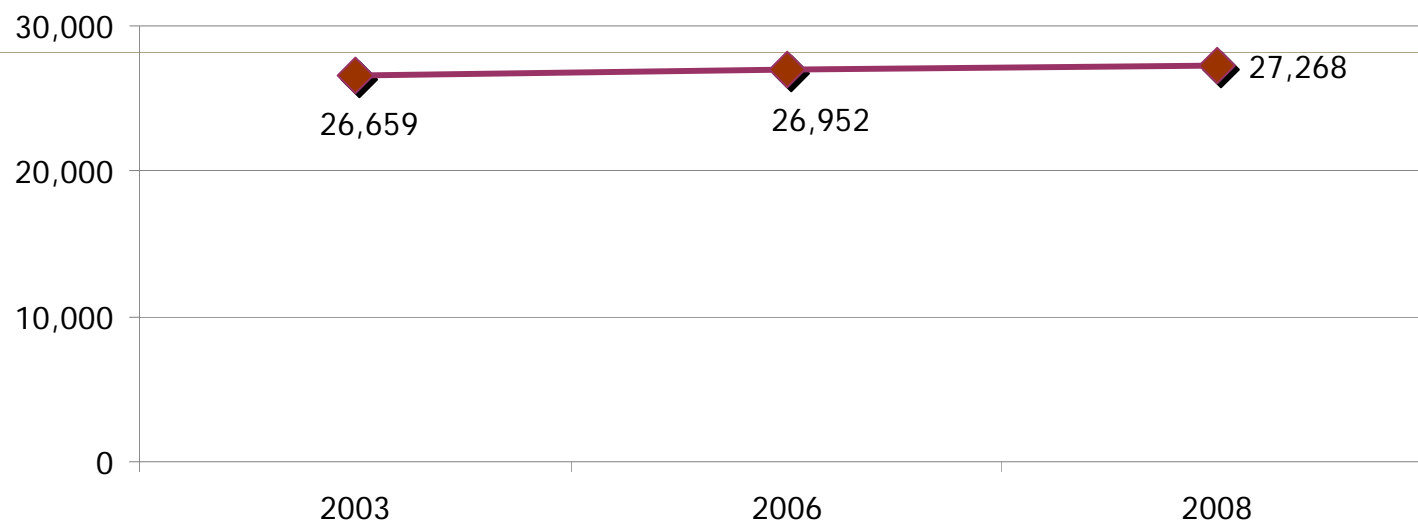


Public Input

- ✦ Interviews: 65+
- ✦ 7 Focus Groups: small business; arts; Latino; technology; green industry; food processing; manufacturing.
- ✦ Public Forum
- ✦ Website:
cityofpetaluma.net/edr/econplan.html

Economic Assessment

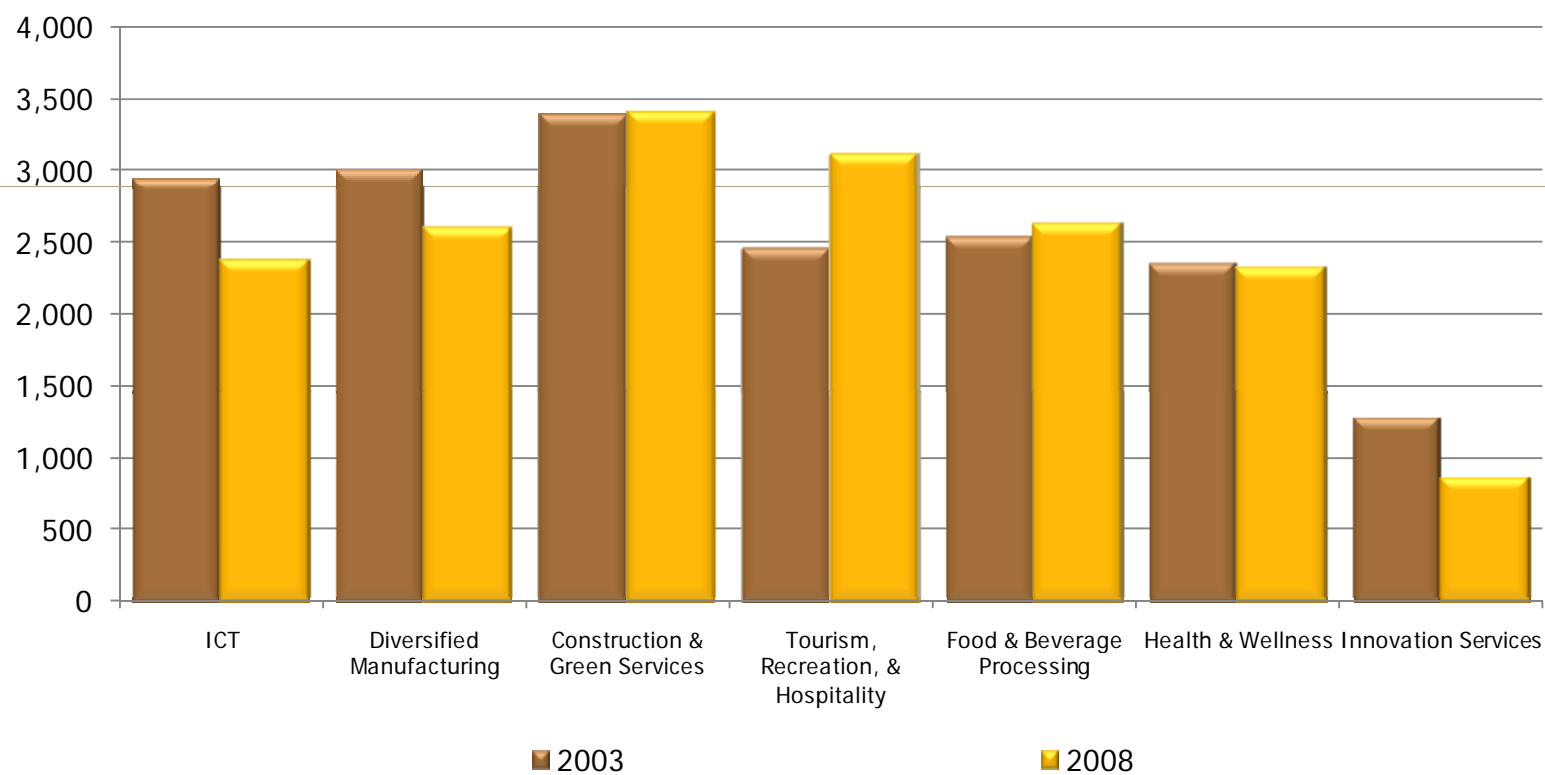
Total employment



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

Economic Assessment

Employment by Cluster, 2003 & 2008

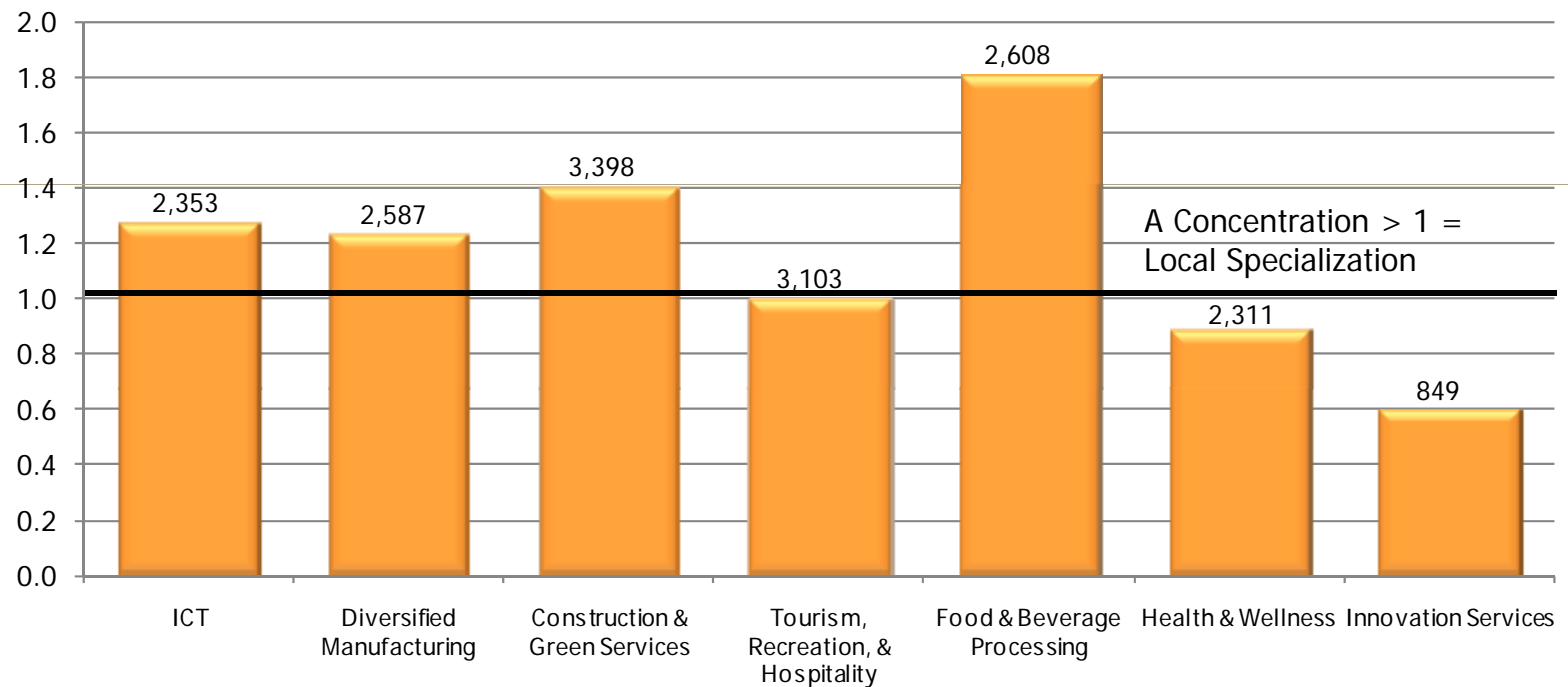


Source: ADE, Inc., Employment Development Department, 2010

Economic Assessment

Employment Concentration by Cluster Petaluma, 2008

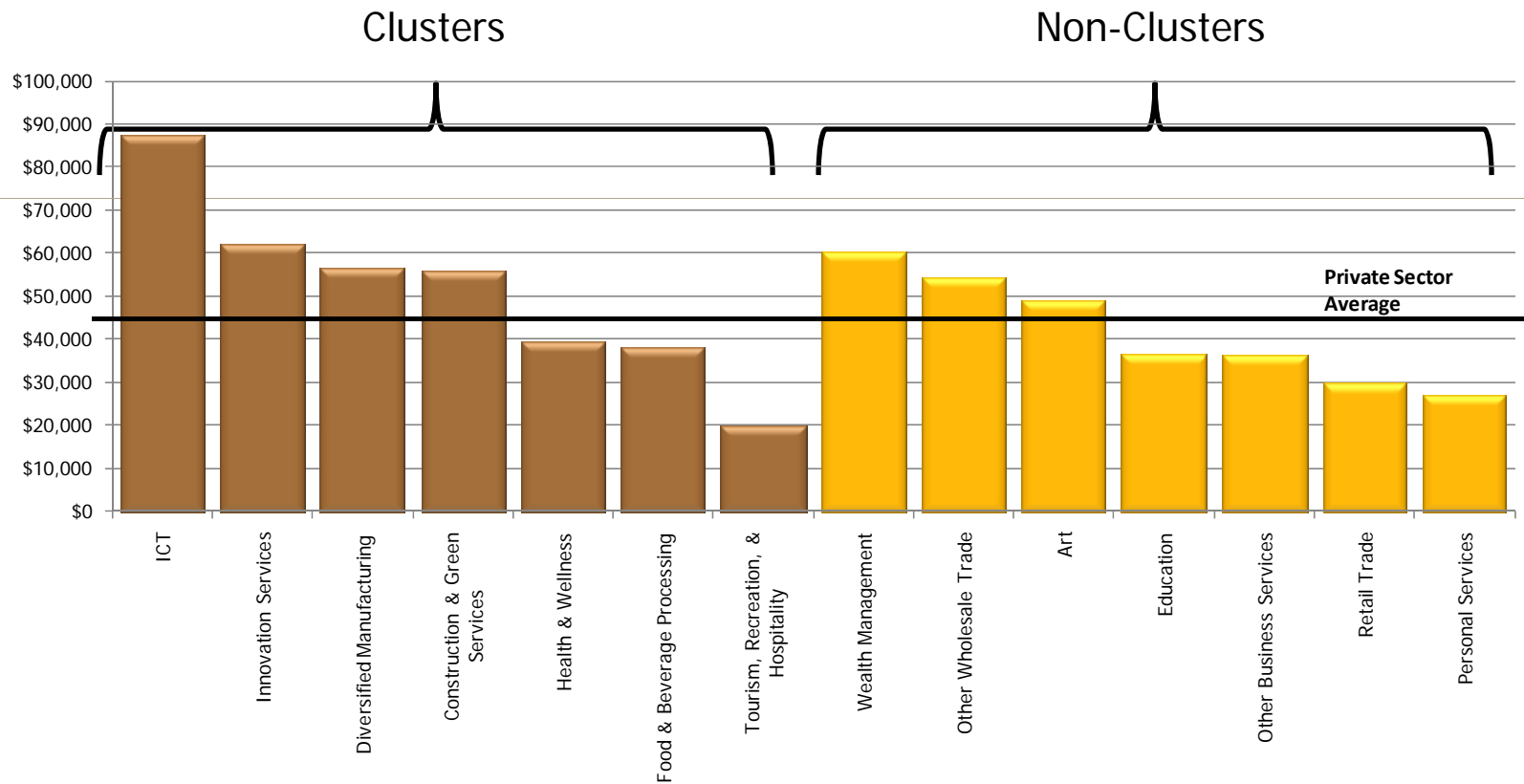
Total Employment: 27,268



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

Economic Assessment

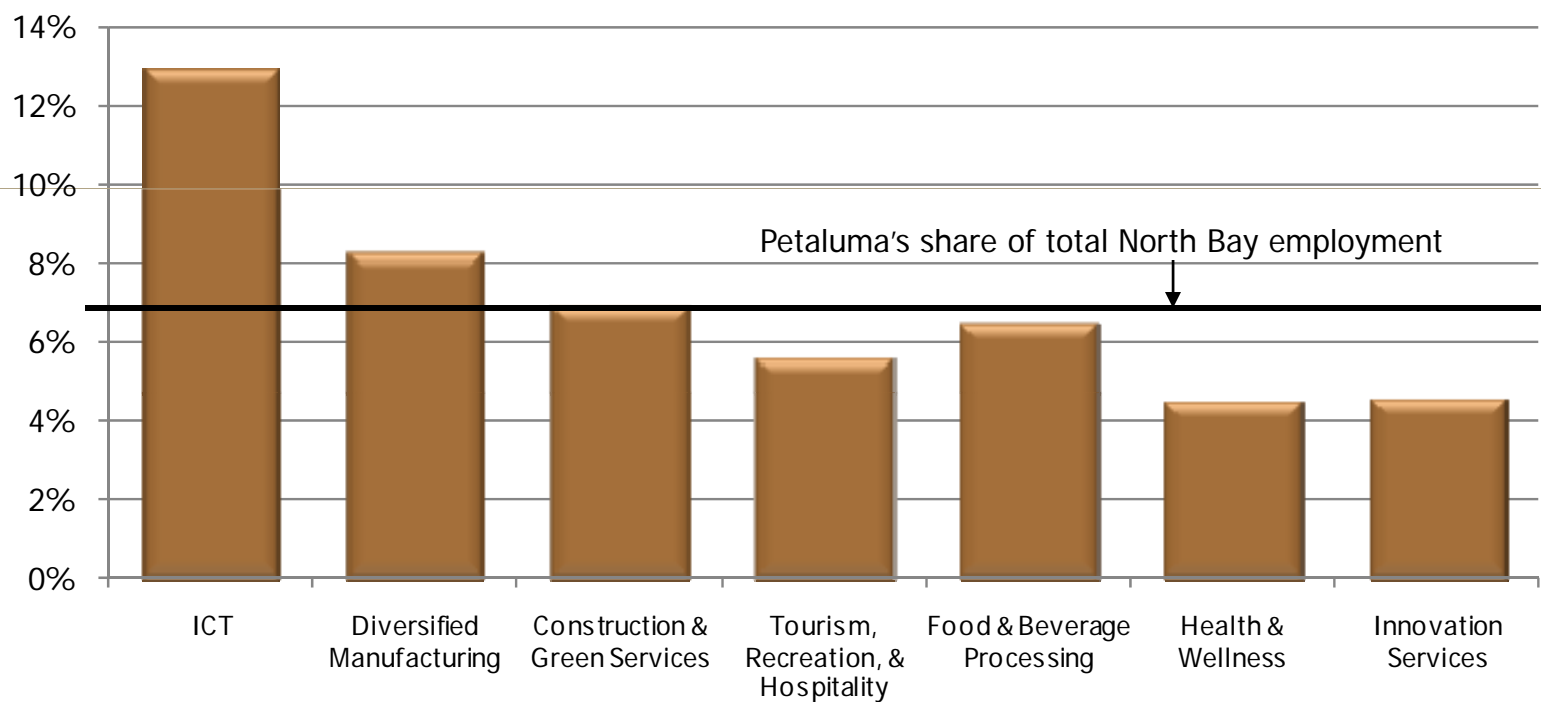
Average Wage by Cluster and Sector, 2008
Petaluma, CA



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

Economic Base

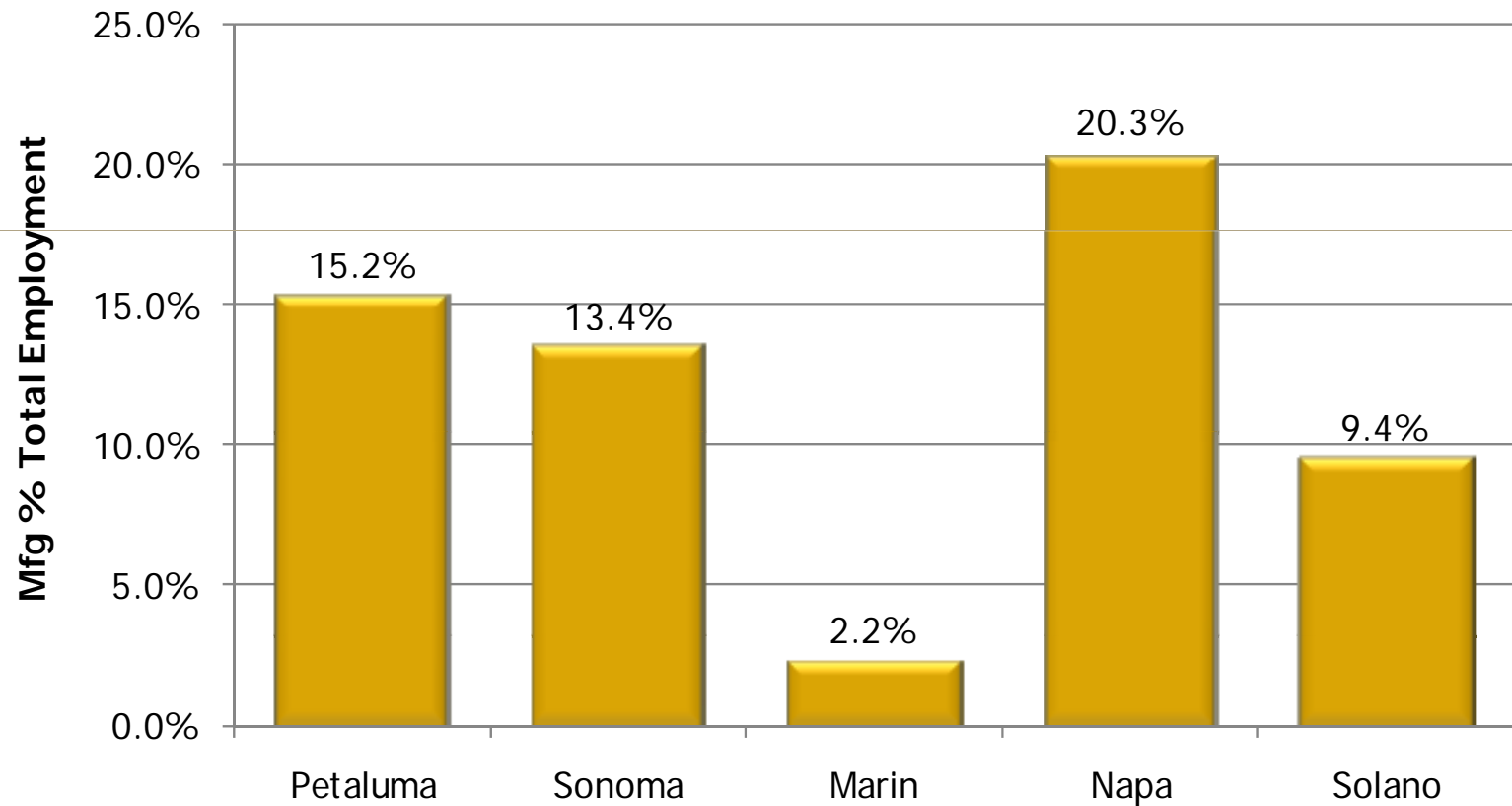
Petaluma's Share of North Bay Cluster Employment, 3d Qtr. 2008



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

Economic Assessment

Multiplier Effect by Industry Sector, 2009:
Additional Jobs Created for Every 10 Direct Jobs

Industry Group	Other Business	Local Serving
Agriculture	3.5	10.6
Food Manufacturing	30.8	51.4
Other Manufacturing	14.1	42.1
Wholesale Trade	4.8	20.9
Retail Trade	1.9	9.2
Services	3.6	14.0

Source: ADE, Inc; IMPLAN

Economic Assessment: Retail

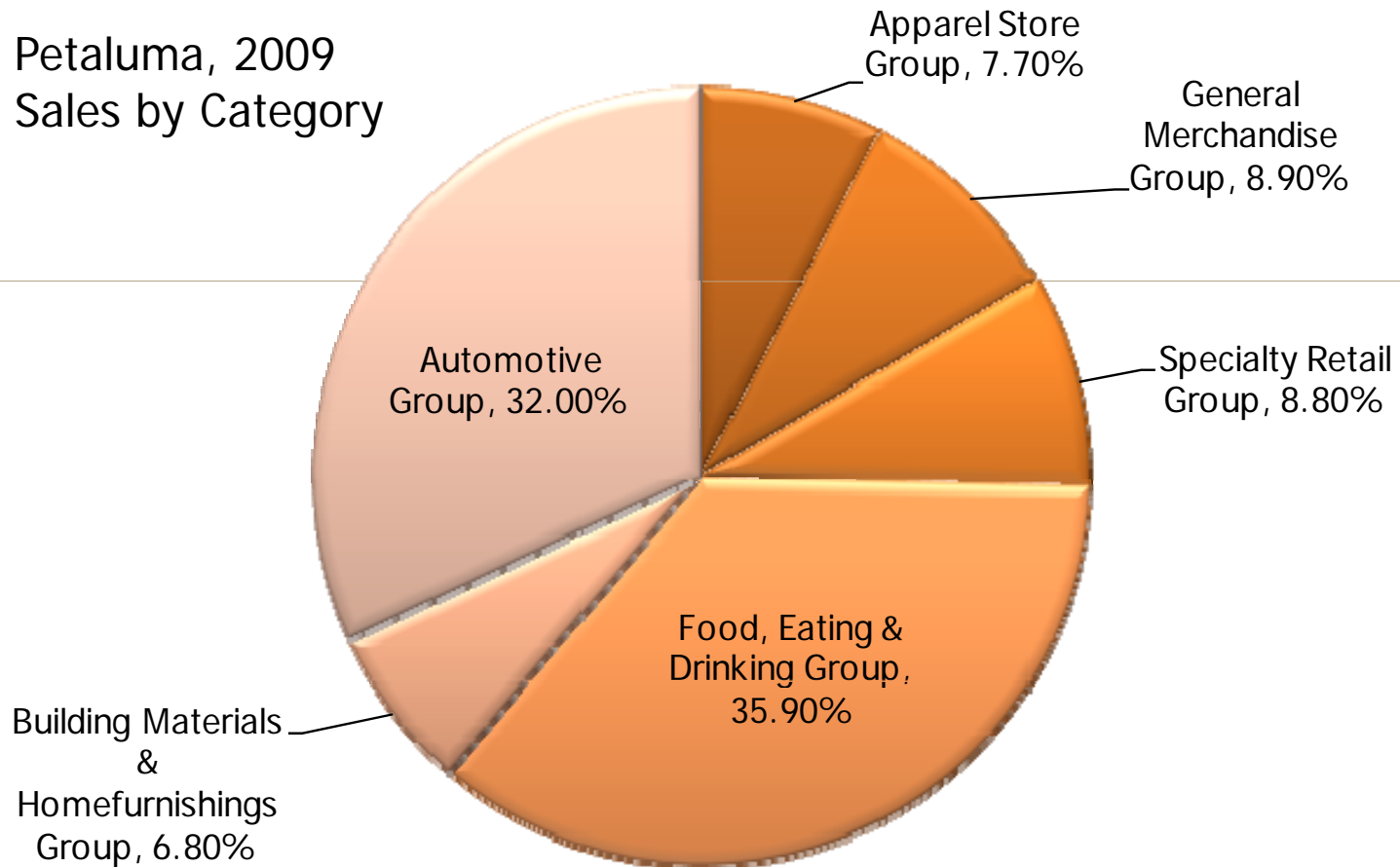
**TABLE 2
INFLATION-ADJUSTED RETAIL SALES BY SHOPPING DISTRICT, PETALUMA
1999 TO 2009**

Area	2004 Retail Sales	2009 Retail Sales*	Percent of Total
Total Retail Sales	\$1,082,265,763	\$806,827,260	100.0%
Downtown	\$61,059,389	\$61,035,607	7.6%
Factory Outlet Center	\$48,645,381	\$52,793,682	6.5%
Lakeville Highway	\$88,920,408	\$67,620,945	8.4%
Old Redwood Highway	\$312,288,035	\$157,836,527	19.6%
Petaluma Boulevard North	\$87,804,655	\$49,642,888	6.2%
Petaluma Boulevard South	\$18,009,746	\$15,824,462	2.0%
Washington McDowell	\$163,985,610	\$149,148,743	18.5%
Balance of Petaluma	\$301,552,540	\$252,924,407	31.3%

Source: ADE, Inc., data from Board of Equalization, MuniServices LLC, and U.S. Bureau of Labor Statistics.

Economic Assessment: Retail

Petaluma, 2009
Sales by Category



Economic Assessment: Tourism

**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.

Economic Assessment: Tourism

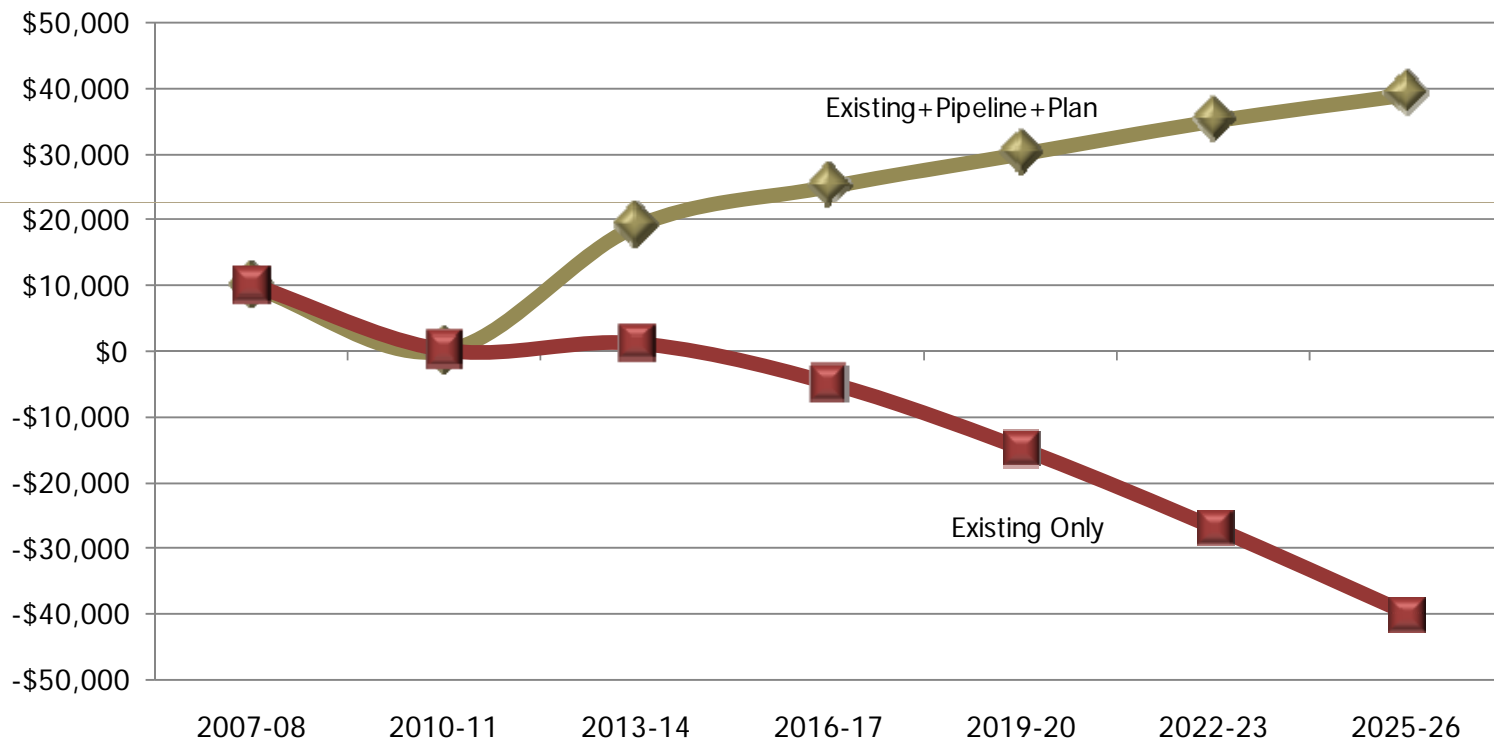
TABLE 3
INFLATION-ADJUSTED TRANSIENT OCCUPANCY TAX
TRENDS IN SONOMA COUNTY

City	2008	2007 to 2008 Percent Change
Petaluma	\$1,383,314	-11.10%
Unincorporated	\$7,790,934	-3.50%
Cloverdale	\$175,222	11.10%
Healdsburg	\$1,867,014	2.20%
Rohnert Park	\$1,925,611	4.90%
Santa Rosa	\$3,741,864	-8.10%
Sebastopol	\$290,747	-15.80%
Sonoma	\$2,549,053	-2.90%
Windsor	\$768,366	-0.80%

Source: ADE, Inc., data from Board of Equalization, MuniServices LLC, and U.S. Bureau of Labor Statistics.

Economic Assessment

Impact on General Fund Reserves with Implementation of General Plan



Source: Mundie & Associates 2008, Petaluma General Plan Update, "Fiscal Impacts of the Draft General Plan 2025"
Note: The original chart as presented in the source document above, has been modified for Year 2010-2011 to reflect current balance of General Fund Reserves.

Economic Assessment

✦ Vacancy Rates

- Industrial: 18.7%
- Office: 39.6%
- Retail: 12.8%

✦ Lease Rates

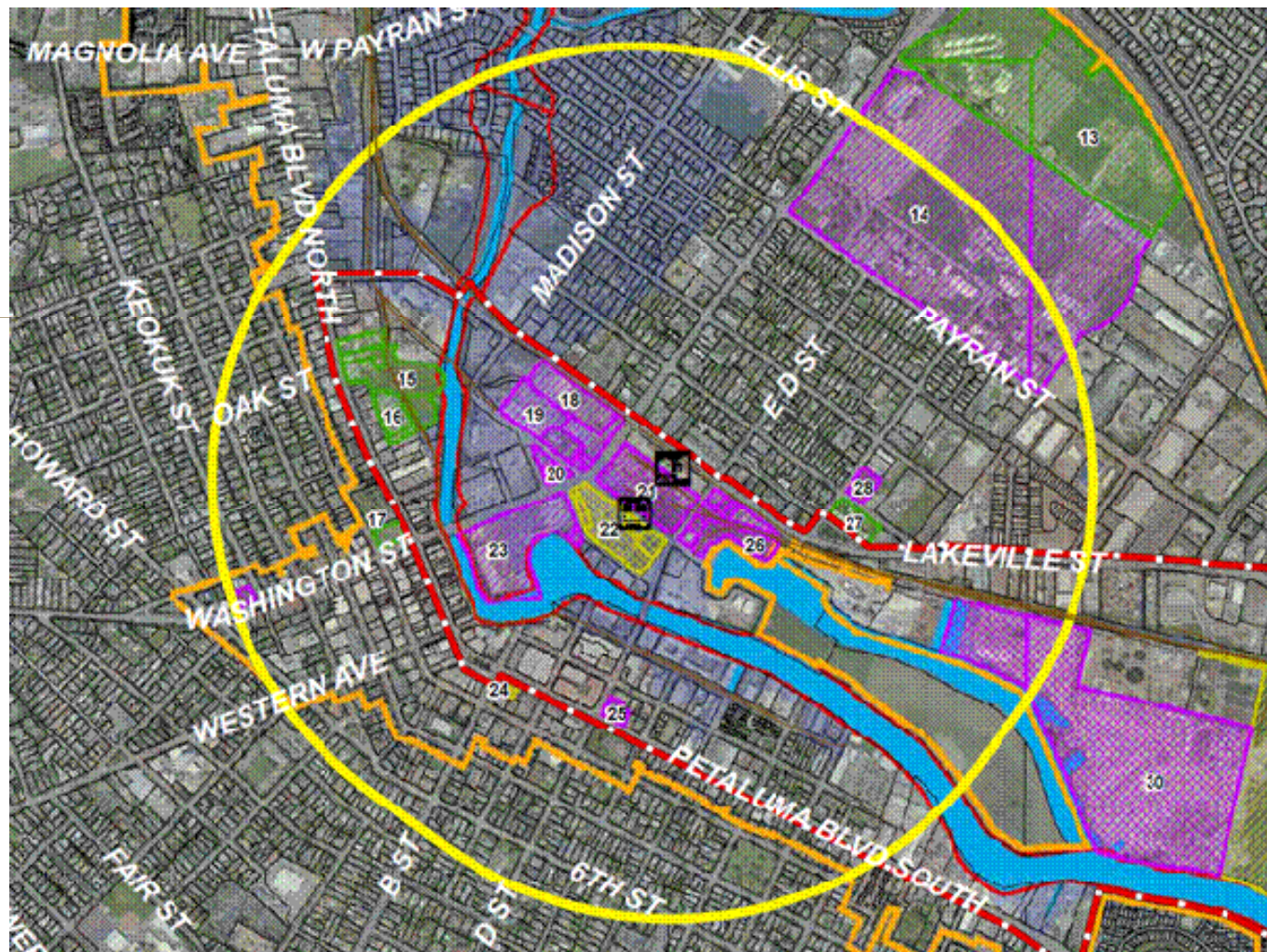
- Industrial: \$0.75 - \$0.90
- Office: \$1.20 - \$2.50

Economic Assessment

✦ Potential Redevelopment

- Total sites: ~38
- Total acreage: ~380

Map 1: Downtown SMART



Opportunities

- ✦ Manufacturing Clusters
- ✦ Tourism: Arts/Culture, Agri, Eco
- ✦ Redevelopment
- ✦ Services: Green, Medical

Next Step

- ✦ Advisory Comm. Meeting #4: May 12
 - Summary of Public Forum
 - Discussion of Strategic Issues
 - Discussion of Goals & Strategies

Public Comment