



ECONOMIC DEVELOPMENT ANNUAL REPORT 2015-2016

The City created and staffed the Economic Development Division in response to the findings of an Economic Development Strategy adopted in late 2010. The Study identified strategic issues and a course of action to help business attraction and retention in Petaluma. The findings of the Study drive much of the Economic Development Division's work. In addition to attracting and retaining business, staff also provides support to local start-up businesses by providing information and helpful resources.

BUSINESS EXPANSION AND RETENTION PROGRAM

Our private sector partners know well that it is much easier to keep and enhance sales to existing clients than attract new ones. Private businesses do this by focusing on customer service and product quality – efforts that begin with good customer relationships. The City's Expansion and Retention program follows the private sector model, building strong customer relationships and improving customer service by connecting and communicating with business leaders. These relationships and connections occur through in-person meetings, newsletter communications, and local networking events.

Business connections provide a pathway between the City and business to address issues as they come up – particularly because it is impossible to anticipate how City policies or other factors may affect each business. Sufficiently developed relationships between staff and businesses throughout Petaluma's business sectors improve our ability to intervene when a local business has a problem or concern before that issue manifests into a business decision to move, expand elsewhere, or convey negative experiences with other business leaders.

Assistance – Staff provided retention assistance to 143 established Petaluma businesses that in total employ 2,500+ people, and provided expansion assistance to 30 of those companies. Staff learned of the need for assistance in three ways: as a result of a formal retention meeting initiated by Economic Development (18 companies); as a result of a referral from another City department; or as a result of a direct request from the company. Assistance included commercial real estate searches; referrals to other City departments or the Development Review Committee; referrals to regional business assistance and economic development organizations; introductions to community business leaders; or inclusion in Petaluma Star branding activities.

Talent Attraction Initiative – The Division launched a Talent Attraction Initiative to help Petaluma companies attract the highly-skilled employees needed for growth. Case studies were written profiling employees of five Petaluma companies. A meeting was organized to help identify talent attraction needs, solutions, and partnership opportunities; representatives from 10 local companies, education institutions, and economic development agencies attended.

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Nonprofit-Business Outreach – Philanthropy is an important part of the culture in Petaluma. Most Petaluma companies help local charitable causes in some way. Many find that their philanthropic efforts offer marketing and employee recruitment/retention benefits in addition to generating feelings of goodwill. To support business in this area, the Division created an information sheet with strategies for smart giving. Division staff met with leaders from several nonprofits to discuss ways to use Petaluma’s philanthropic spirit as a business/employee attraction and retention tool.

Business License Outreach – The Division designed a flyer to be sent with the annual business license renewal packets sent by the City. The flyer provided confirmation information for the Division and offered recipients a chance to request business resources. 30 recipients returned the flyer requesting additional information or assistance.

Issues – A variety of issues arose during this year for Petaluma companies. These included City permitting and wastewater challenges, lack of commercial space for growing industrial companies, and the ability to recruit qualified employees (low-wage skilled labor and high-wage talent with specific skills such as computer programming or engineering). To address City-related issues, staff works actively with the City Manager and other City departments. To address other issues, staff works with the Chamber of Commerce, local real estate representatives, and other business development agencies.



BUSINESS ATTRACTION PROGRAM

Petaluma’s Business Attraction Program focuses on the characteristics that make Petaluma desirable for business and talent: Bay Area Location; Strong Talent Pool; Innovative, Sustainably-focused Business Community; and Lifestyle. Inquiries are generated from website/social media traffic; referrals from the business community (including property owners and realtors); networking at local or regional events; and from regional awareness of Petaluma as a good place to start or grow a business. Sometimes a business lead will contact Economic Development early in a start-up or relocation process; other times Economic Development will become involved after the lead has contacted other City departments. Economic Development continues to use the Development Review Committee meetings, which provides up-front consultation with City staff to businesses, as a way to show Petaluma as a business-friendly city and thus encourage businesses to choose Petaluma over other locations.

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Business attraction leads come in many shapes and sizes. Some are established businesses looking to relocate while others are companies interested in starting in Petaluma. Some involve experienced professionals who know what questions to ask and how to get funded while others involve first-time entrepreneurs with big dreams but little experience and no money.

Assistance – Staff provided assistance to 60 leads. Assistance included conducting searches for commercial real estate; providing assistance with City requirements and processes; referring leads to other agencies (such as the Economic Development Board) and business resource organizations (such as the Small Business Development Center); and connecting leads to business owners in the area.

DEVELOPERS AND LARGE DEVELOPMENT PROJECTS

A third way support business is by working with companies interested in developing land or existing buildings such as the historic Silk Mill. Economic Development provides assistance with City requirements and processes, attends meetings between the City and prospective developers, and facilitates discussions between property owners and developers.

MARKETING, COMMUNICATIONS, AND PUBLIC RELATIONS

Marketing/Communications is the final part of our Economic Development Strategy and is critical for both business retention and business attraction. All materials adhere to the “Petaluma: Fertile Ground” branding strategy that was launched in 2013.



Newsletter – The Division published eight newsletters between July 1, 2015 and June 30, 2016. The newsletters featured stories about Petaluma businesses, announcements from the City, useful business information, and event listings. Starting in April 2016, the newsletters were sent monthly instead of quarterly; these newsletters also featured a redesigned format so that the content could read more easily on a mobile device. Throughout the year, the open rate ranged from 33-50%, which is well above the industry average. The list of newsletter recipients held steady about 1,100, with some recipients asking to be removed while other names were added.

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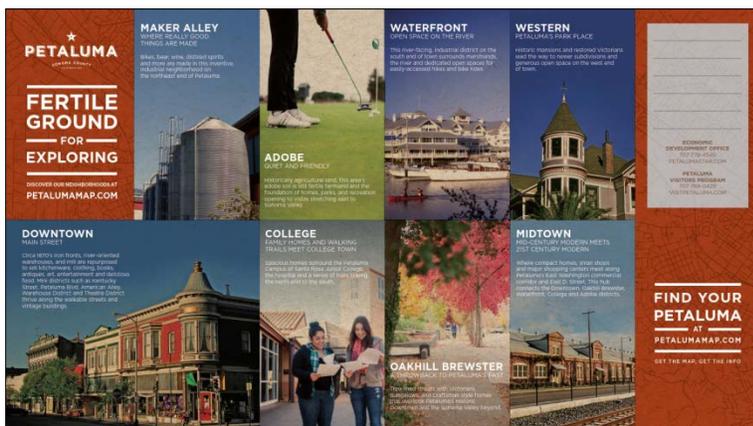
Social Media – Information about Petaluma is consistently posted on four social media outlets: LinkedIn, Facebook, Twitter, and Instagram. The goal is to share information and news relating to Petaluma’s business community in ways that appeal to the unique audiences of each social media outlet. The Petalumastar Facebook page is “liked” (followed) by 790 people, an increase of about 15 percent from the prior year. The Twitter feed has 880 followers, an increase of about 38 percent from the prior year.

Website – The Petaluma Star website is a key marketing/communications tool. It incorporates information and links about starting or locating a business in Petaluma as well as the Petaluma lifestyle. The website is updated weekly with original content written by Economic Development staff and/or links to articles published elsewhere, such as the local newspaper. Every website post is linked to social media sites including Facebook, Twitter and LinkedIn.



Work was done throughout the fiscal year to improve the website’s ability to attract visitors, known as Search Engine Optimization or SEO. The Design Guild started the process of making changes to design, organization, and content; these changes will make the site easier to navigate and more visually appealing to site visitors while improving search optimization.

Public Relations – This year the Division participated in nine articles published in the local press (Argus-Courier, Press-Democrat, North Bay Business Journal). Participation ranged from responding to reporters’ request for insight/analysis to coordinating reporter interviews with Petaluma companies.



Neighborhood Map/App – The Division identified the need for collateral materials that would help visitors navigate the city and locate shops, restaurants, and other venues. This would be useful for tourists as well as those considering Petaluma as a business or career relocation choice. The Visitor Program agreed to participate in the

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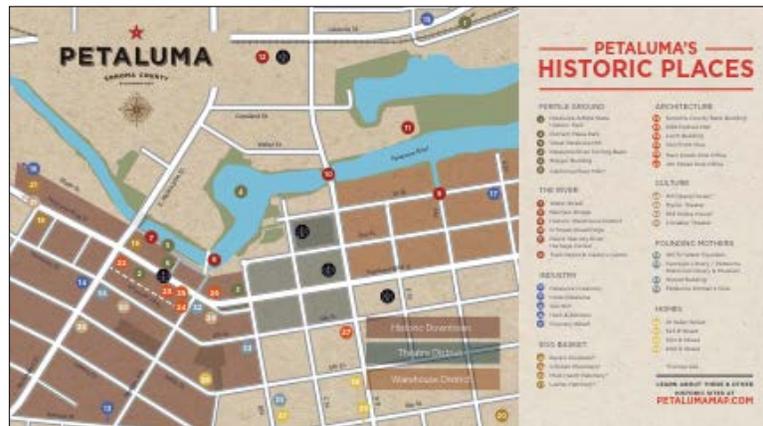
project, and the Design Guild was hired to produce the materials.

The end result combines a printed collateral piece with a mobile-friendly online component (the App). The front of the printed piece includes photos/written descriptions of Petaluma’s eight neighborhoods/districts (as developed by the team); the back features a map of the entire City divided into these neighborhoods/districts and a smaller a map of the downtown area. The online component allows users a visually appealing way to access a database of information about activities, venues, and historic locations. In 2015-2016, the team completed proof-of-concept, design, layout, and much of the software development required for these tools. All aspects of this project should be completed by the early part of the 2016-2017 fiscal year.

Business Toolkit – Published last fiscal year, the Business Toolkit is a comprehensive guide for starting and growing a business in Petaluma. This year a financing section was added, sections were reorganized, and photographs of Petaluma’s business leaders were added.



Heritage Tourism Map – As identified in the City’s 2-years goals, the Division developed a collateral piece designed to showcase Petaluma’s history and heritage. The piece follows the format of the Neighborhood Map and describes Petaluma’s heritage according to seven themes: Fertile Ground, The River, Industry, World’s Egg Basket, Architecture, Culture, Founding Mothers, and Homes. In the upcoming fiscal year, this piece will be printed and the information in it will be added to the App being developed by the Division (see above).



Business Profiles – Seven written profiles were produced as a way to tell Petaluma’s story through the eyes of local businesses. The profiles were on CORE Brands, Labcon, Robindira



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Unsworth Designs, Alvarado Street Bakery, Imagine Promotional Group, Sonoma Port Works, and Griffo Distillery.

COUNTY COLLABORATION

Working with local education institutions, membership organizations, and other economic development agencies is critical to ensuring Petaluma has access to and receives services from regional economic development organizations. Meetings are held regularly to assure that Petaluma businesses can access countywide services and to assure that any potential leads are aware of Petaluma's assets when they are looking for a Sonoma County location.

Sonoma County BEST – BEST was dissolved in February 2016. Until that time, Division staff served on the BEST Board, participated in the organization's Food Industry Group and the Tech Industry Group, and attended business retention meetings with Petaluma companies.

County EDB – Staff continued to strengthen its relationship with the County EDB. The Division referred potential and existing Petaluma businesses to the EDB for general assistance, marketing analysis, and workforce data. The agencies also collaborated on talent attraction initiatives. Finally, the agencies worked together to promote State incentive programs.

Santa Rosa Junior College – Santa Rosa Junior College (SRJC) is an important educational resource for businesses in Petaluma. The Division met with leaders from the SRJC and invited SRJC staff to participate in the new talent initiative. The Division also promoted SRJC via the website and the newsletter.

Sonoma State University (SSU) – SSU offers education opportunities and mentorship/internship programs to local businesses. These are important tools for business professionals to learn new skills and develop professionally. Businesses use these programs to recruit qualified workers and for leaders to share their knowledge with university students. The Division promoted these programs via the website, social media, and newsletter. SSU career center staff were also invited to participate in the talent attraction initiative.

Petaluma Visitor Program and Downtown Association – The Division met regularly with the Visitor Program/Downtown Association to develop the Neighborhood and Heritage Tourism Maps and Visitor App, to discuss branding strategy, and to identify co-marketing strategies. The Division contributed to the Visitor Guide and promoted Visitor/Downtown events via the website and on social media.



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Petaluma Area Chamber of Commerce – The Division met regularly with Chamber CEO to discuss branding and co-marketing strategies; contributed to the Chamber’s Business Directory and monthly newsletter; and helped to coordinate a Shop Local event featuring Petaluma-based companies.

Other City Departments – Staff worked with other City Departments and local business to launch a Sustainability Circle. The group met for 6 months to develop sustainability actions plans that could be implemented over the next several years. The group also served to deepen established relationships with large, local employers including Amy’s Kitchen, Labcon, Lagunitas, Straus Family Creamery, Traditional Medicinals, Santa Rosa Junior College (Petaluma Campus) and the Petaluma Valley Hospital. Economic Development staff attended the final session of the Sustainability Circle and wrote synopsis for Petaluma Star website and quarterly newsletter.

POLICY PROGRAMS

From time to time, the Division supports City departments to complete proactive changes to policies and procedures that would support economic development.

Vacation Rental Ordinance – Early in the fiscal year, the City Council approved a program to allow and regulate vacation rentals in Petaluma. Division staff worked with Planning and Finance to implement the program by January 1, 2016. Staff also publicized the program to local media.

Process Improvements – This fiscal year saw the implementation of Open Counter, an interactive, online database tool that helps businesses navigate City requirements. The Division oversaw the implementation, acting as a liaison between the Open Counter team and City staff. The implementation required City staff to review permitting-related policies and codes in Planning, Building, Fire Prevention, Police, and Public Works. Open Counter staff created electronic versions of this information and uploaded it into the Open Counter software in a question/answer format.

SUCCESSOR AGENCY / REDEVELOPMENT DISSOLUTION

Work continued to comply with State requirements to dissolve the former Redevelopment Agency. Staff also solicited and selected professionals to complete an appraisal and market and sell a 2-acre property that was purchased by the former Petaluma Community Development Commission.