



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.

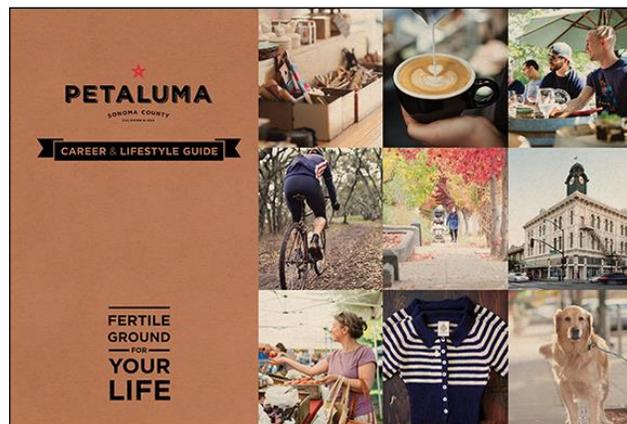
BUSINESS EXPANSION AND RETENTION PROGRAM

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 businesses 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 145 Petaluma businesses. Of those, 20 needed assistance navigating City requirements as a result of an expansion (15) or a new business site (5). Staff learned of the need for assistance in three ways: as a result of a formal retention meeting initiated by Economic Development (16 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 marketing activities.

Workforce/Talent Attraction Initiative – This year, workforce was a top area of concern for Petaluma businesses,



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nonprofits, and educational institutions. The Division met with several Petaluma employers—individually and as a group—to learn more about the issue and to identify ways to help. The Division actively promoted local workforce resources, such as the Economic Development Board’s workforce program, via the quarterly newsletter and in personal interactions with businesses. A 40+ page Career and Lifestyle Guide was completed to help companies recruit talent from outside of the area.

Nonprofit-Business Outreach – Philanthropy is an important part of the culture in Petaluma, both in the business community and in the general population. To support business in this area, the Division met with leaders from several nonprofits to discuss ways to use Petaluma’s philanthropic spirit as a business/employee attraction and retention tool. When appropriate, the Division connected business leaders with nonprofits. The Division also developed content about philanthropy for Division materials, such as the website.

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. 105 recipients returned the flyer requesting additional information or assistance, as compared to 30 recipients in the previous year.

Issues – The Division provided businesses with support in three key areas: navigating City permit and wastewater requirements; workforce and talent attraction; and the ability of small proprietors to get financing and/or stay in business. To address City-related issues, staff worked actively with the City Manager and other City departments. To address other issues, staff worked 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



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City departments. Economic Development continues to use the Development Review Committee meetings, which provide 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.

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 48 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. Six leads converted to businesses.

DEVELOPERS AND LARGE DEVELOPMENT PROJECTS

A third way to support business is by working with property owners and companies interested in developing land or existing buildings. Economic Development provides assistance with City requirements and processes, attends meetings between the City and prospective developers, and facilitates discussions between property owners/developers and prospective clients. This fiscal year, the primary area of support was to property owners.



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 four newsletters between July 1, 2016 and June 30, 2017. The newsletters featured stories about Petaluma businesses, announcements from the City, useful business information, and event listings. The list of newsletter recipients increased slightly to 1,300 from 1,100. Open rates ranged from 36 percent to 39 percent, which is higher than the



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industry average of 22.8 percent. The Division also helped the City Manager create and distribute four newsletters that discussed issues such as the City budget; regional rail service (Sonoma Marin Area Transit-SMART); and affordable housing. These newsletters were sent to about 3,500 recipients and had open rate of between 40 percent and 49 percent.

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 followed by 918 people, an increase of about 16 percent from the prior year. The Twitter feed has 1,118 followers, an increase of about 27 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 and/or links to articles published elsewhere, such as the local newspaper. Every website post is linked to social media sites in order to increase exposure. During this fiscal year, the Division made significant changes to the site, including redesigning the home page, adding a new section about the Petaluma lifestyle, and changing the site’s navigation. In addition, work was done throughout the fiscal year to improve the website’s ability to attract visitors, known as Search Engine Optimization or SEO.



Public Relations – This fiscal year the Division issued three press releases (Business Toolkit award; Map/App; Broadband) and participated in 12 articles published in the local press (Argus-Courier, Press-Democrat, North Bay Business Journal and NorthBay biz). Participation ranged from responding to reporters’ request for insight/analysis to coordinating reporter interviews with Petaluma companies.

Neighborhood Map/App – The Division has been collaborating with the Visitor Program on a multi-year project designed to help tourists and other visitors (such as business clients and job candidates) enjoy all that Petaluma has to offer. This project combines a printed collateral piece with a map of neighborhoods in Petaluma with a mobile-friendly database of activities, venues,

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and historic locations. In 2016-2017, the team printed the maps, launched the microsite, and began promoting both tools. Promotion and additional application development will take place in FY 2017-18.



Profiles and other content – An important part of the Division’s strategy is to create content such as tip sheets, profiles, and informative articles that educate readers about City requirements or showcase Petaluma residents and organizations. This content is then distributed via the website, social media, and printed collateral pieces. This year the Division produced four business profiles, one talent profile, and five tip sheets/info articles.

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 Economic Development Board (EDB) – EDB programs provide businesses with support in areas such as workforce, state and federal incentives, real estate search, startup challenges, and diversity. The EDB also creates industry groups for the purpose of understanding issues that affect businesses in the County. Over the years, Petaluma’s Economic Development Division has developed an excellent relationship with the EDB. In this fiscal year, the Division promoted EDB services in all of its newsletters and referred 21 organizations to the agency, primarily for workforce assistance. The Division participated in an EDB meeting about small business startup services, and the EDB participated in the Division’s talent attraction focus group.

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; two SRJC leaders participated in the Division’s workforce/talent focus group. The Division also promoted SRJC via the website and the newsletter.

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Sonoma State University – Sonoma State University (SSU) offers education opportunities and mentorship/internship programs to local businesses, primarily through its School of Business and Economics. The Division worked closely with a newly-appointed, interim director of the Business School’s career center to promote its internship programs. The director also participated in the Division’s talent attraction initiative.

Petaluma Visitor Program and Downtown Association – The City contracts with the Petaluma Downtown Association to run the Petaluma Visitor Program. During the past fiscal year, the Division met regularly with the Visitor Program 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. In addition, the two groups partnered with the Chamber of Commerce to produce a Shop Local video featuring Petaluma’s downtown businesses.

Petaluma Area Chamber of Commerce – The Division met regularly with the Chamber CEO to discuss branding and co-marketing strategies; contributed to the monthly newsletter; and helped to coordinate a Shop Local event featuring Petaluma-based companies. The Division significantly revised and expanded the City pages in the Chamber Directory and helped the chamber develop a new cover for the Directory.

Other City Departments – As the City’s liaison with the business community, the Division has the opportunity to educate local businesses about the programs and requirements managed by other City departments and divisions. In this fiscal year, the Division worked with multiple departments to develop a “Permit Help” brochure; to fine-tune the online permit tool that was implemented in FY 2015-16; and to develop content about wastewater requirements for restaurants for food service businesses.



POLICY PROGRAMS



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

Online Permit Tool: Open Counter – Open Counter is an interactive, online database tool implemented in FY 2015-16 in order to help businesses navigate City requirements. During this fiscal year, the Division worked with City staff and the Open Counter programming team to improve the tool and make corrections related to existing City requirements.

Airport Master Plan – The Division provided input and research about possible new commercial area within the Airport Master Plan boundaries.

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.