

Healdsburg and the Economy 2014: Clusters, Planning and Regionality

Healdsburg, CA April 23, 2014

Robert Eyler, Ph.D.

President

Economic Forensics and Analytics

PO Box 750641, Petaluma, CA, 94975-0641

eyler@econforensics.com

Healdsburg as a Place to Do Business



- Question to Consider:
 - Why would a business choose Healdsburg to come/stay/grow?
- Economic
 - More ROI than other locations
 - Labor force, space, other resources available
 - Logistics and supply chain closures
- Social
 - Good schools
 - CEO/Leadership lives locally: reduces costs
- Regional Context: how much different is Windsor, e.g.?

Tools to Use



- Asset Inventory
 - What differentiates and possibly constrains Healdsburg
 - Even if agreement on industries to grow, will they be supported?
- Create a central spot to gather and synthesize the asset inventory data
- Use economic impact data to plan for change
 - Part of asset inventory also
 - Describes local supply chain (or lack thereof)
 - Includes labor analysis based on growth
- **End product: shows and tracks Healdsburg's econ dev progress**

North Bay Economy: Context Part I



- Wine, tourism, services still the large plays
 - Can this region see an expansion of life sciences?
- Job growth since 2012 has been mainly in services, now a bit more in construction
 - Politics of growth + demography changes
- The role of manufacturing an ongoing debate
- Housing market a big focus in 2014
- Need to think regionally

Broader issues: Context Part II



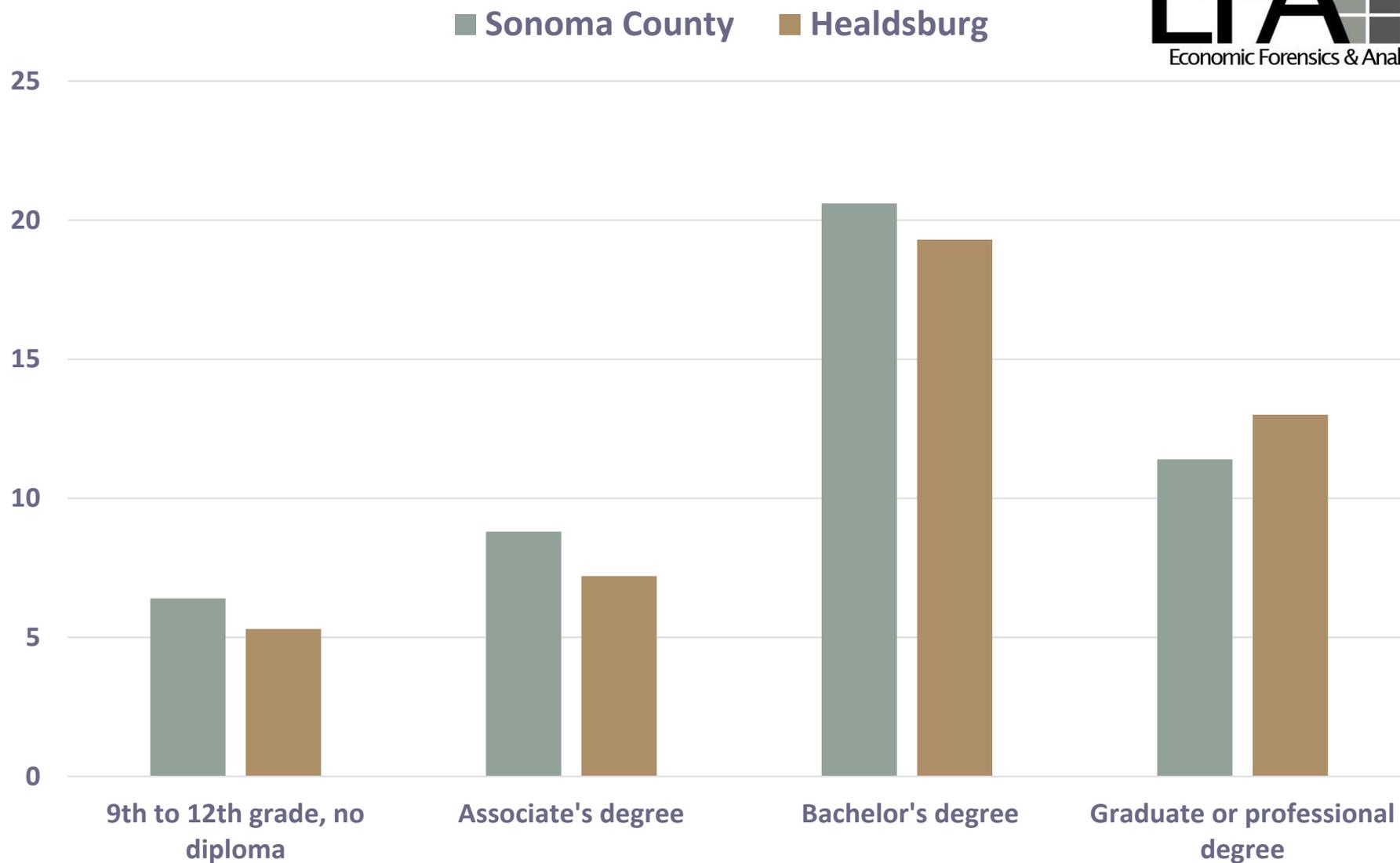
- Chinese economy will start to see some slower growth
- Europe will have slow growth through 2020
- Federal Reserve should raise interest rates, even 25 basis points
- Geopolitics in market pricing somewhat, based on futures markets in commodities
- Inflation still a small factor in most markets
 - Commodities prices and bond prices telling this tale
- Local cost of living rising implicitly
 - Rental/home prices rising
 - Gas pricing rising
 - Taxes going up

Housing Price Growth



Place	2013 Growth	Lowest Median Price	Growth since Low	March 2014 Median
CA	+19.4%	\$ 245,230	+78.6%	\$ 438,040
Marin	+12.2%	\$ 632,580	+41.3%	\$ 893,750
Napa	+32.7%	\$ 306,820	+40.5%	\$ 430,950
Solano	+27.2%	\$ 179,020	+39.6%	\$ 250,000
Sonoma	+17.1%	\$ 312,338	+27.5%	\$ 398,090

Residents: Educational Level (%)



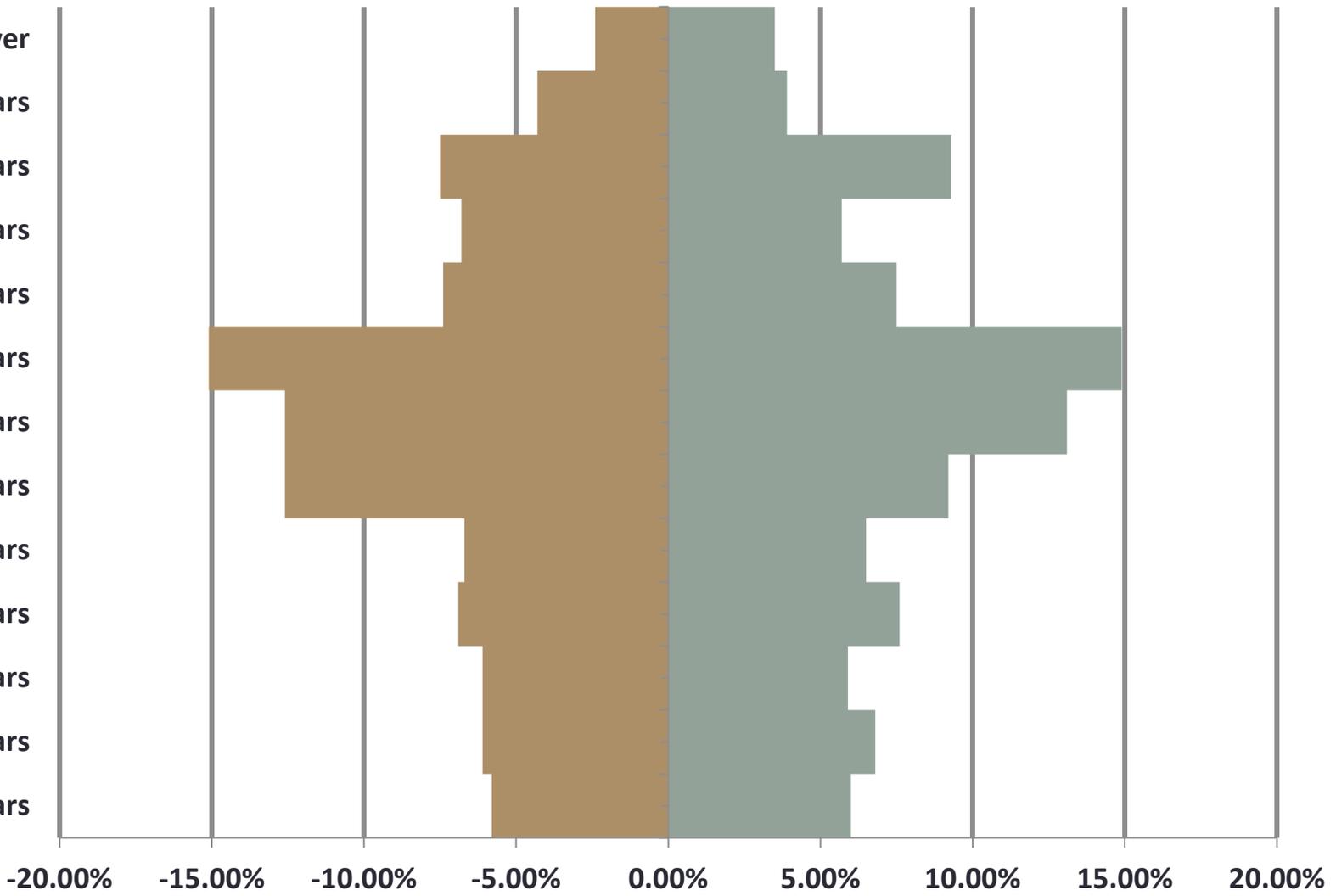
Source: www.census.gov

Population Comparison 2013: Healdsburg and Sonoma County



■ Sonoma County **■ Healdsburg**

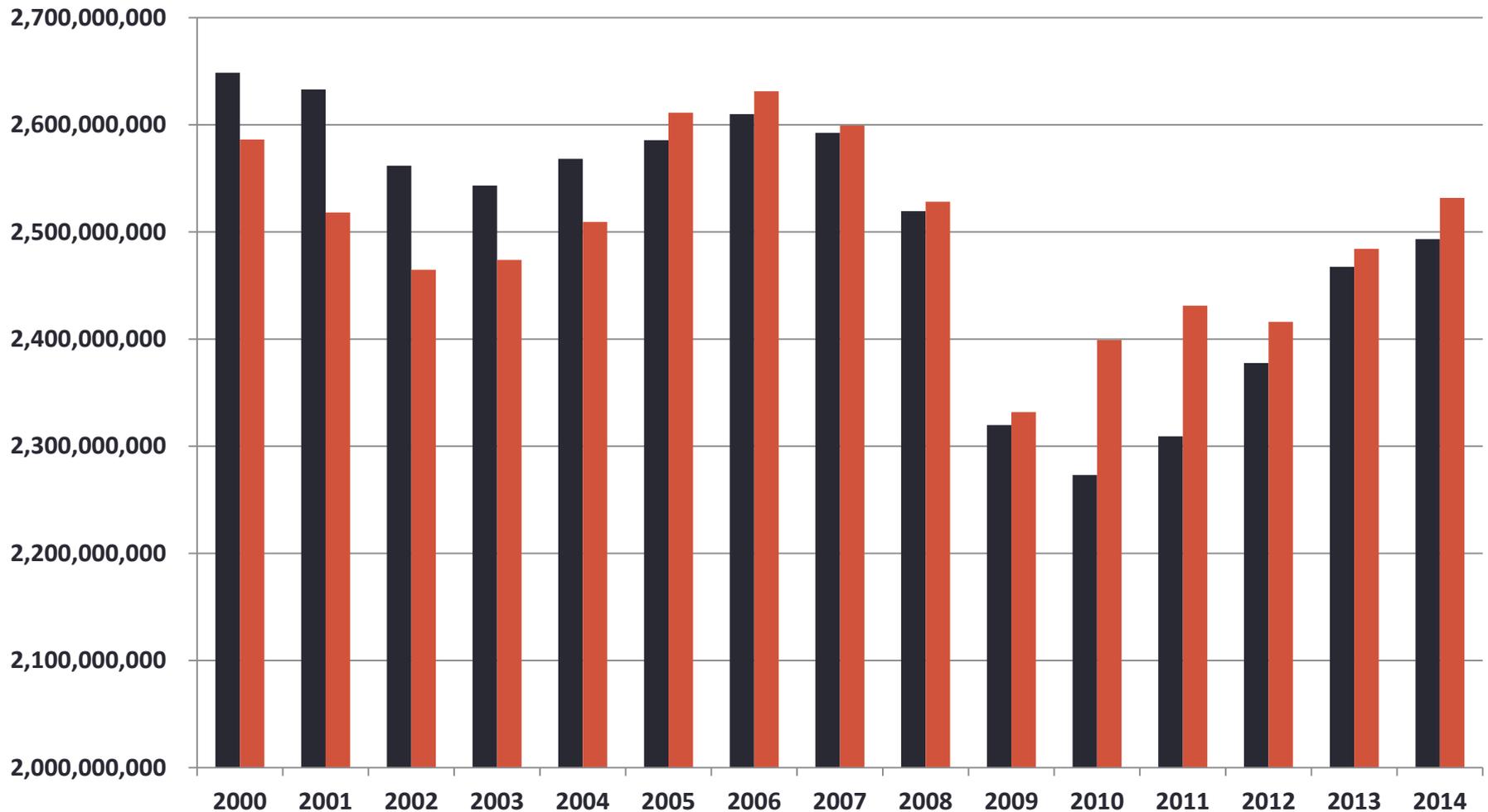
85 years and over
 75 to 84 years
 65 to 74 years
 60 to 64 years
 55 to 59 years
 45 to 54 years
 35 to 44 years
 25 to 34 years
 20 to 24 years
 15 to 19 years
 10 to 14 years
 5 to 9 years
 Under 5 years



Healdsburg GDP, 2010\$, 2000-2014 (Forecasted)



Healdsburg GDP versus Sonoma County (normalized)
2010\$, 2000-2014 (Forecasted)

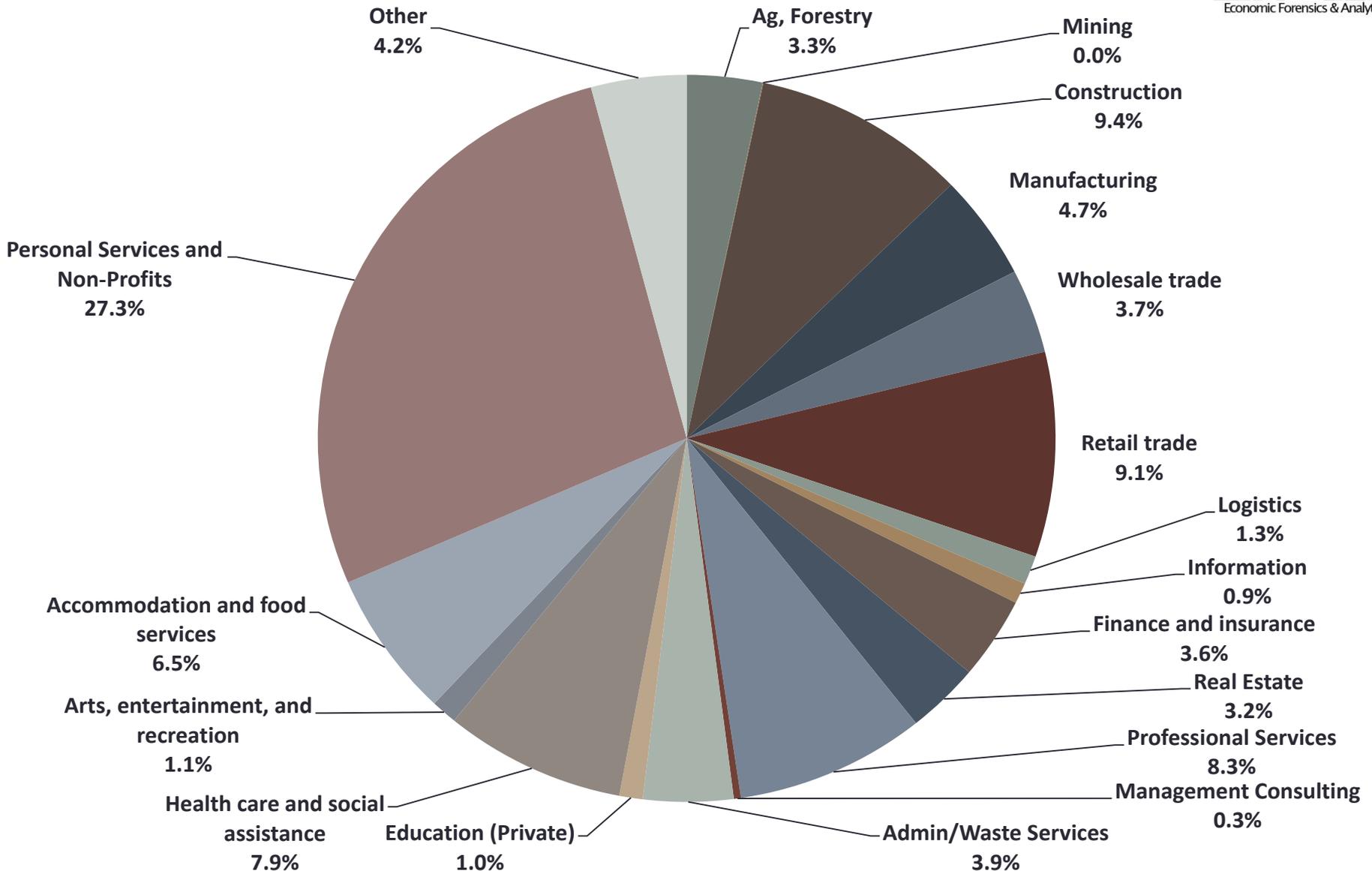


Major Industries and Possibilities(?)

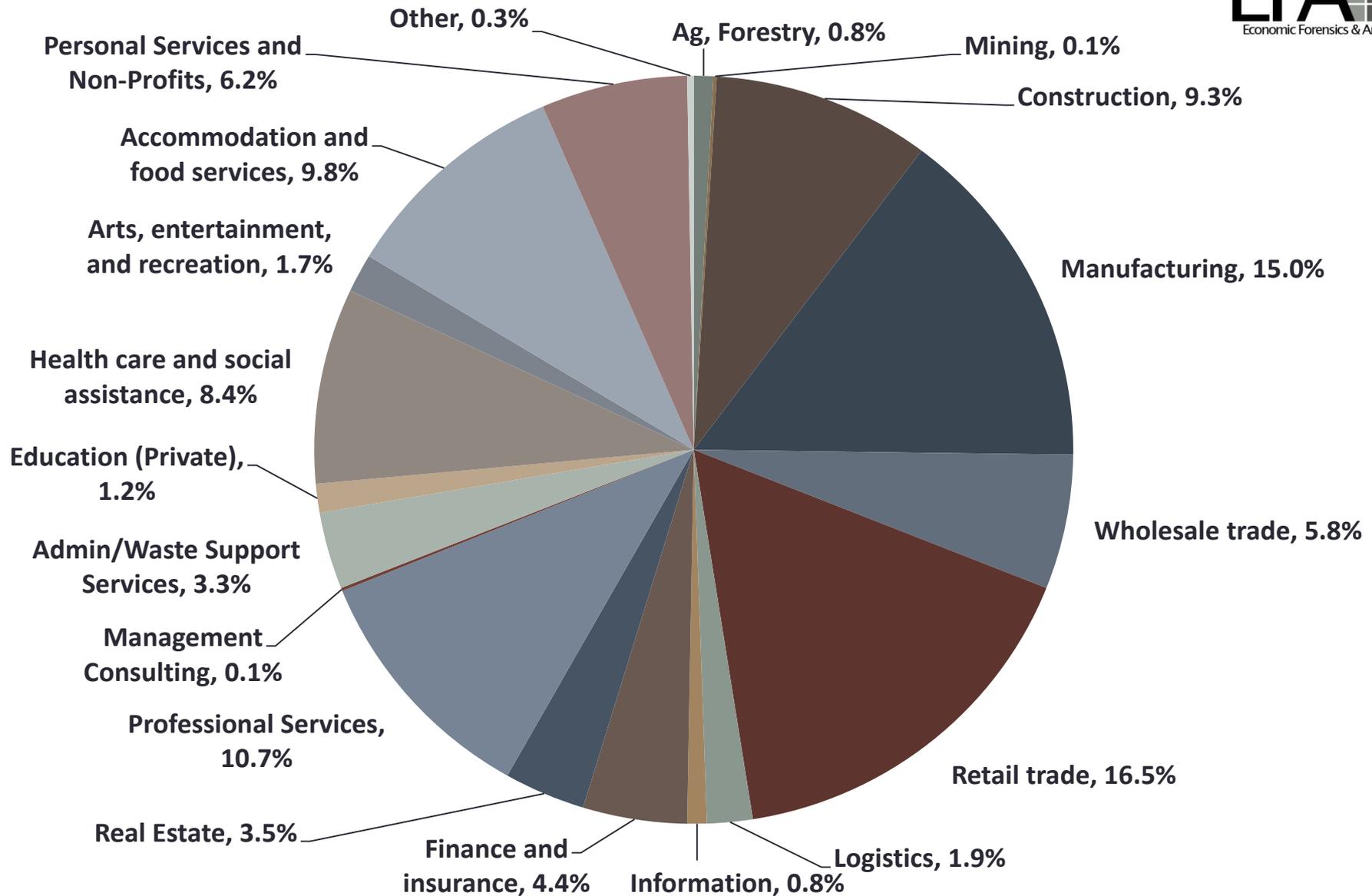


- Geography-based industries
 - Wine Industry
 - Recreation
 - Wellness and Art (probably more Art)
 - Lifestyle
- Niche Food and Ag Industries
 - Food Manufacturing
 - Restaurants
 - Connections to each other
- Specialized Medical and Tech Industries
 - Niche medical procedures
 - Research and Design

Business Mix, Sonoma County, 2012

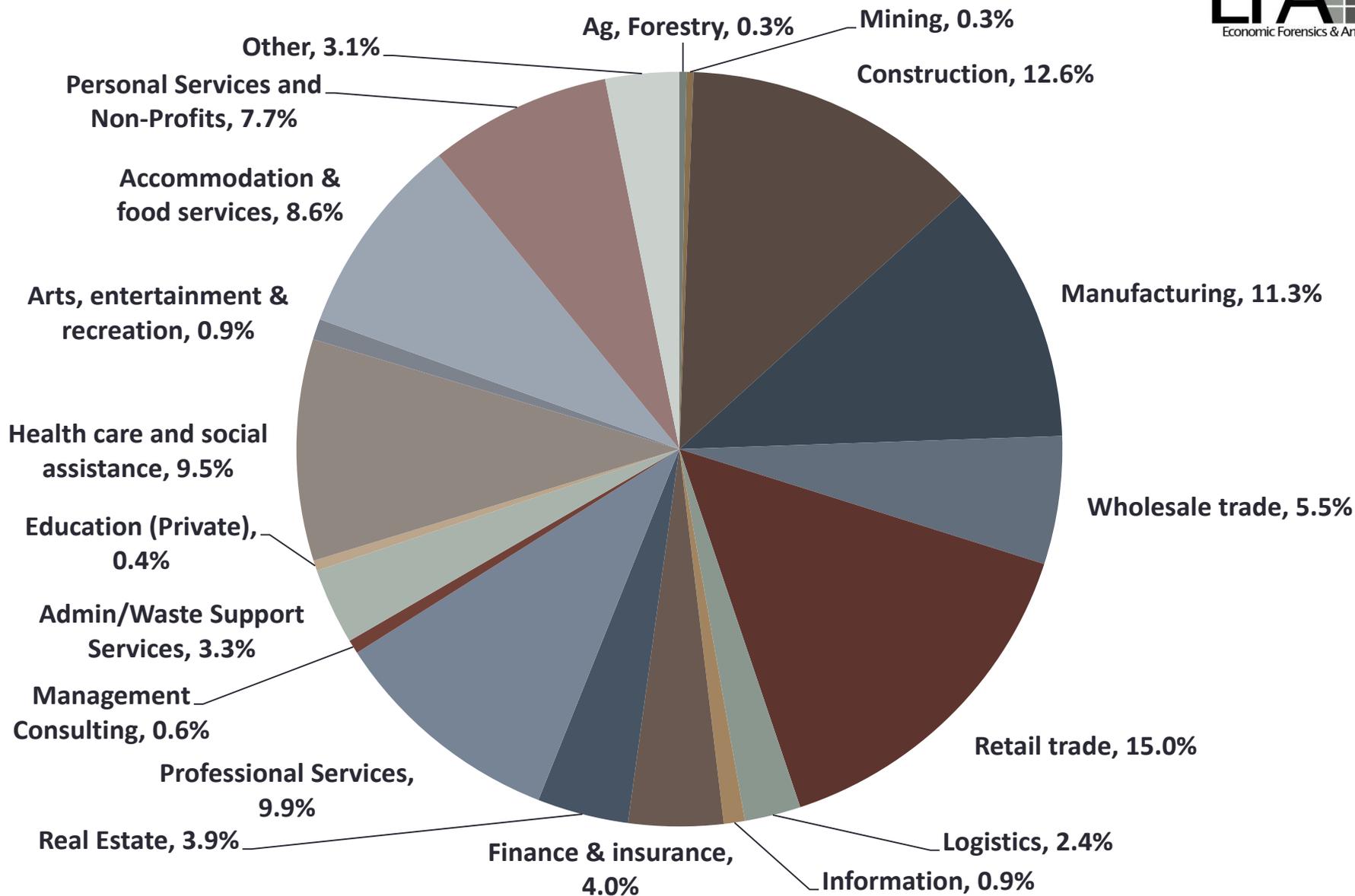


Business Mix, Healdsburg, 2012



Sources: IMPLAN, EFA, and EDD

Business Mix, Healdsburg, 2000



Sources: IMPLAN, EFA, and EDD

Employer Breakdown



Employer	Employment	Revenue
Wineries	14.0%	33.3%
Fruit farming	4.2%	5.2%
Equipment Manufacturing	2.3%	5.0%
Rental Income for Property Owners	0.0%	3.6%
Real Estate	3.6%	3.6%
Local and State Government	8.1%	3.4%
Wholesale/Logistics	3.3%	3.0%
Bars and Restaurants	7.5%	2.4%
Private hospitals	2.4%	2.0%
Accounting	3.6%	1.8%
Investment Banking	2.2%	1.4%
Utilities (Gas and Electric)	0.2%	1.4%
Medical Labs	1.5%	1.4%
Commercial construction	1.5%	1.3%
Grocery Retail	3.1%	1.2%
Medical and Dental Offices	1.7%	1.0%
All others	40.9%	28.9%

Sources: IMPLAN, EFA, and EDD

Asset Inventory



- An asset inventory is:
 - Database of economic assets
 - Identifies economic links among industries
 - Describes demography of workers and residents: matching
 - Include an organic database of commercial and residential real estate
- Two outcomes in general
 - A tracking device for business and demographic flow; and
 - A showcase for potential business attraction, retention and expansion

Thanks!!

eyler@econforensics.com

@bobby7007