

CITY OF HEALDSBURG

UPDATE AND OUTLOOK

October 20, 2016



City Update and Outlook

STEADY ECONOMIC GROWTH

- Sales Tax Trends and State Comparisons
- Consumer Spending by Commodity in 2015
- Sound City Finances

SUPPORTING BUSINESS

EXPANSION AND RETENTION

- Central Healdsburg Avenue Plan (CHAP) and Infrastructure Projects
- Lowest Electric Rates in the County
- System Reliability
- Increased Parking

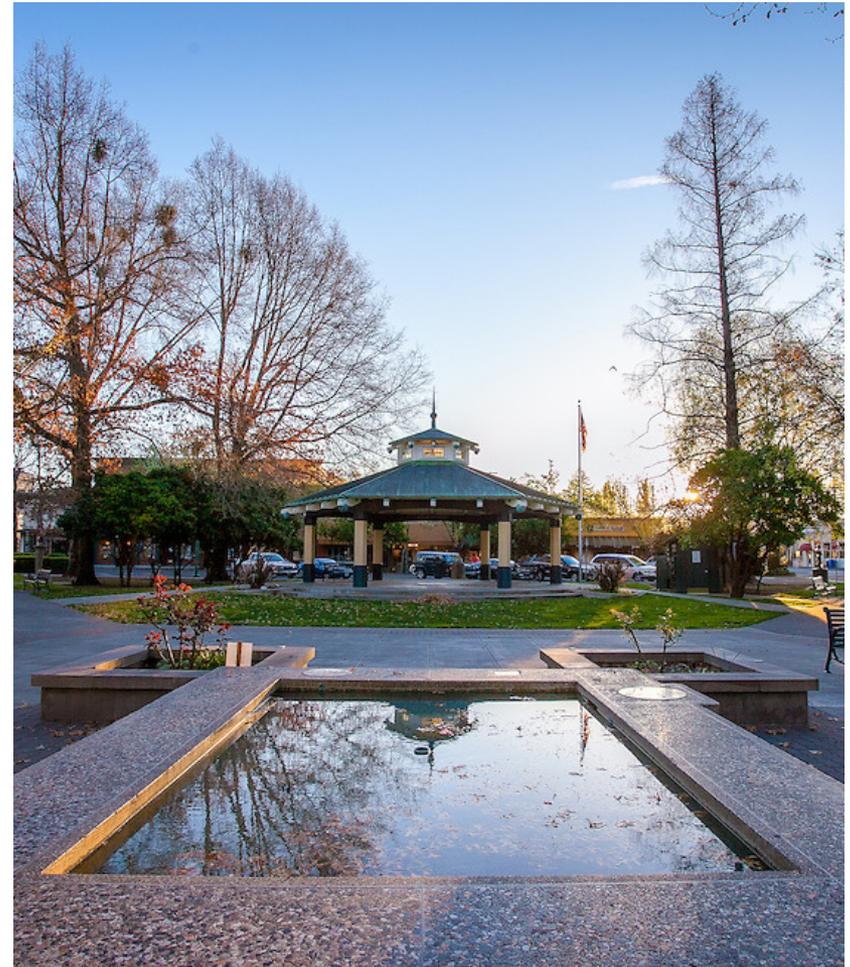
IMPROVED ECONOMIC

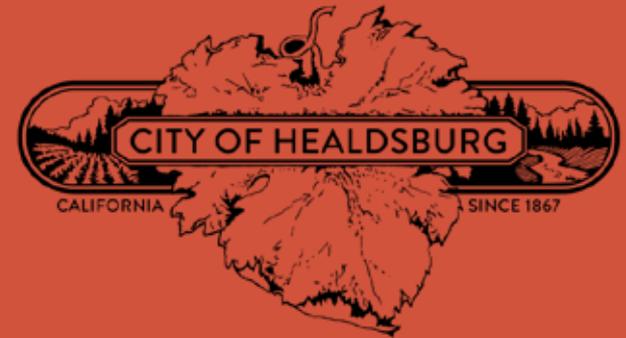
DEVELOPMENT AND DIVERSITY

- New Businesses in Healdsburg
- New Lodging Establishments
- Expanding Businesses
- Business Expansion Services

ENHANCED QUALITY OF LIFE

- Affordable Housing Projects
- Housing Partnerships
- Fitch Mountain Park and Open Space Preserve





STEADY ECONOMIC GROWTH

SALES TAX TRENDS AND STATE COMPARISONS

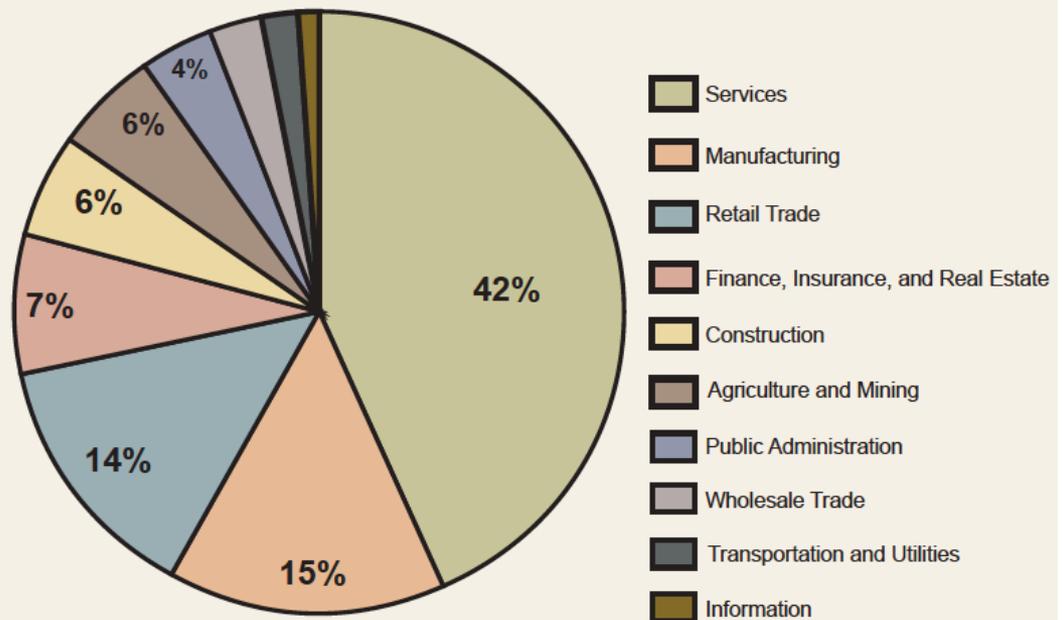
CONSUMER SPENDING BY COMMODITY IN 2015

SOUND CITY FINANCES

Attracting and Supporting Our Businesses

- Employment up 1.85% in 2015
- Diverse Employment: About 42% of Healdsburg's employed population is in the category of Services, which includes education, health care, tourism and legal services. The second largest sector is Manufacturing.

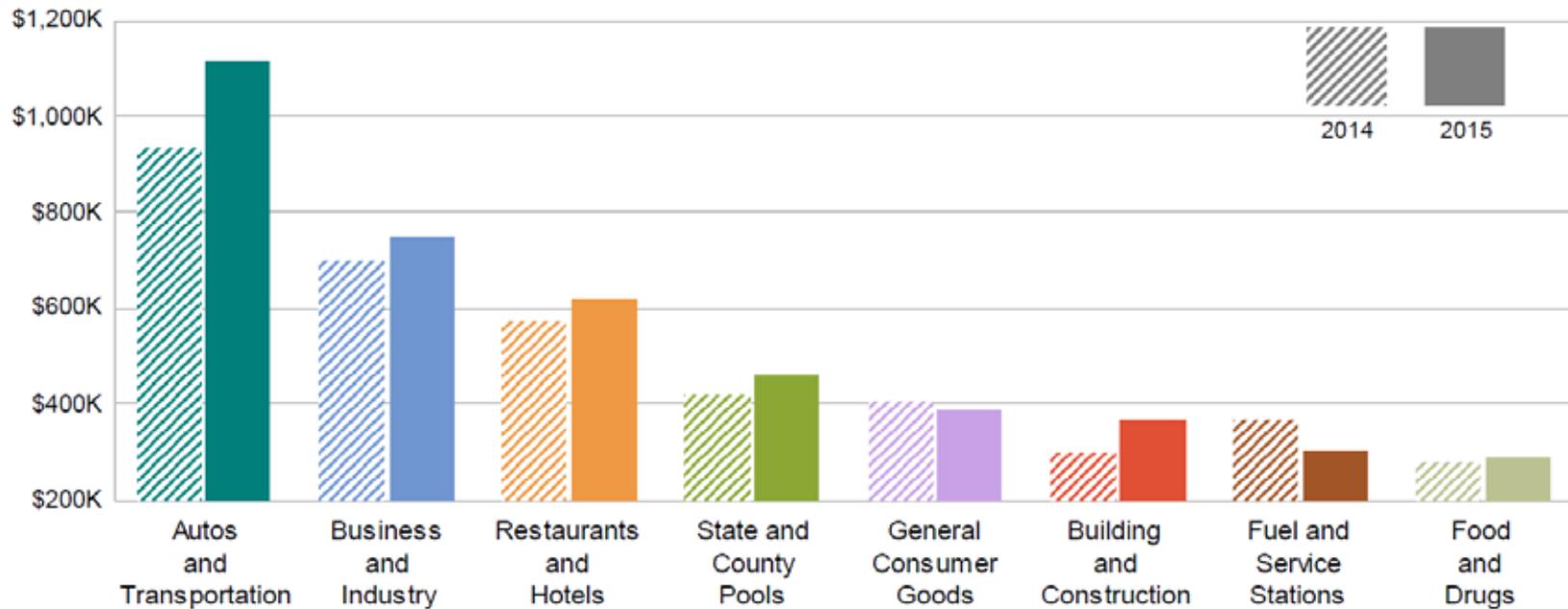
Healdsburg Employed Population Age 16+ by Industry, 2015



Source: ESRI Business Analyst projections (www.esri.com)

Sales Tax – Major Industry Trends

2014 Compared to 2015



Autos & Transportation

Opperman, Sanderson, Silveria, O'Reilly

Business and Industry

Coolwine, Wilber Ellis, E&M, Portalupi

Restaurant and Hotels

Barndiva, H2 Hotel Spoon Bar, Carl's Jr.

Stats and County Pools

County online use tax

General Consumer Goods

Punch, Zizi, Healdsburg Running Co.

Building and Construction

Healdsburg Lumber, Syar Industries

Fuel and Service Stations

Rotten Robbie

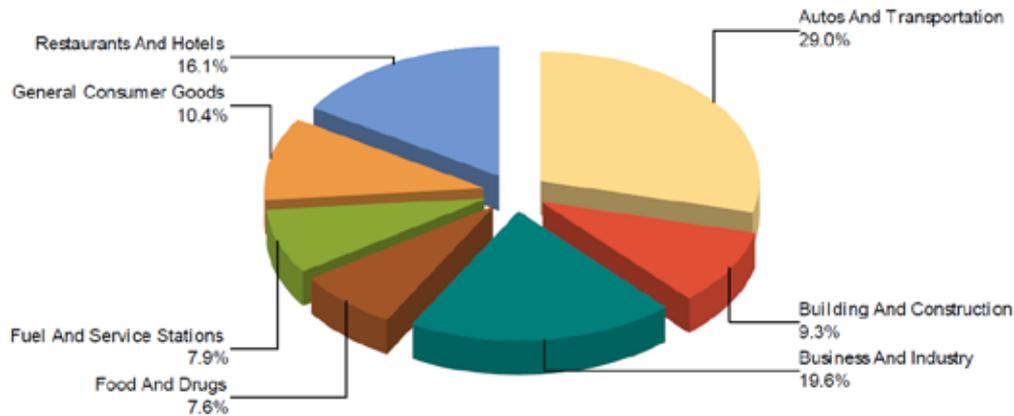
Food and Drugs

CVS, Big John's, Safeway, Circle K

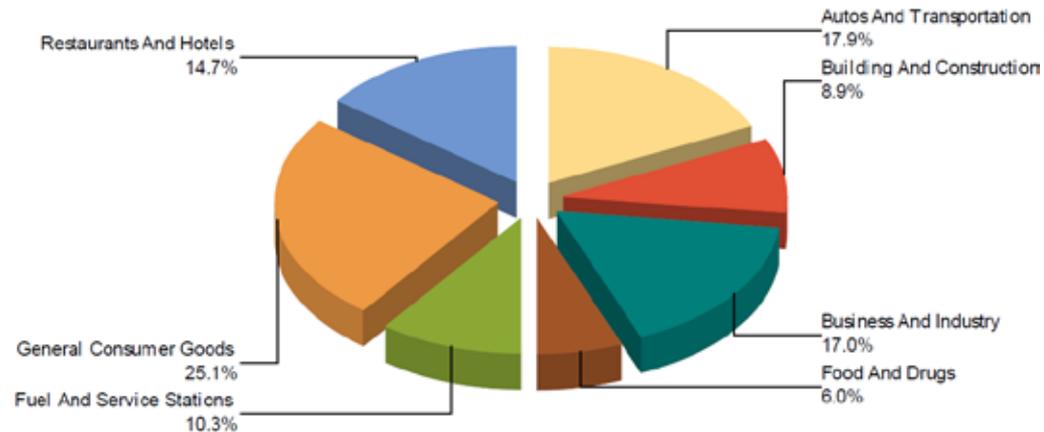
Sales Tax – City to State Comparison

City of Healdsburg

Calendar Year 2015

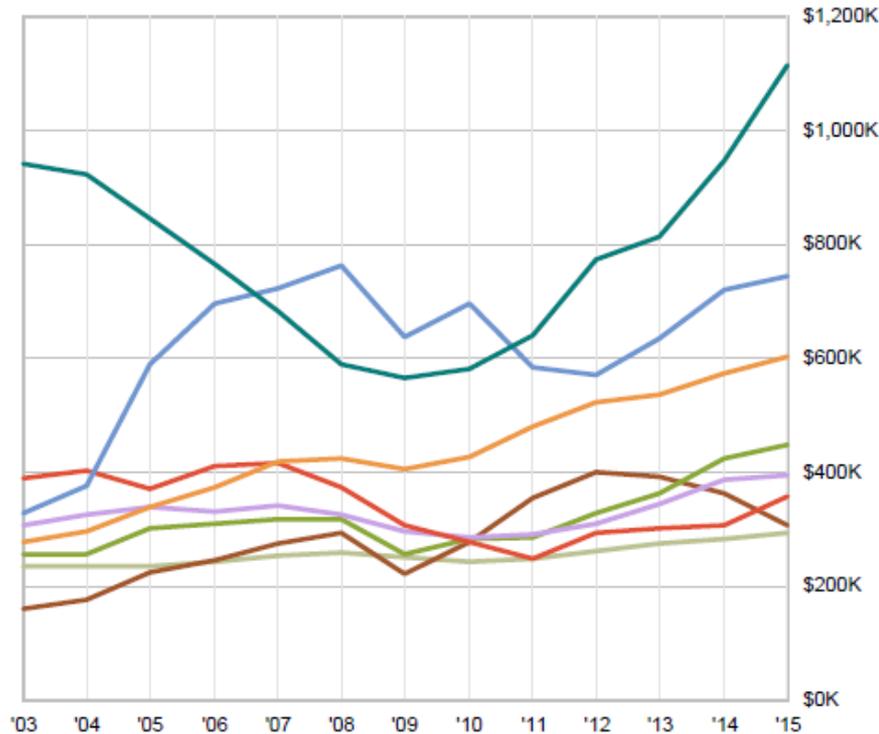


HdL Client Database Statewide Totals



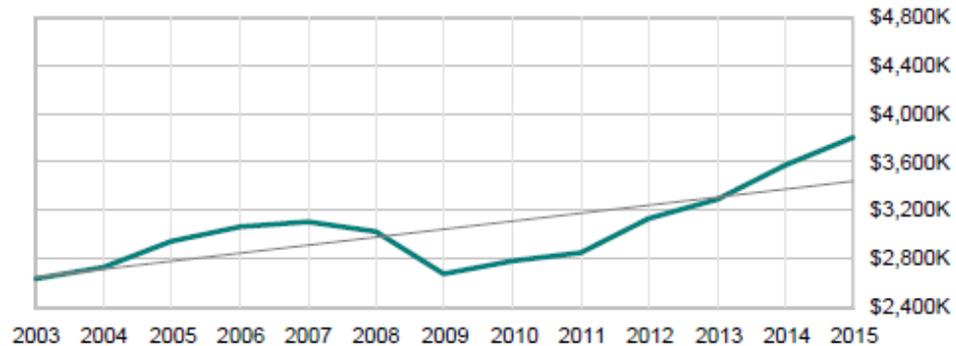
Sales Tax – Major Industry Groups

- Autos And Transportation**
Count: 58
- Business And Industry**
Count: 350
- Restaurants And Hotels**
Count: 74
- State & County Pools**
- General Consumer Goods**
Count: 437
- Building And Construction**
Count: 37
- Fuel And Service Stations**
Count: 10
- Food And Drugs**
Count: 45



30% 

Healdsburg
13 Year Trend: +30.1%

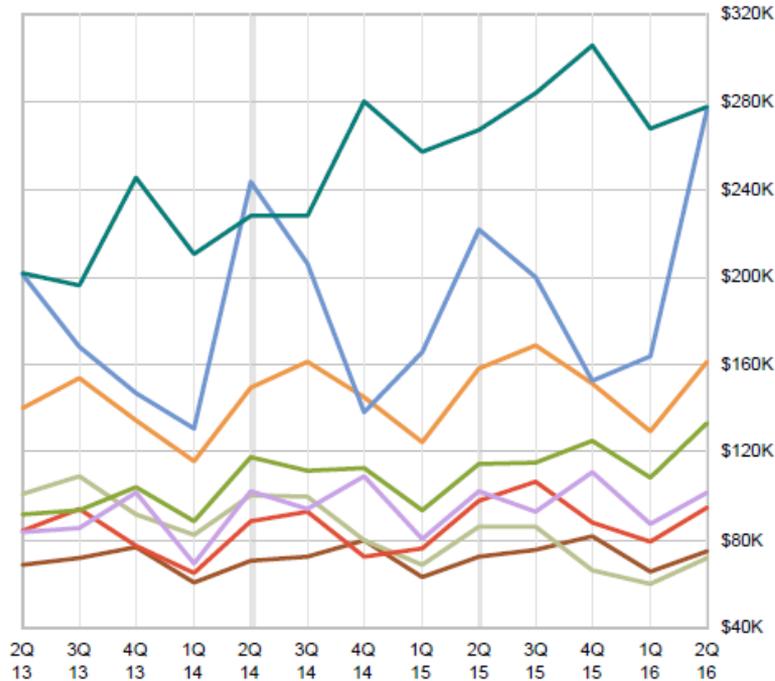


City of Healdsburg: 2003 – 2016

Sales Tax — (Major Industry Groups cont.)

Sales Tax by Major Industry Group

- Autos And Transportation
Count: 50
- Business And Industry
Count: 348
- Restaurants And Hotels
Count: 77
- State & County Pools
- General Consumer Goods
Count: 435
- Building And Construction
Count: 40
- Food And Drugs
Count: 40
- Fuel And Service Stations
Count: 8

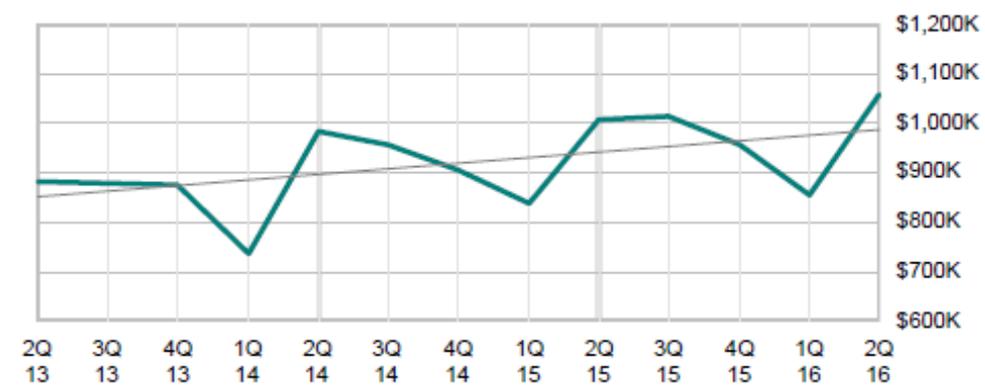


16% 

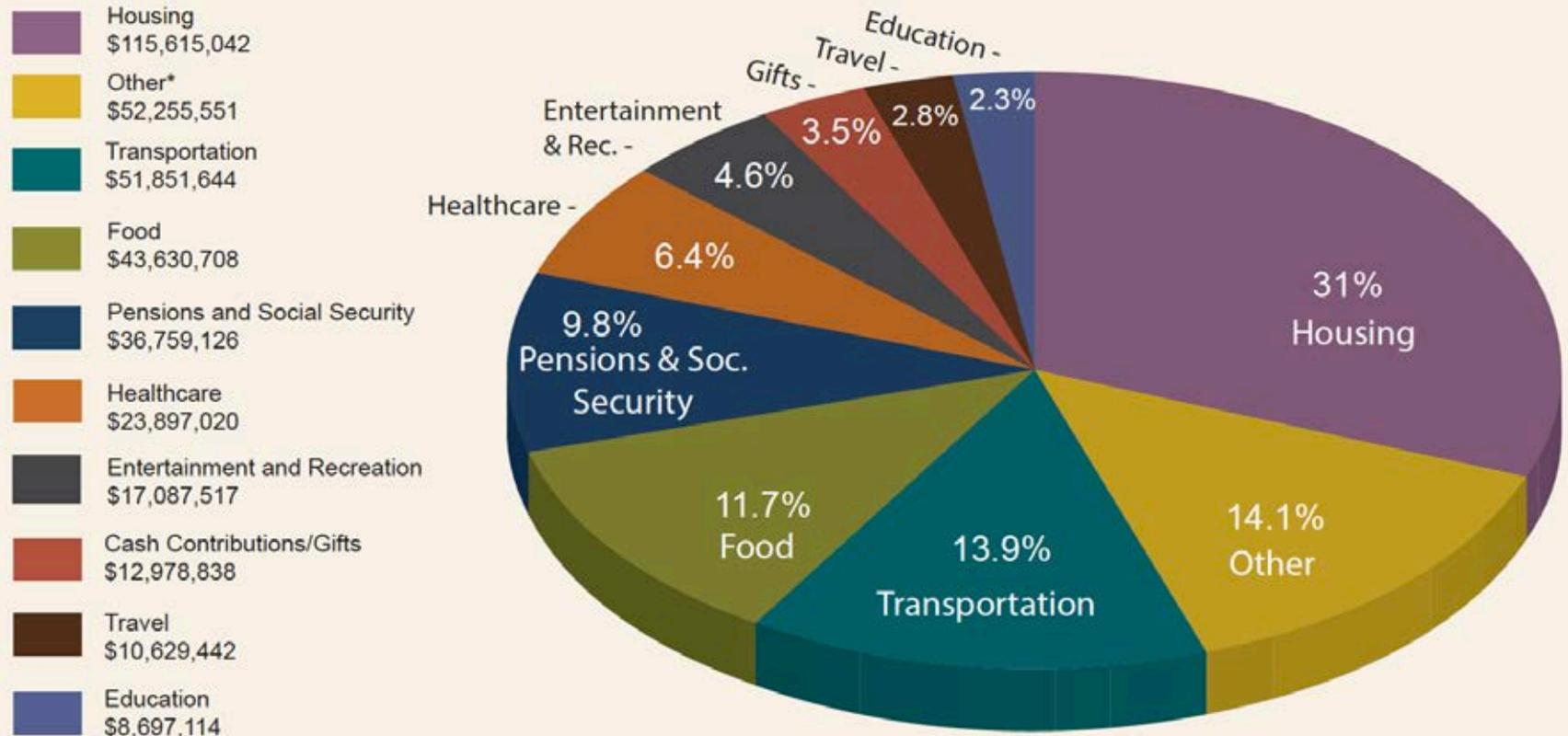
City of Healdsburg – 13 Quarter History

Agency Trend

Healdsburg
13 Quarter Trend: +15.9%



Consumer Spending by Commodity in Healdsburg in 2015

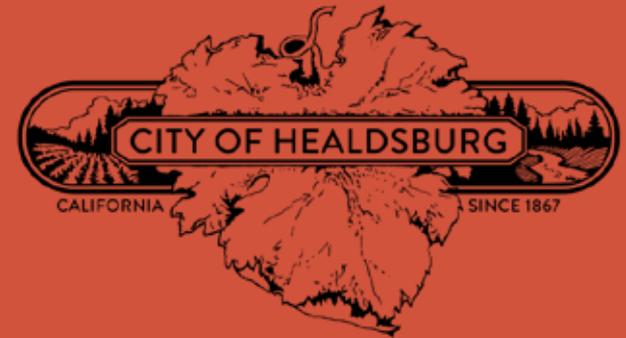


*The Other category includes Apparel and Services, Alcoholic Beverages, Household Operations, Housekeeping Supplies, Household furnishings and equipment, Life/Other Insurance, Miscellaneous, Personal Care Product and Services, and Smoking Products.

Sound City Finances

The City has taken great strides to stabilize finances which if not strengthened could negatively impact services to our local businesses and residents

- Establishment of a Pension Stabilization Fund
- Revision of the General Fund Reserve Policy
- Adoption of the biennial budget approach
- Periodic review of utility rates
- Adoption of Measure V
- Allocation of Transient Occupancy Tax
- Focus on Business Diversification through Improved Infrastructure



SUPPORTING BUSINESS EXPANSION AND RETENTION

CENTRAL HEALDSBURG AVENUE PLAN (CHAP) AND
INFRASTRUCTURE PROJECTS

LOWEST ELECTRIC RATES IN THE COUNTY

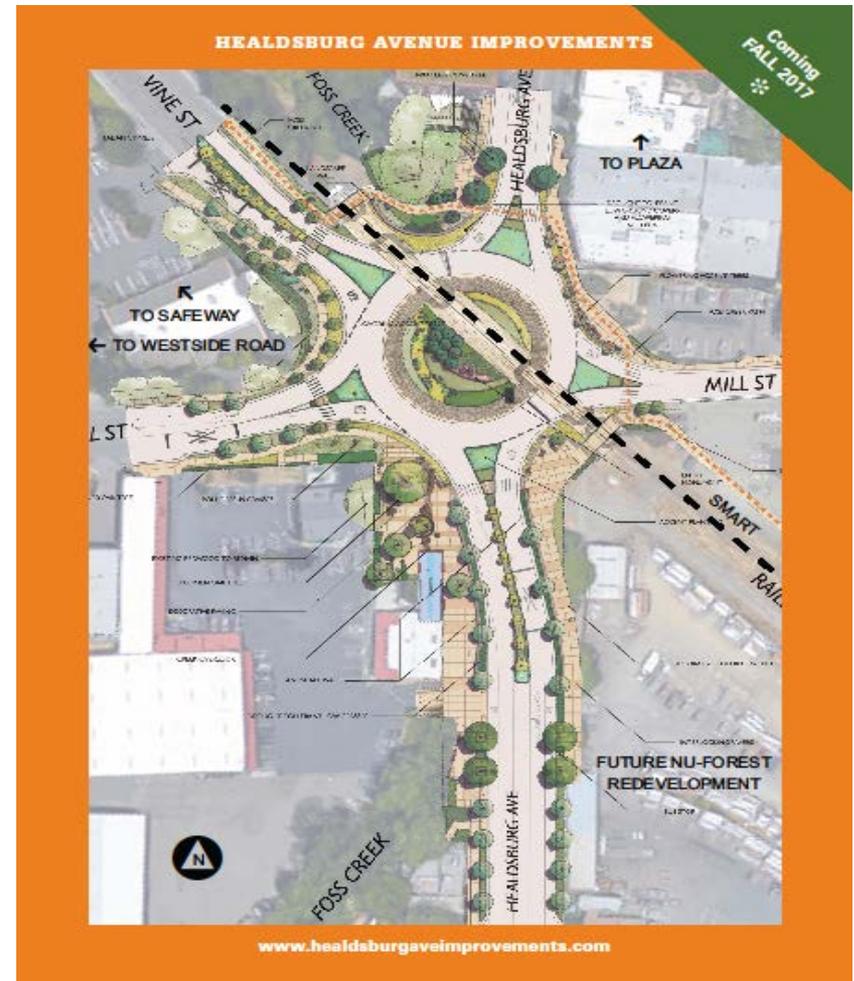
INCREASED PARKING

SYSTEM RELIABILITY

Infrastructure Projects

CHAP

- The Central Healdsburg Avenue Plan establishes a set of guiding principles and design frameworks for the development of public infrastructure and private investment in the Central Healdsburg Avenue and depot area
- \$11 million dollar project includes:
 - Replacing the box culvert
 - Replacing active sewer and waterlines
 - Improvements to the streetscape
 - Crossing gates for SMART train



Infrastructure Projects (continued)

Improvements to Aging Infrastructure

- Grove Street sewer line replacement project supports build out of City's main industrial area
 - Allows for the expansion of businesses on Grove Street
- Utilizing Measure V funds, 25% of the street network will be rehabilitated by mid-2017



Lowest Electric Rates in the County

- 2015 Electric Mix
 - 41% from Geysers + 9% large hydro = 50% carbon free
- On average, 30% cheaper than PG&E, saves our community \$4.7 million each year
- The City offers a completely customizable energy efficiency rebate program to our commercial customers
- Qualifying projects are eligible for both energy reduction and peak demand reduction rebates



Electric Rates (continued)

Electric Rate Comparison

- Healdsburg electric rates are set to cover electric generation, transmission, distribution costs, system and equipment maintenance, staff and overhead costs.

AVERAGE ANNUAL COST FOR SMALL COMMERCIAL CUSTOMER



AVERAGE ANNUAL COST FOR LARGE COMMERCIAL CUSTOMER

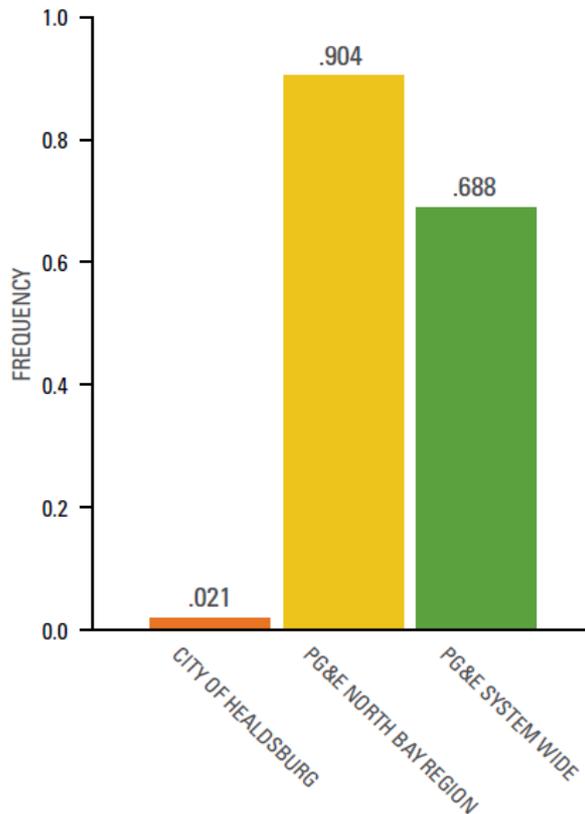


System Reliability - Measurements

Total Outages per year

AVERAGE INTERRUPTION FREQUENCY (SAIFI)

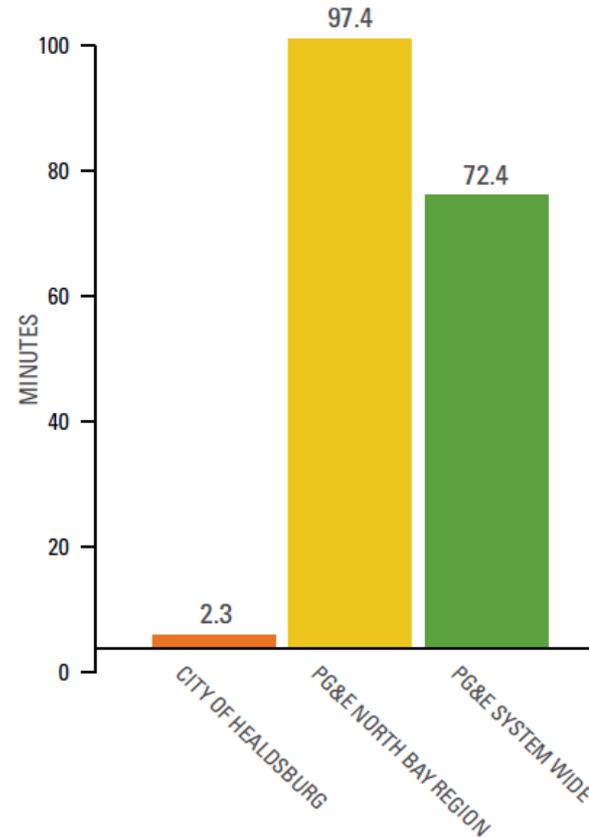
The average frequency index represents each customer's average number of outages per year.



Total Minutes per outage

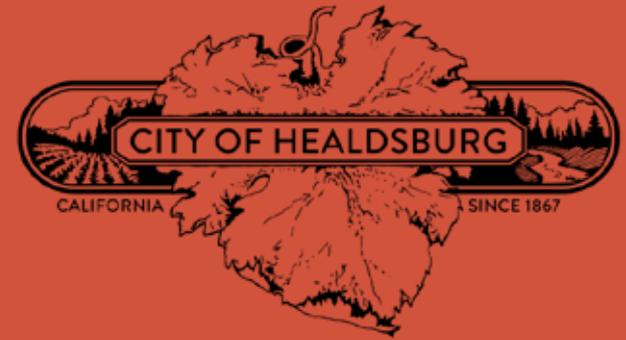
AVERAGE INTERRUPTION DURATION (SAIDI)

The average interruption index represents the average total outage minutes per year a customer experiences.



Increased Parking

- The City is in the design and engineering stages of **creating 70+ parking spaces at the City owned lot adjacent to City Hall**. We hope to begin this project in the Spring of 2017
- The Cerri site is an additional location for increased downtown parking. Staff is working to create a plan that will reduce the footprint of the building and maximize parking. This plan should be complete this winter/early spring. Once there is an approved plan, it is anticipated there will be a net increase in parking for that site
- The City is also working with North Coast Rail Authority at the West Plaza lot, to create **an additional 24 spaces** in their right of way. This is **in addition to the approximate 27 parking spaces the City was able to add on Vine Street in front of Safeway**
- Mid to long term, staff is working with Walker Parking to develop a long term parking management plan to address some of our parking needs Citywide. Addressing community parking is one of your City Council's goals this year. We will continue to look at ways to improve parking in the downtown core



IMPROVED ECONOMIC DEVELOPMENT AND DIVERSITY

NEW BUSINESSES IN HEALDSBURG

NEW LODGING ESTABLISHMENTS

EXPANDING BUSINESSES

BUSINESS SERVICE EXPANSION

Economic Development

New Businesses in Healdsburg

- The Chevoo Company, producing a line of marinated goat cheese products, is moving into a 10,000 sq. ft. production facility in November
- Alexander Valley Gourmet, specializing in gourmet pickles and sauerkraut, just finished construction of a 10,000 sq. ft. production facility
- Mugnaini Pizza Wood Fired Oven, producing wood fired pizza ovens, opened a 15,000 sq. ft. production and demonstration facility
- Draxton, a wine tank storage facility, opened a 22,000 sq. ft. facility



Economic Development (continued)

New Lodging Establishments

- 39 room including 6 suites H3 Guesthouse is under construction
- 122 room hotel across from Big John's will go to Planning Commission in November
- 5-star, 130 room Saggio Hills Resort began construction earlier this summer (includes hotel and housing)



Economic Development (continued)

Expanding Businesses in Healdsburg

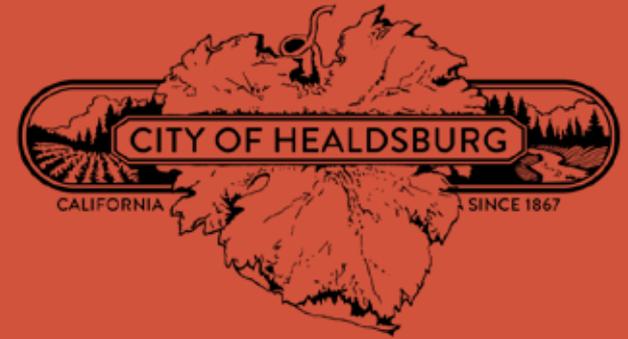
- Big John's Market just completed a 10,000 sq. ft. expansion
- Red Custom Crush recently opened a 16,000 sq. ft. facility and is working to expand their operation by another 10,000 sq. ft.



Economic Development (continued)

Business Services Expansion

- Walker Parking Consultants has been retained to create a parking plan
- The City has contracted for in-house plan check to facilitate local development projects. This recommendation comes from an assessment currently underway by Citygate
- The City will implement an online permit tracking system in early 2017 whereby applicants may apply for permits and track progress online
- One-stop pre-application meetings available Tuesdays and Thursdays providing access to department representatives including the Fire Marshal, Building Official, etc.



ENHANCED QUALITY OF LIFE

AFFORDABLE HOUSING PROJECTS

HOUSING PARTNERSHIPS

FITCH MOUNTAIN PARK & OPEN SPACE PRESERVE

Affordable Housing Projects

1201 Grove Street

- Partnered with Pacific West Communities on the design, construction, and operation 25 unit affordable rental project
- Project received Major Design Review approval from the City
- Project awarded TCAC funding and should begin construction this Spring

155 Dry Creek Road

- Located behind Big John's Market
- Received approval from State for development of low-moderate income housing
- Request for Proposal (RFP) should go out later this year

Saggio Hills

- Up to 150 affordable units on 14-acres

110 Dry Creek Road

- 42 units of affordable rental housing to accompany 122 room hotel



Housing Partnerships

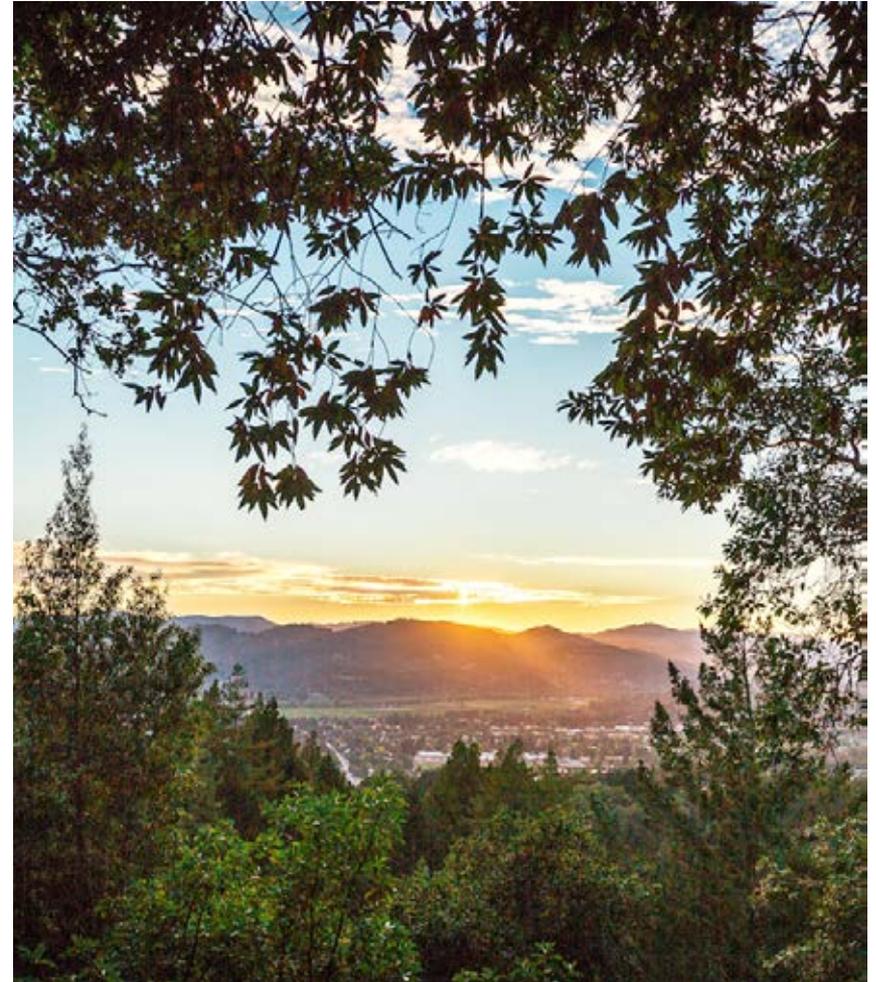
Strategic Partnerships with Housing Service Providers

- North Sonoma County Services (NSCS) provides assistance to low income qualified families at risk of displacement
- Fair Housing Sonoma County provides fair housing services, assisting with tenant/landlord issues and providing education for property owners/managers and tenants
- Housing Land Trust of Sonoma County administers the City's for-sale affordable housing program
- North Sonoma County Services & the Committee on the Shelterless assist families in need of emergency or transitional housing and offer assistance to find permanent housing



Fitch Mountain Park & Open Space Preserve

- Fitch Mountain is currently owned by LandPaths
- City developing a Management Plan for the property
 - To be released for public review and comment, November 2016
 - Plans for creating initial public access, Jan-May 2017
 - Public access constructed, June-October 2017
 - Property transfers to City & opens to public, November 2017



Questions?

