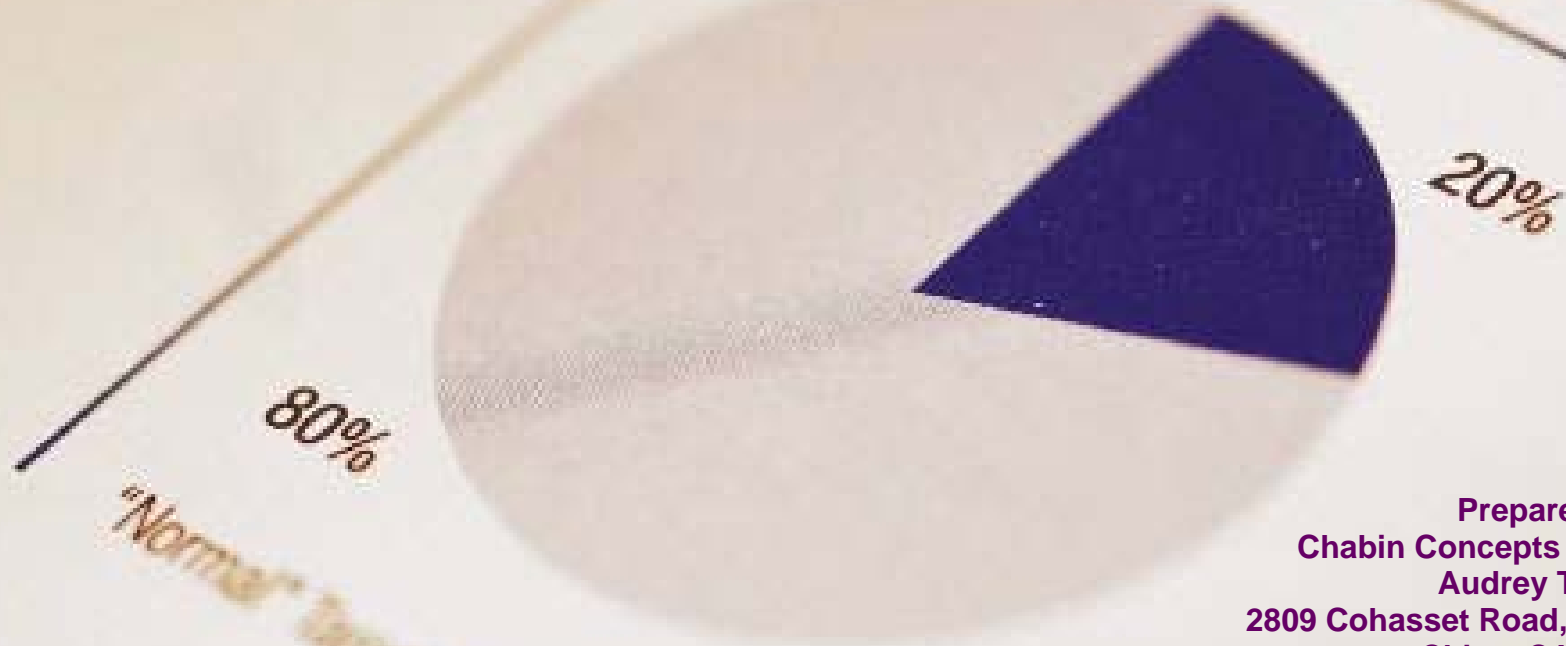


Appendix B.

# Task: Findings – Potential Initiatives for Review



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## Findings – Potential Initiatives for Review

The following tables were prepared to review with the City’s Economic Development to review

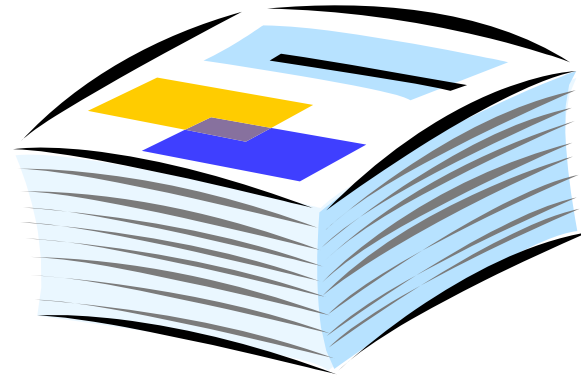
- 1) the findings and,
- 2) potential initiatives that could be recommended to address findings.

A work session was held with City’s economic development staff to review each finding. The initial findings were divided into public (potential city actions) and public/private (actions with partners). The findings were categorized as:

- I. Business Climate Perceptions
- II. Leadership & Vision
- III. Location Assets & Infrastructure
- IV. Economic Development Implementation

The potential initiatives identified to each finding were reviewed to determine if the city was already initiating a similar action, the status of the action and its relevance and priority as a potential solution.

The final strategy recommendations are an outcome of this work session.



<b>Key Findings</b>	
<b>Business Climate Perceptions</b>	<b>Potential Public Initiatives</b>
A. City corporate culture is not innovative and solutions-based (-)	1) A city's corporate culture should support city-wide economic development goals and the drivers of an innovation economy – speed, flexibility, cost, productivity, and customer-driven.
B. There is a need for more City initiated promotion of local businesses. (=)	2) Include licensed businesses in a business directory on the City's web site (with a link to the business' web page) and print hard copies of the directory that can be distributed to chambers of commerce members and businesses that apply for a business license.
C. Communications and outreach to the business community need strengthening.	3) The City can add value to the directory of businesses by sending a quarterly electronic newsletter to local business that includes: <ul style="list-style-type: none"> <li>▪ Updates on regulatory policies</li> <li>▪ Changes in fees and taxes</li> <li>▪ New business tools and resources</li> <li>▪ Special events and information of interest to local businesses</li> <li>▪ Directory of city staff that are important contacts for local businesses</li> </ul>
D. City's economic development program is not visible (-)	4) City economic development staff needs to participate in and sponsor more key regional economic development initiatives, events, and board meetings. (see Public Sector Findings: Alignment of economic development organizations) 5) Economic development staff should hold industry sector meetings once or twice each year to obtain feedback and information about the sector and how the City can best support them. 6) Economic development staff should provide annual presentations to commercial and industrial brokerage firms and other real estate development organizations such as the Building Industry Association. 7) The City's economic development program and the chamber of commerce should strengthen their collaboration to leverage resources and services to local businesses.
E. The City is too focused on retail development. (-)	8) The city should balance retail initiatives with stronger initiatives that support industry targets. Stronger emphasis on industry outreach should help offset the perception that the City is too focused on retail development.

Key Findings	Potential Public Initiatives
Business Climate Perceptions	Potential Public Initiatives
<p>F. Development review and city regulatory process is slow and difficult. (-)</p>	<p>9) If changes can be made to streamline the development review process, these efforts and results should be communicated to the business and real estate development community.</p> <p>10) City departments should survey customers on an annual basis or by using a simple postcard with a few key questions about the department's customer service, timeliness of the process, and the consistency of interpretation of City ordinances and regulations.</p> <p>11) Customer service training should be provided to departments that are involved with delivery of city services to citizens and businesses.</p> <p>12) City building, planning, public works and economic development staff should meet bi-weekly to discuss any issues concerning development projects. These meetings can also enhance team building and internal collaboration.</p> <p>13) The City of Santa Rosa should create a directory of staff involved in the development review process that lists their areas of responsibility. This directory can also include staff from other departments providing services to residents and businesses.</p>
<p>G. City fees and taxes are unreasonable (-)</p>	<p>14) If the City has not already done so, a comparative study of water and sewer fees (and other development fees and taxes) should be done to compare Santa Rosa to surrounding cities. The City's fees may not be as high as other communities.</p> <p>15) The results and explanations for fee increases can be posted on the City's and the chamber of commerce's web site and communicated to local businesses using an electronic newsletter.</p> <p>16) Expand communication to the business community about the purpose of fees and taxes. Before implementing any significant increase in fees and taxes, solicit feedback from the development community.</p>
<p>H. There is a need for greater balance between environmental and economic development goals. (-)</p>	<p>17) Ensure that the City's zoning and building requirements are reasonable with respect to environmental regulations.</p>

II. Leadership/Vision: Key Opportunities	Key Initiatives
A. The City showed foresight by commissioning an economic development strategy that includes a focus on what the City must do to be competitive in a global economy. (+)	1) Key to the success of the initiatives is alignment amongst City staff and the Mayor and City Council as to what the priority economic development goals and vision are.
B. Consensus is needed for city's vision and goals for economic development. (+)	2) It is recommended that the City Council complete an economic development visioning process and reach consensus on city-wide goals for economic development.
C. Adequate city resources are needed to support business growth. (+)	3) Staff should prioritize the recommended initiatives and identify a work plan, budget, and timeline for implementing the strategies for endorsement by the Economic Development Committee and approval by the City Council.

<b>III. Leadership/Vision: Key Opportunities</b>	<b>Key Initiatives</b>
A. The City needs to expedite revitalization of the downtown that includes higher density housing and mixed use projects. (+)	<ol style="list-style-type: none"> <li>1) Create an internal “downtown development” team (public works, planning, building, and economic development) that meets regularly on downtown development and that ensures that developments in the downtown move smoothly and quickly through the entitlement process.</li> <li>2) Coordinate with the Santa Rosa Main Street Program to develop a downtown newsletter that highlights new businesses and development opportunities in the downtown. Newsletter can be sent electronically or by hard copy to potential developers and businesses.</li> </ol>

III. Location Assets and Infrastructure	Key Initiatives
A. There is a lack of financial capital for entrepreneurs and start-up companies. (-)	1) The City should consider bringing in external resources to address this gap and also provide business and technical assistance to start-up businesses. The economic development program could co-sponsor business and technical assistance and entrepreneurship training programs for Santa Rosa businesses. The Chamber of Commerce and the Sonoma County EDB are also good partners for this initiative.
B. There are a number of special industry groups such as SofTech, North Bay Technology Roundtable, and the North Bay Angel Investors that are addressing innovation opportunities and challenges. (+)	2) City economic development program should promote these SIGs as a resource to emerging tech businesses and also participate in their events and meetings in order to enhance the City's image as a location for knowledge companies.
C. There is very little vacant land left for build-to-suit development. (-)	3) The City should inventory key sites that can be redeveloped for industrial uses and ensure there is a balanced inventory of f sites available for future industrial needs.
D. There is a lack of incubator size space in the business and industrial parks. (-)	4) The City should ensure that there is appropriate zoning in place to facilitate the repositioning of existing industrial space into smaller incubator type spaces. 5) City staff should meet with local developers and industrial property owners and corporate real estate/facility directors to learn about any changes in demand for industrial space and how the City can help re-position existing space for new demand.
E. There is a Lack of Class A and B office space in the downtown. (-)	6) Mixed use development in the downtown should be encouraged (through public assistance) to include some office space on the second and third floor below housing and above retail.
F. There is a need for more cultural and entertainment amenities and sense of place in the downtown (-)	7) The City should review existing policies in terms of their effectiveness in supporting entertainment, dining and housing in the downtown. Are there flexible parking requirements for desired retail/restaurant uses, reasonable fees and flexible building and planning ordinances?
G. Non-industrial uses such as housing are beginning	8) The City should support the integrity of industrial zoning with policies

III. Location Assets and Infrastructure	Key Initiatives
to encroach in the industrial areas. (-)	that protect industrial areas from encroaching uses such as retail and housing.
H. The region has good tourism potential because of adjacency to the wine industry. (+)	9) The City should continue to work on developing a wine center but it should note that the center will primarily add value to tourism and will not generate high paying jobs.
I. Santa Rosa is close in proximity to San Francisco. (=)	10) This is an appealing quality of life factor that can be used to market Santa Rosa as a location for businesses. However the distance from San Francisco, especially the airport, is a negative location asset for business recruitment and retention.
J. Santa Rosa has a highly desirable quality of life and a picturesque location, (+)	11) This location asset is a strength for businesses looking to relocate from higher cost areas like Silicon Valley and San Francisco and should be highlighted in promotional materials.
K. Santa Rosa's housing prices are escalating. -)	12) The City should ensure that its zoning policies encourage and support higher density development especially in the downtown and along major transportation corridors. The Railroad district is a good opportunity to increase density of housing with retail as a mixed use development.

III. Location Assets and Infrastructure	Key Initiatives
L. Santa Rosa has a talented, educated workforce. (+)	13) While there are talented and educated worker at the top end of the workforce, the economic base analysis shows lack of qualified workers with mid-level skills, especially for supervisory and management positions. This underscores the need for the City to partner with workforce and education providers to ensure that the skill needs of knowledge driven companies are met.
M. Manufacturing export sales per manufacturing worker is comparable to Bay Area. (+)	<p>14) Economic development staff should partner with the chamber of commerce and the local community college economic development program to provide information and services that support global trade opportunities for local businesses. The chamber now has a senior staff person who has a strong background in international businesses.</p> <p>15) The City, the chamber of commerce and Santa Rosa Community College should determine if the CITD program referenced in the column to the right can be activated in Sonoma County. Currently Sonoma and Marin Counties are supposed to be served by the CITD program at Skyline College in San Mateo but there are no services/programs being offered at this time.</p> <p>16) The City should also support local manufacturers by:</p> <ul style="list-style-type: none"> <li>▪ Exploring the development of a lean manufacturing program in collaboration with Santa Rosa Community College or bringing the services of the State’s Manufacturing Extension Program to Santa Rosa manufacturing companies. This program assists manufacturers in improving their operations for greater efficiency, productivity and competitiveness. Potentially, the City could sponsor MANEX training seminars and consulting in cooperation with local manufacturers.</li> <li>▪ Ensuring that city fees and taxes are reasonable for manufacturing operations and that zoning policies protect manufacturing uses.</li> </ul>

IV. Economic Development Implementation	Key Initiatives
A. The City's economic development program currently does not offer many tools and resources for businesses. (-)	<p>1) Economic development staff should determine what tools and resources they can proactively promote, leverage or create to support business growth. Typical city business assistance tools include:</p> <ul style="list-style-type: none"> <li>▪ Façade improvement grant program.</li> <li>▪ Grants for tenant improvements .</li> <li>▪ Forgivable loans that can be used to target desired development in a specific area.</li> <li>▪ Many redevelopment agencies also pay for an architect or design firm to complete plans for a neighborhood or downtown district thereby alleviating property owners of the expense. Having a plan also guarantees greater continuity of design in a specific commercial district.</li> <li>▪ The City or Redevelopment Agency could provide funding to an existing small business loan program (offered by an SBDC) to create a local small business loan program.</li> </ul>
B. There is a weak link between workforce development and economic development. (-)	<p>2) An HR staff person from the City currently sits on the Sonoma County Workforce Investment Board (WIB). With the passage of the Workforce Investment Act in 1998, a key objective of the new law was to integrate economic and workforce development efforts and resources to create a seamless delivery system of workforce and business services. Consequently, economic development has an important role in the Workforce Investment Board (WIB). The City's economic development director would strengthen the economic development focus of the WIB and serve as a link between workforce resources and services needed by local businesses.</p>
C. Business Image	<p>3) Develop key messages, target specific audiences - develop schedule to change image of city.</p>

<b>FINDINGS</b>	
<b>I. Business Climate Perceptions</b>	<b>Potential Initiatives</b>
A. Public/private partnerships are needed to foster business growth (+)	<ol style="list-style-type: none"> <li>1) The City's economic development committee should consider adding businesses that represent industry targets and other key economic development partners. There is a potential to add to this committee's effectiveness by also including some residents from a cross section of the city. <ul style="list-style-type: none"> <li>▪ The committee could meet twice a year to monitor strategy implementation, provide input, direction and consensus.</li> <li>▪ This expanded participation can provide the City with industry intelligence and serve as a means for consistent communication with businesses.</li> </ul> </li> <li>2) Another option is to schedule two meeting a year that are study sessions with local business sectors such as retail, manufacturing, high tech and other economic development partners such as education and workforce development.</li> <li>3) Meetings can also be scheduled with other community and neighborhood groups to introduce the strategy and provide updates on implementation.</li> </ol>
B. Stronger partnership needed between education, workforce development, economic development and knowledge driven companies	<ol style="list-style-type: none"> <li>4) The workforce investment board has good representation from higher education and public sector partners. Adding a representative from local economic development and knowledge driven companies such as Agilent, Medtronics and the telecom sector would strengthen the board's ability to serve those sectors.</li> <li>5) Since the telecom sector is a cluster in Santa Rosa and the county, the WIB could invite representatives from these companies.</li> </ol>

II. Leadership and Vision	Potential Initiatives
A. Auto access to Santa Rosa is constrained by congested Highway 101. (-)	1) The City should continue proactive leadership in transportation planning efforts to obtain additional funding for improvements to Highway 101. 2) The City should continue to support transportation measures that collect additional sales tax to fund transportation improvements
B. Lack of commercial air service will seriously limit future economic growth in the region. The region and Santa Rosa will not be competitive in a global economy without air service.	3) Currently there is a public/private partnership committee that is pursuing options to improve Santa Rosa Airport. A constraint has been the funding for improvements to Santa Rosa Airport needed to attract commercial air service. The City and the County also need to provide strong leadership and support of the airport during the environmental review process.
C. There is an opportunity to align economic development strategies and organizations (=)	4) Key economic development organizations in the county could align and coordinate their mission, goals, resources and services to support regional economic development initiatives and public policy 5) Santa Rosa and the County have a number of organizations committed to economic development – a single, regional organization could increase the visibility and strength of support for policy initiatives.
D. The Santa Rosa Chamber of Commerce leading effort to attract and create higher paying jobs. (+)	6) The City and the Chamber should integrate their efforts for attracting and creating higher paying jobs. Other key partners in this effort are the Workforce Investment Board, the Sonoma County EDB, the Sonoma County Alliance, Santa Rosa Junior College and Sonoma State University.
E. There is a perception that K-12 public education system is weak. (-)	7) K-12 education has a few good initiatives focused on expanding computer usage and awareness of science and technology. Economic development staff can provide connections to technology companies to expand resources and partnerships with public education.
F. Emerging partnerships between higher education and business. (+)	8) Sonoma State University Science and Technology department is reaching out to local businesses to establish partnerships.

III. Location Assets and Infrastructure	Potential Initiatives
A. Santa Rosa is experiencing emerging population diversity. (+)	Economic development staff should ensure that the minority chambers have access to technical assistance and business resources.

IV. Economic Development Implementation	Key Initiatives
A. Business Development, Investment, Job Growth & Earning Growth	<ol style="list-style-type: none"> <li>1) Cluster Conversations</li> <li>2) Business Outreach - Local</li> <li>3) Entrepreneurial - V3</li> <li>4) International Assistance</li> <li>5) Regional Marketing</li> </ol>