



Economic Development Subcommittee Meeting

September 10, 2024



New Business Items

Staff Presentation



6.1 Enhanced Infrastructure Finance District (EIFD) Update

Planning and Economic Development Director Gabe Osburn



6.2 Downtown Action Organization (DAO) Update

Executive Director Cadance H. Allinson



6.3 Interest Rate, Labor and Vacancy Update

Chief Economic Development Officer Scott Adair



Interest Rate Update

2023

- **8.50%** – Effective as of: 07/27/2023
- **8.25%** – Effective as of: 05/04/2023
- **8.00%** – Effective as of: 03/23/2023
- **7.75%** – Effective as of: 02/02/2023

2022

- **7.50%** – Effective as of: 12/15/2022
- **7.00%** – Effective as of: 11/03/2022
- **6.25%** – Effective as of: 09/22/2022
- **5.50%** – Effective as of: 07/28/2022
- **4.75%** – Effective as of: 06/16/2022
- **4.00%** – Effective as of: 05/05/2022
- **3.50%** – Effective as of: 03/17/2022

2020

- **3.25%** – Effective as of: 03/17/2020
- **4.25%** – Effective as of: 03/04/2020

8.50% – Effective as of: September 06, 2024

Federal Reserve Chair Jerome Powell at annual economic conference in Jackson hole, Wyoming: 'The time has come' for the Fed to soon begin reducing interest rates. With inflation nearly defeated and the job market cooling, Fed Chairman Jerome Powell says the Federal Reserve is prepared to start cutting its key interest rate from its current high. - Aug 23, 2024



Interest Rate Update



7(a) loan program

Date	Greater than \$250,000 (%)	Greater than \$50,000 and less than or equal to \$250,000 (%)	Greater than \$25,000 and less than or equal to \$50,000 (%)	\$25,000 or less (%)	Fixed Base Rate used to calculate the maximum fixed rates (Prime %)
9/1/2024	13.50	14.50	15.50	16.50	8.50
8/1/2024	13.50	14.50	15.50	16.50	8.50
7/1/2024	13.50	14.50	15.50	16.50	8.50
6/1/2024	13.50	14.50	15.50	16.50	8.50
5/1/2024	13.50	14.50	15.50	16.50	8.50
4/1/2024	13.50	14.50	15.50	16.50	8.50
3/1/2024	13.50	14.50	15.50	16.50	8.50
2/1/2024	13.50	14.50	15.50	16.50	8.50
1/1/2024	13.50	14.50	15.50	16.50	8.50
12/1/2023	13.50	14.50	15.50	16.50	8.50
11/1/2023	13.50	14.50	15.50	16.50	8.50
10/1/2023	13.50	14.50	15.50	16.50	8.50
9/1/2023	13.50	14.50	15.50	16.50	8.50
8/1/2023	13.50	14.50	15.50	16.50	8.50
7/1/2023	13.25	14.25	15.25	16.25	8.25



Interest Rate Update

Avg business loan rates Q3 2024 (Federal Reserve)

Business loan	Interest rate
Bank business loan	Average 7.85% to 8.79% APR*
Online business loan	9.00% to 75.00% APR
Business lines of credit	Average 7.58% to 9.35% APR*
SBA loans	Fixed rate: 13.50% to 16.50% APR Variable rate: 11.50% to 15.00% APR
Merchant cash advance	1.04 to 1.32 factor rate
Bad credit business loans	20% to 99%+ APR 1.03 to 1.52 factor rate



Labor Update

State of California Employment Development Department (EDD) August 16, 2024, LMI Report

Monthly Labor Force Data for Cities and Census Designated Places (CDP)						
July 2024 - Preliminary						
Data Not Seasonally Adjusted						
Area Name	Labor	Employ-	Unemployment		Census Ratios	
	Force	ment	Number	Rate	Emp	Unemp
Sonoma County	249,500	238,600	10,900	4.4%	1.000000	1.000000
Rohnert Park city	23,100	22,100	1,100	4.6%	N/A	N/A
Santa Rosa city	87,400	83,400	4,000	4.6%	N/A	N/A
Windsor town	13,800	13,200	600	4.3%	N/A	N/A



Labor Update

State of California Employment Development Department (EDD) August 16, 2024, LMI Report

Employer Name	MSA	Industry	Employee Size Class
Medtronic	Santa Rosa	Physicians & Surgeons Equip & Supls-Mfrs	1000-4999
Providence Santa Rosa Meml Hsp	Santa Rosa	Hospitals	1000-4999
Amy's Kitchen Inc	Santa Rosa	Frozen Food Processors (mfrs)	500-999
County-Sonoma Trnsprtn-Pubc	Santa Rosa	Fire Departments	500-999
Mendocino Forest Products Co	Santa Rosa	Lumber-Wholesale	500-999
Sonoma County Office of Edu	Santa Rosa	County Government-Education Programs	500-999
Sonoma County Sheriff	Santa Rosa	Government Offices-County	500-999
Sutter Santa Rosa Regl Hosp	Santa Rosa	Hospitals	500-999
Army National Guard Recruiter	Santa Rosa	Government Offices-State	250-499
Freeman Toyota	Santa Rosa	Automobile Dealers-New Cars	250-499
Ghilotti Construction Co	Santa Rosa	Road Building Contractors	250-499
Kaiser Permanente Santa Rosa	Santa Rosa	Hospitals	250-499
Keysight Technologies Inc	Santa Rosa	Instruments-Measuring (mfrs)	250-499
Macy's	Santa Rosa	Department Stores	250-499
Santa Rosa Police Dept	Santa Rosa	Police Departments	250-499
America's Labor Market Information System (ALMIS) Employer Database, 2024 2nd Edition			



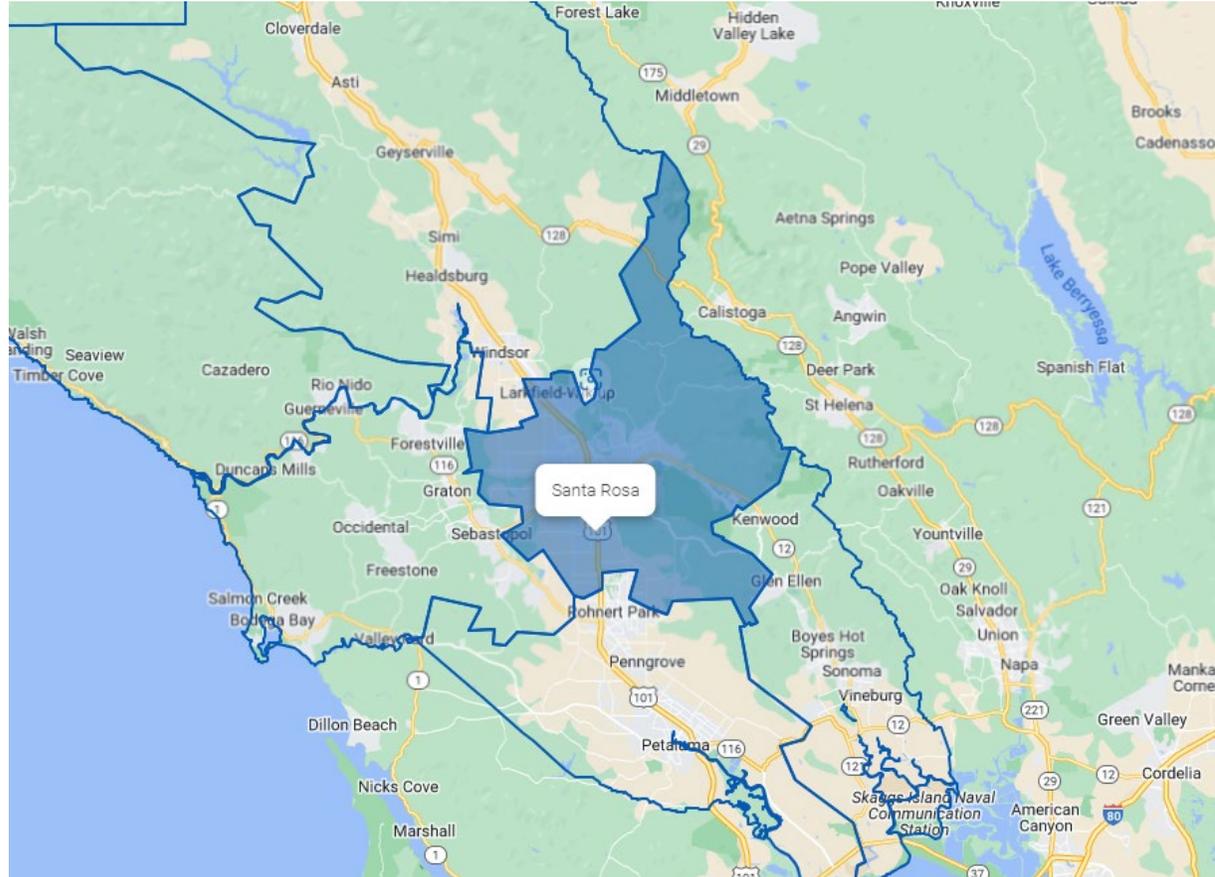
Labor Update

State of California Employment Development Department (EDD) August 16, 2024, LMI Report

Geography: Santa Rosa MSA									
Counties: Sonoma									
MSA Code	Geographic Area Name	SOC Code	Occupational Title	Mean Hourly Wage	Mean Annual Wage	Mean Relative Standard Error (1)	25th Percentile Hourly Wage	50th Percentile (Median) Hourly Wage	75th Percentile Hourly Wage
42220CA	Santa Rosa,	00-0000	Total all occupations	\$34.70	\$72,180	0.5	\$19.28	\$25.61	\$39.59



Vacancy Update



Santa Rosa | \$2.6B Asset Value

Santa Rosa - CA USA



Inventory SF	12.2M ↑	Market Asking Rent/SF	\$16.03 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	0.1% ↑
12 Mo Net Absorp SF	316	Market Sale Price/SF	\$212 ↓
Vacancy Rate	7.0% ↑	12 Mo Sales Vol	\$33.3M ↑

Santa Rosa | \$2.1B Asset Value

Santa Rosa - CA USA



Inventory SF	9.6M ↓	Market Asking Rent/SF	\$25.27 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	0.9% ↑
12 Mo Net Absorp SF	72.2K	Market Sale Price/SF	\$217 ↓
Vacancy Rate	7.2% ↓	12 Mo Sales Vol	\$20.5M ↓



Santa Rosa | \$3.3B Asset Value

Santa Rosa - CA USA



Inventory SF	11.5M ↓	Market Asking Rent/SF	\$28.46 ↑
Under Constr SF	0 ↓	Market Asking Rent Growth	1.4% ↑
12 Mo Net Absorp SF	(173K)	Market Sale Price/SF	\$290 ↑
Vacancy Rate	5.6% ↑	12 Mo Sales Vol	\$55.8M ↑



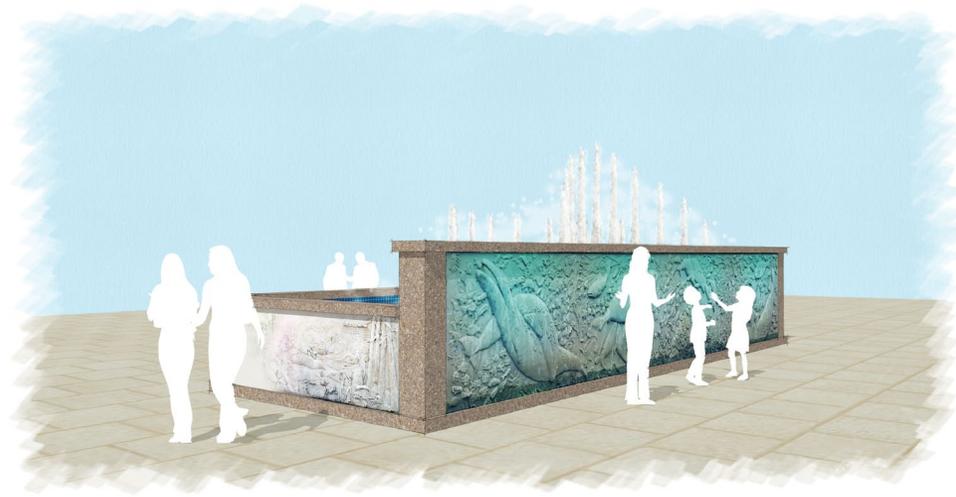
6.4 Asawa Fountain Project Update

Arts and Culture Coordinator Meredith Knudsen



Asawa Fountain Project Update

- Hugh Futrell, Hugh Futrell Corporation, presented at Art in Public Places Committee on September 9, 2024. Discussion items included tile color, concrete color, Asawa Plaque
- Meeting mid-September for next steps on submittal of plans and project timeline
- Objective is to construct fountain in 4Q24 and beginning 1Q25



Potential Tile Colors



Enchanted



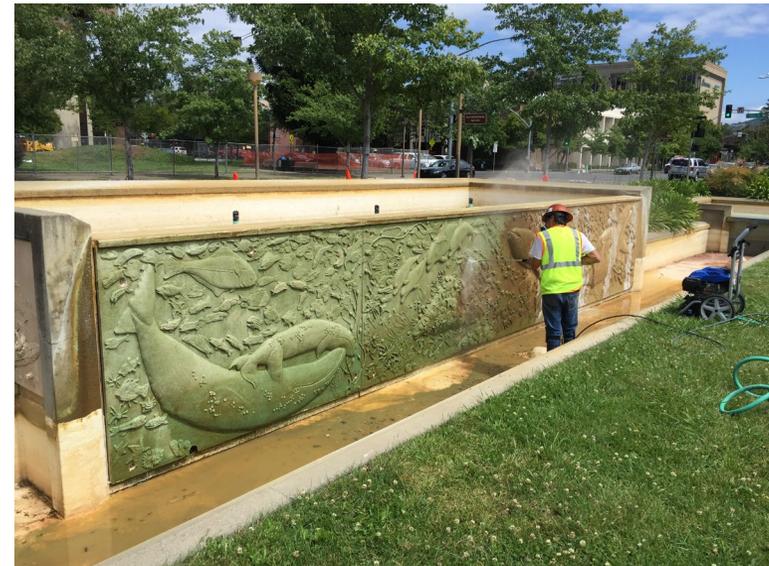
Lighthouse



Bay Waves

Asawa Panels

- Panels currently being stored with Atthowe Fine Art Services
- Contracted with Artworks Foundry for casting of bronze panel and install.
- Panels must be cast in bronze after fountain is built to ensure exact measurements
- Meeting with Foundry September 11



6.5 Events Update

Arts and Culture Coordinator Meredith Knudsen



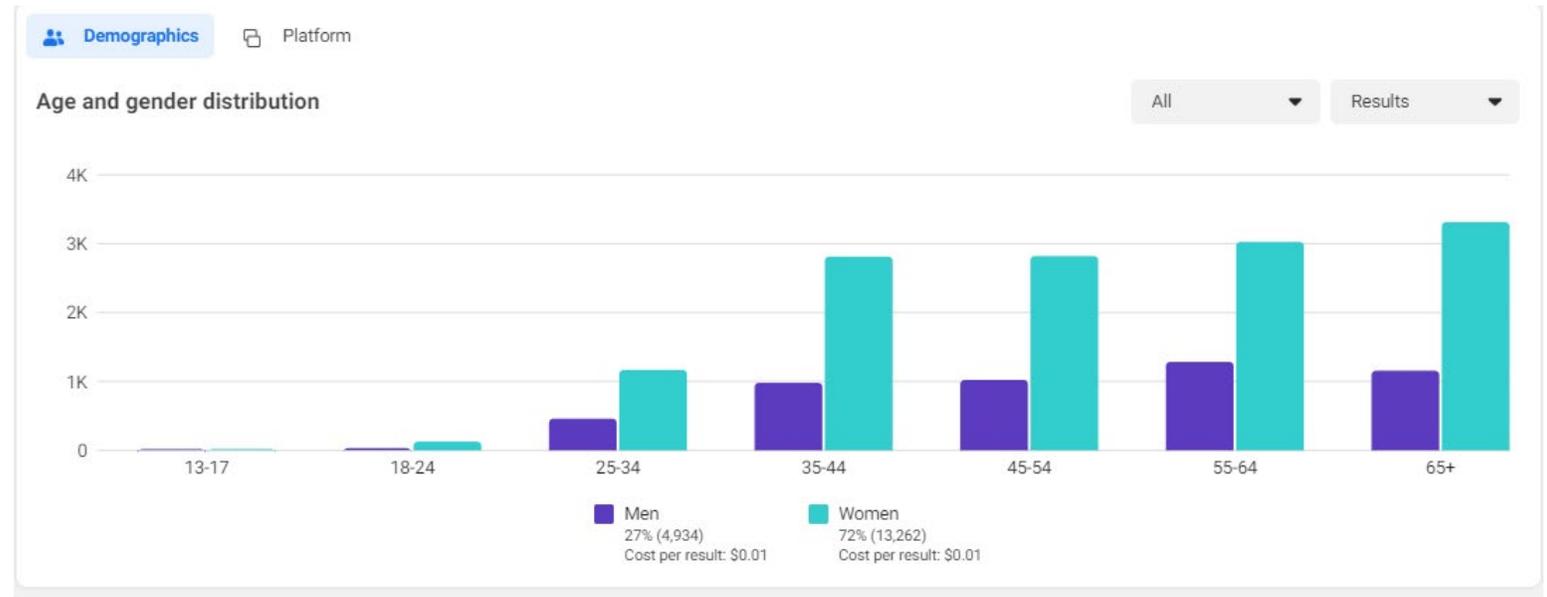
Event Support Funding

Applications close September 12th
Community Promotions/ SRTBIA

Marketing outreach:
Event Management, Event Organizers, Event Promoters, Meeting and Event Planners

Target:
21- 65+
30-mile radius each location

Ad set	Delivery	Budget	Last significant edit	Results	Reactions	Impressions	Cost per result
Los Angeles	Active	\$100.00 Lifetime	Sep 3, 2024, 12:16P... 6 days ago	6,810 Post engagements	5,515	8,637	\$0.01 Per Post Engag...
Portland	Active	\$100.00 Lifetime	Sep 3, 2024, 12:16P... 6 days ago	5,890 Post engagements	4,317	8,991	\$0.02 Per Post Engag...
Seattle	Active	\$100.00 Lifetime	Sep 3, 2024, 12:16P... 6 days ago	6,180 Post engagements	4,677	8,800	\$0.02 Per Post Engag...
Austin	Active	\$100.00 Lifetime	Sep 3, 2024, 12:16P... 6 days ago	5,837 Post engagements	4,472	8,574	\$0.02 Per Post Engag...
San Jose	Active	\$100.00 Lifetime	Sep 3, 2024, 12:16P... 6 days ago	5,992 Post engagements	4,745	8,606	\$0.02 Per Post Engag...
Sonoma County	Active	\$100.00 Lifetime	Sep 3, 2024, 12:16P... 6 days ago	5,999 Post engagements	4,412	10,065	\$0.02 Per Post Engag...
Results from 6 ad sets			—	36,708 Post engagements	29,090 Account...	53,673 Total	\$0.02 Per Post Engag...



Upcoming Events

9/14, 15, 21, 22 1st annual Santa Rosa Open Studios: over 70 artist studios open for two weekends. Free, self-guided tour takes you into the studios of Santa Rosa's vibrant art scene.

9/15 Fiesta de Independencia at Luther Burbank Center free, family-friendly, campus-wide festival honors Latin American countries that recognize their independence during this month.

9/15 Bike MS: Waves to Wine A 100-mile fundraising bike ride from San Francisco to Rohnert Park on Day 1. Day 2 features 40/60 mile routes that start and finish in Rohnert Park cycling through Santa Rosa.

9/20 Hall of Flowers 'Cannabis Market & Festival' Trade Show at Sonoma County Fairgrounds

9/17, 20 & 21 Downtown Underground Tour, Tour de Creek Trail Bike Ride & Creek to Coast Cleanup Day

9/22 8th annual free Railroad Square Music Festival. 5 stages, all original and local acts with focus on diversity and representation of the many cultures that make Santa Rosa special.

10/12 Kiwanis Harvest Art & Wine Festival in Courthouse Square

10/12 Sonoma County Harvest Wine Fair at Sonoma County Fairgrounds highlighting our County's agricultural, industrial and recreational opportunities

10/25 Fall Fun Fest: Rides, games, trick-or-treating, inflatables, a costume contest and a kids dance party on the stage.

11/29 Winter Lights Tree Lighting Celebration



6.6 Key Performance Indicator (KPI) Discussion

Chief Economic Development Officer Scott Adair



6.6 Key Performance Indicator (KPI) Discussion

Labor Market Information

- Unemployment
- Labor Force Participation Rates
- Wage Data
- Employment Data By Industry
- Occupation Projections

Consumer Economic Indicators

- Consumer Price Index
- Median Home Price
- Home Sales and Inventory
- Commodity Tracking

Business Economic Indicators

- Permit Activity
- Closures and Openings
- Market Vacancy
- Target Sector Projections
- Tourism Data

Community Economic Indicators

- Commercial Tax/Fee Projections
- Private/Public Investment Ratio's
- Human Development and Quality of Life Indices, etc.



End

Questions or Feedback on Future Presentation Items

