



WHERE SUCCESS TAKES ROOT

City of Santa Rosa Economic Development Subcommittee Meeting

August 2025



Agenda



1. Call to order and roll call
2. Remote Participation
3. Modifications to the Agenda
4. Announcements
5. Approval of Minutes
6. Public Comments
7. Matters held in Committee
8. Partner Reports
9. Department Reports
10. Future Agenda Items
11. Adjournment

8. Partner Reports



8.1 Sales Tax Overview - City of Santa Rosa

Finance Department (Informational)

Sales Tax Overview

- Bradley Burns (BB)
 - Of the State's 7.25% sales tax 1% is redirected to Santa Rosa along with 0.25% going to County transportation funds
- Transaction & Use Taxes (TUT) or District Taxes
 - Voter approved local measures to increase sales taxes
 - PSAP, City Measure Q, County Measure H, County Measure O
- For every \$100 in taxable sales Santa Rosa receives \$1.75

- Bradley Burns vs. TUT
 - Allocated differently for the same transaction
 - Internet retail sales
 - TUT – Tax revenue is allocated to jurisdiction where purchase was shipped
 - Bradley Burns – Majority of tax revenue allocated to the County pool
 - Car sales
 - TUT – Petaluma resident buys a car in Santa Rosa, Petaluma receives TUT Sales Tax
 - Bradley Burns – Petaluma resident buys a car in Santa Rosa, Santa Rosa receives BB Sales Tax
 - Retail, Restaurant & Service Stations
 - Both TUT and Bradley Burns allocate to jurisdiction where purchase was made
- County Pool
 - California uses a countywide pool system to allocate local sales tax and use payment that cannot be identified with a place of sale
 - Generally allocated along basis of share of all taxable goods = a city generating 4% of taxable sales receives 4% of taxable goods

Sales Tax Rates by City and County

Taxing Agency	Rate	Purpose
County	0.25%	Open Space, Clean Water and Farmland Protection
County	0.25%	Child Care and Children's Health
County	0.125%	Library Maintenance, Restoration and Enhancement
County	0.25%	Transportation Authority
County	0.25%	Smart
County	0.25%	Mental Health, Addiction and Homeless Services
County	0.50%	Improved and Enhanced Local Fire Protection, Paramedic and Disaster Response
County	0.125%	Parks
County Total	2.000%	
City	0.5%	City- General Services
City	0.25%	Public Safety (PSAP)
City Total	0.75%	
State	1%	Bradley Burns to City
State	0.25%	Bradley Burns to County Transportation Funds
State	5%	State General Fund
State	0.5%	Public Safety, Local Criminal Justice
State	0.5%	Health and Social Services Programs
State Total	7.25%	
	10.0%	City of Santa Rosa- Total applicable sales tax rate

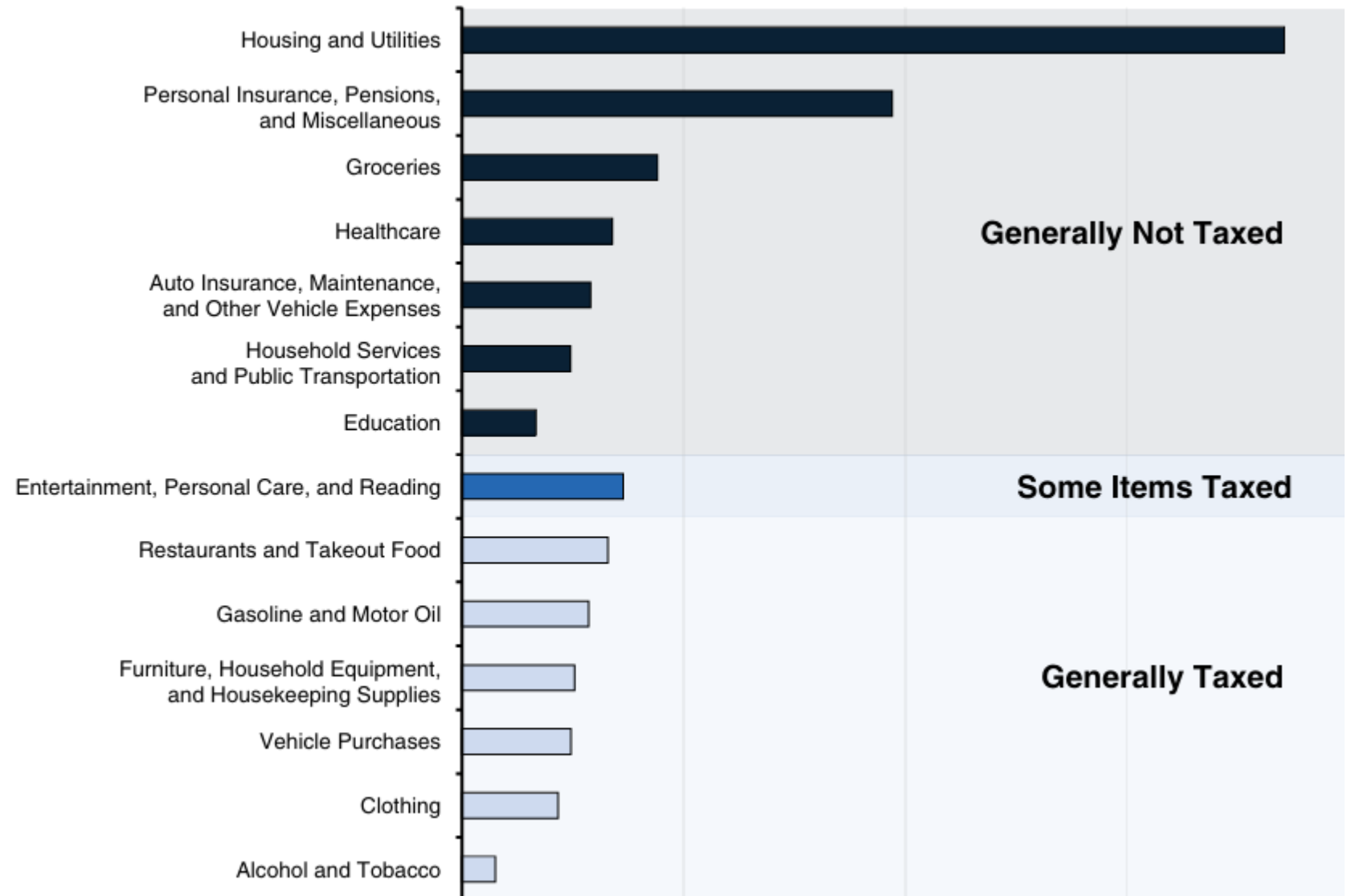
Sales Tax by City - Sonoma County				
	TUT /District Taxes			
	Local	County	State	Total
Sonoma	1.50%	2.00%	7.25%	10.75%
Cotati	1.00%	2.00%	7.25%	10.25%
Petaluma	1.00%	2.00%	7.25%	10.25%
Sebastapol	1.00%	2.00%	7.25%	10.25%
Cloverdale	0.75%	2.00%	7.25%	10.00%
Santa Rosa	0.75%	2.00%	7.25%	10.00%
Healdsburg	0.50%	2.00%	7.25%	9.75%
Rohnert Park	0.50%	2.00%	7.25%	9.75%

County TUT Sales Taxes		
County	Tax Measures	Total
Alameda	6	3.000%
Sonoma	8	2.000%
Contra Costa	3	1.500%
Mendocino	5	1.250%
Santa Clara	6	1.250%
Marin	3	1.000%
Sacramento	1	0.500%
Napa	1	0.500%
Solano	1	0.125%

What are Taxable Goods?

- California has a high sales tax rate but narrowest sales tax base in the nation
 - Services commonly taxed in other states include auto repair, labor services and many home services

* Infographic per State
Legislative Analyst Office



9. Department Reports

9.1 Economic Development Strategy Implementation Plan Update (Discussion)

9.2 Metrics and Indicators: Draft Quarterly Economic Report (Discussion)

9.3 Vacant Space Activation: Rank and Review Options (Discussion)

9.4 Entertainment Zones (Discussion)

9.5 Program Updates (Informational)

- a. Business Attraction, Retention and Expansion Update
- b. Entrepreneurship and Small Business Update
- c. Economic Vibrancy and Resiliency Update (Events)
- d. Community Investment Update (Art & Culture)

9.6 Other Updates or Announcements (Informational)

9.1 Economic Development Strategy Implementation Plan Update



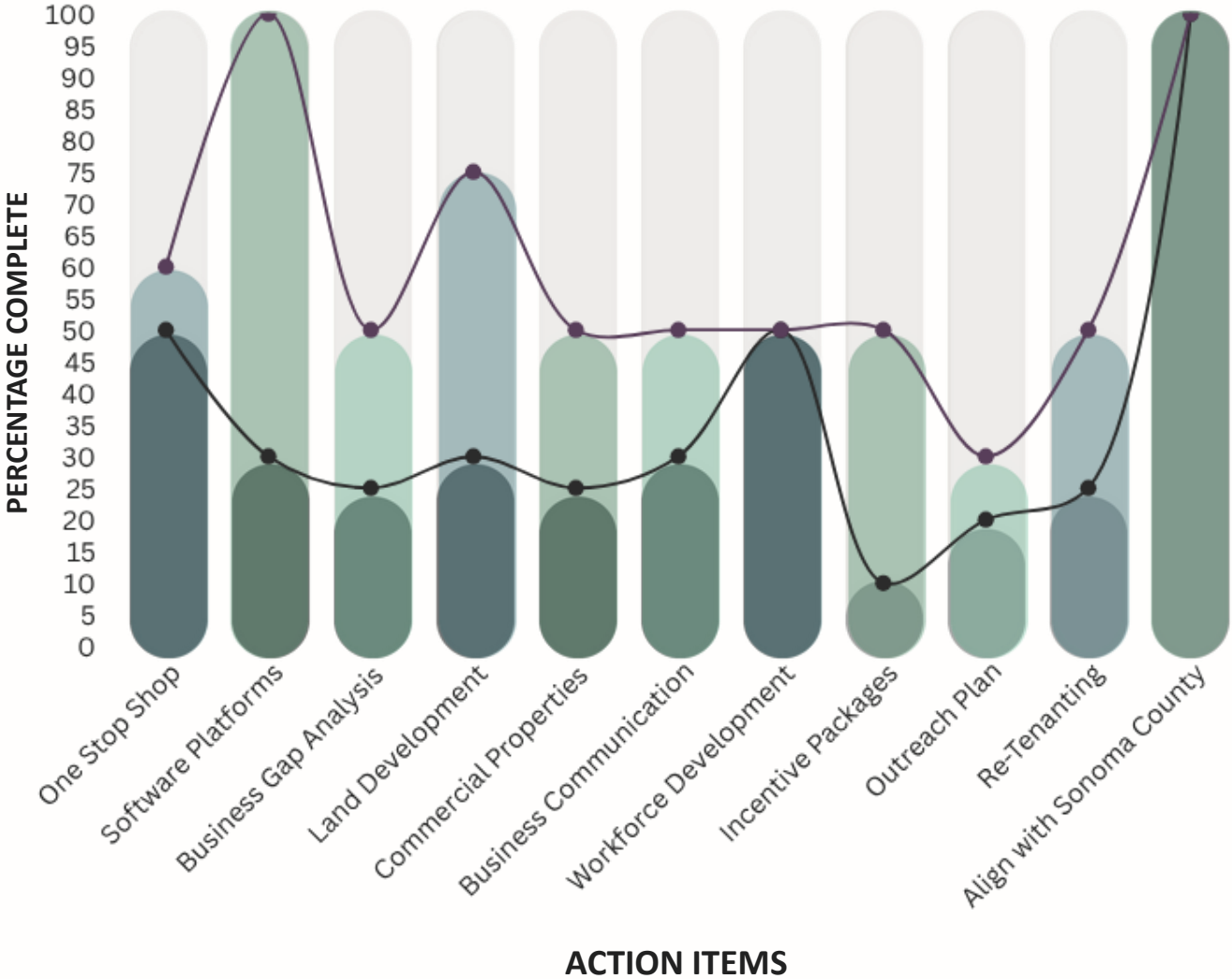
Economic Development Strategy

Adopted April 2024

Objectives:

- Create Fiscal Stability
- Support Workforce
- Business-Friendly City
- Communication Strategy
- Increase Businesses
- Business Retention & Expansion
- Support & Grow Businesses
- Support Entrepreneurship
- Remove Barriers

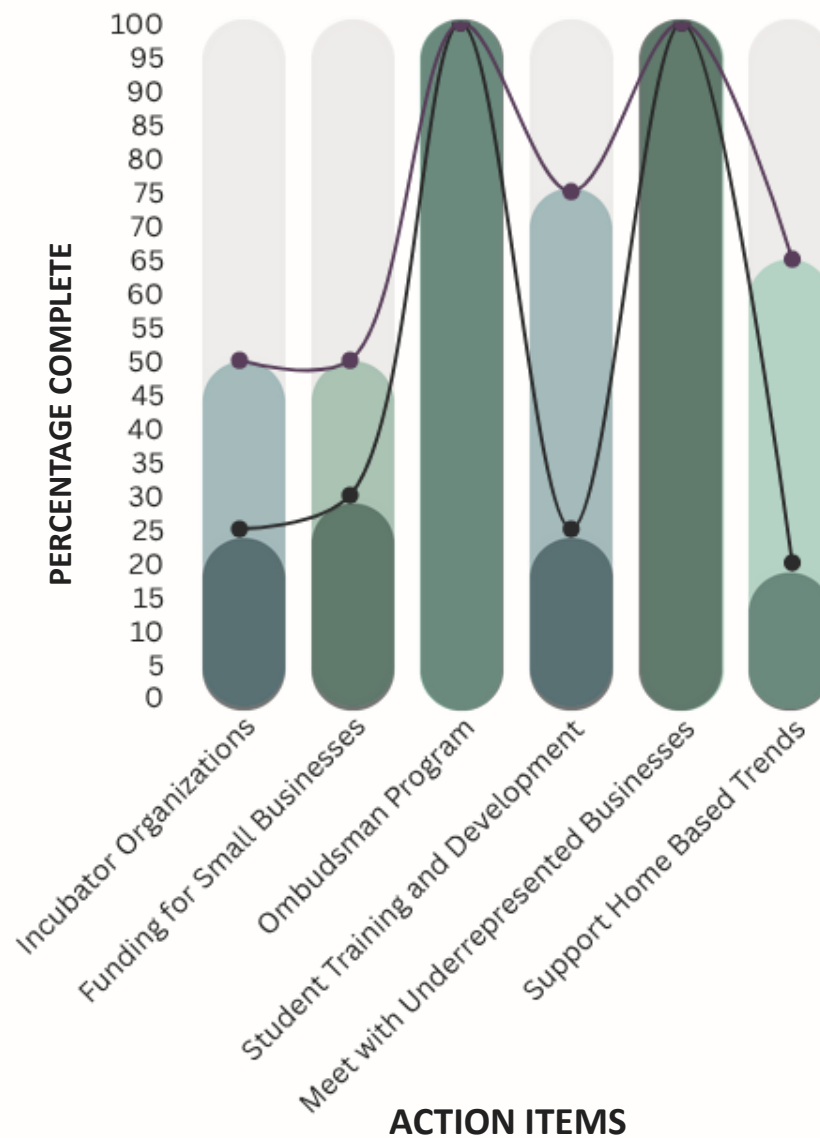
BUSINESS GROWTH & RETENTION



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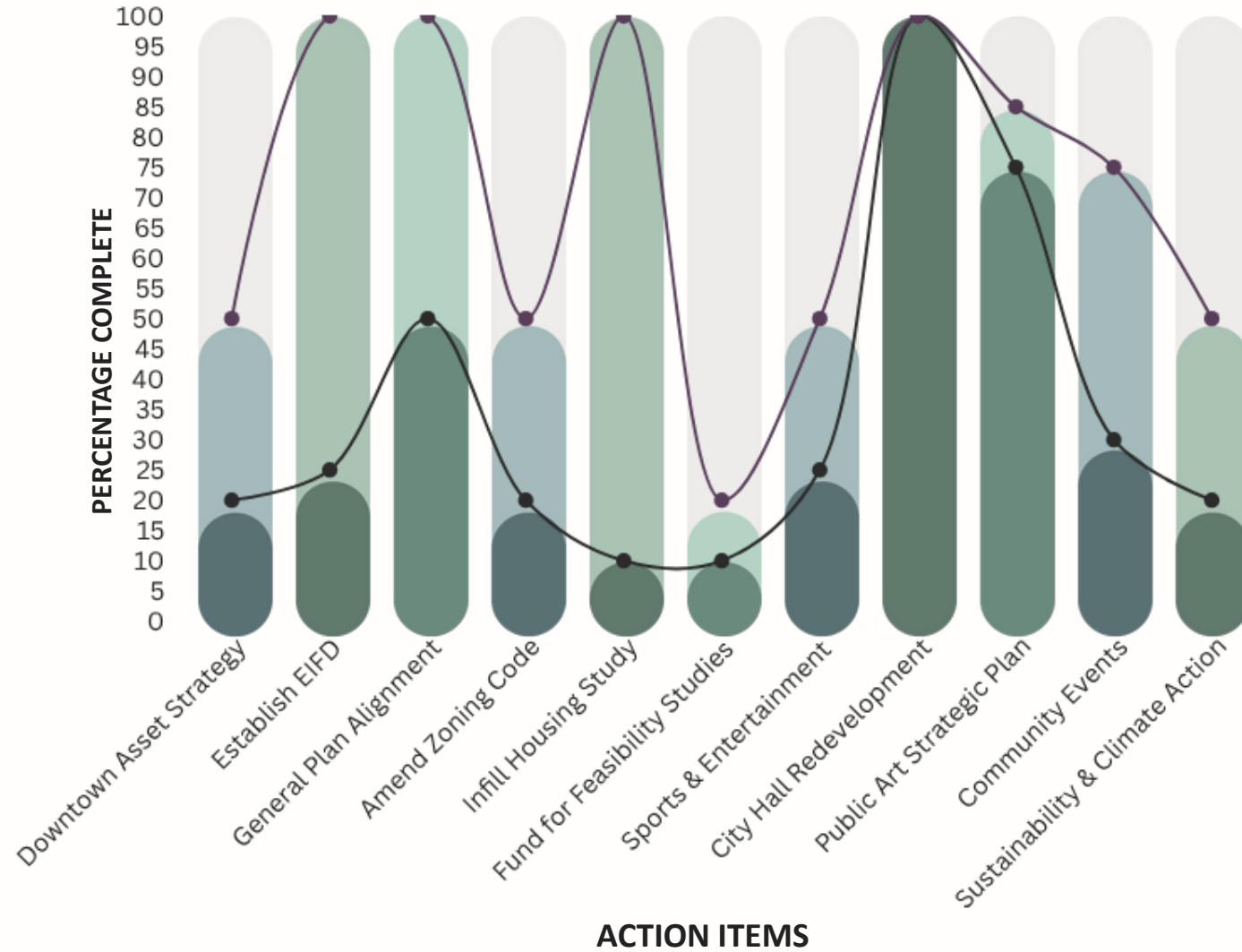
ENTREPRENEURSHIP & SMALL BUSINESS



Objectives:

- Downtown Housing
- Increase Revenue
- Support Economy
- Walkable Neighborhoods
- Climate Action Goals

ECONOMIC VIBRANCY & RESILIENCY

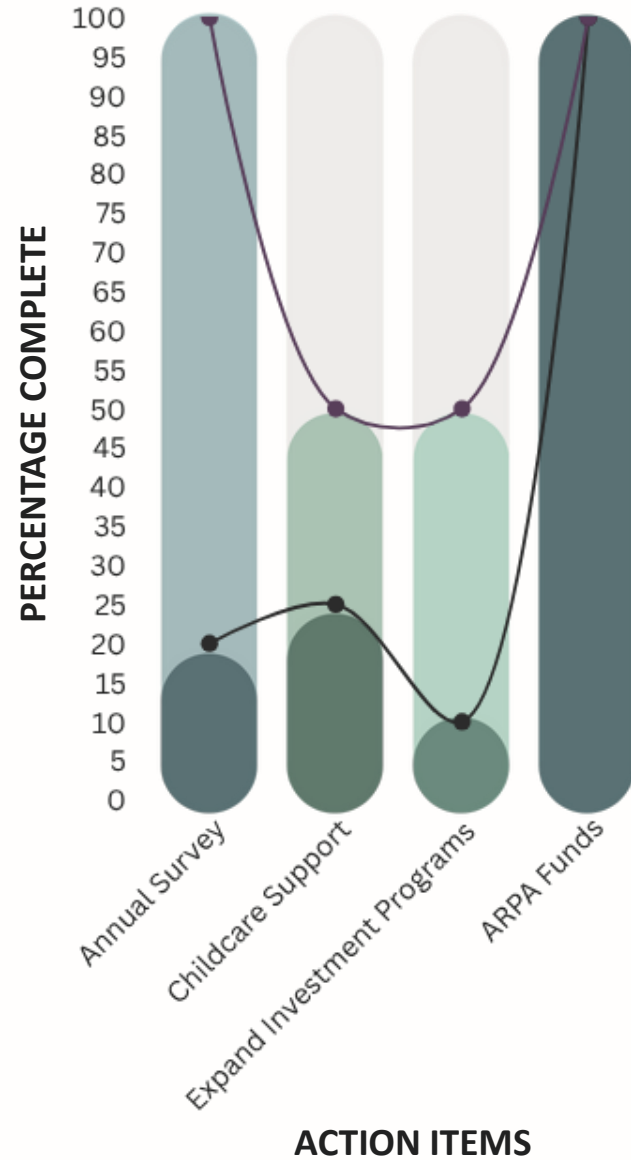


Implementation Plan Progress as of August 1, 2025

Objectives:

- Upstream Investment
- Support Diverse Needs
- Address Childhood Poverty
- Early Childhood Sector

COMMUNITY INVESTMENT



9.2 Metrics and Indicators: Draft Quarterly Economic Report (Discussion)



Asking for review of the Quarterly Report and data and provide any feedback you may have

9.3 Vacant Space Activation: Rank and Review Options (Discussion)

Vacant Space Activation Strategies



- **Landlord Recovery Fund** – A recovery fund to help landlords take a chance on new businesses. For recovering losses incurred by leasing space to newly established business or to first time commercial property renters.
- **New Commercial Renter Education Program** – A support initiative offering workshops, toolkits, and one-on-one guidance to help new business owners understand leases, build out timelines, permitting, and financial readiness to reduce barriers to occupying vacant spaces.
- **Façade Improvement Grant Program 2.0** -- An updated version of the City's façade grant program, offering expanded funding and streamlined processes to help improve the exterior appearance of downtown buildings, encouraging foot traffic and placemaking.
- **Vacant Unit Infill Grant Program** – A small-scale grant opportunity to help entrepreneurs, artists, or nonprofits activate vacant spaces with short-term retail, cultural, or experiential uses, reducing vacancy and testing long-term viability.

9.4 Entertainment Zones



9.5 Program Updates (Informational)

Business Attraction, Retention and Expansion:

Large Business Attraction

Create a business-friendly, sustainable, and strong economy by attracting new businesses and expanding, retaining, and supporting existing businesses



Goals:

- Create fiscal stability for the City, businesses and property owners
- Support a thriving workforce
- Establish Santa Rosa as a business-friendly city
- Develop a communication strategy for the promotion of services and interactions with business owners
- Increase the number of medium and large businesses in key industries
- Create a business retention and expansion strategy for existing industry

Actions:

- Create a virtual one-stop-shop online portal of virtual tools to start or expand a business, customized to meet diverse cultural and language needs, building from partnerships with the County, State, and Sonoma Small Business Development Center.
- Obtain software platforms for tracking and reliable demographics

- Conduct a business gap analysis, existing cluster industry analysis, and key emerging industry sector analysis
- Identify key opportunities and land development sites and work with outside partners to prepare a market
- Align policies, procedures, and standards with plan to encourage mixed-use and innovative uses of commercial properties
- Establish site visits and open communication with businesses
- Strengthen and support partnerships with educational organizations and business associations to support workforce development needs
- Develop incentive packages to attract identified industries
- Create a comprehensive outreach and marketing plan to attract identified key industries
- Create a streamlined re-tenanting program with clear pathways for re-tenanting retail, restaurant, and office spaces
- Align efforts with Sonoma County with a tandem approach to attraction efforts

(a) Business Attraction, Retention and Expansion

Entrepreneurship and Small Business

Actively support and empower the existing small business ecosystem while establishing clear pathways to enable successful and fulfilling small business ownership

Goals:

- Support and grow existing small business
- Support and promote opportunities for entrepreneurship
- Understand and remove barriers for immigrant, BIPOC and women- owned business

Actions:

- Strengthen support for entrepreneurship through incubator organizations
- Identify and promote available funding sources for small business owners
- Create Ombudsman program for technical assistance and process support
- Partner and connect students for training opportunities, mentoring and work force development upskilling
- Meet with Immigrant, BIPOC and women-owned businesses to identify barriers and build pathways for assistance and support
- Analyze opportunities to support home-based and work from home entrepreneur trends



Business Attraction Retention and Expansion Measurements:

- % change in the number of business licenses compared to base year
- % change in startups
- % change in the number of businesses in key industries
- % commercial property vacancy rate
- Website analytics for virtual portal
- Monetary tracking for incentive programs
- # of site-visits
- % business demographics
- Track BIPOC and women-owned business support through an annual survey

(b) Entrepreneurship and Small Business



Goals:

- Bolster Downtown housing, commercial and retail business
- Increase revenue to businesses and the City
- Support a thriving economy
- Support walkable neighborhoods
- Promote and enhance climate action goals and sustainability principles

Actions:

- Expand Downtown Asset Strategy activating city-owned property for economic development purposes, to include housing and housing supportive amenities with an emphasis on sustainability and walkable neighborhoods
- Establish an Enhanced Infrastructure Financing District in Downtown
- Ensure General Plan and Economic Development Strategic Plan alignment
- Review and amend zoning code where needed to align with economic strategies in support of development initiatives and opportunities
- Conduct a downtown infill housing economic and fiscal impact study

- Create an Economic development and feasibility studies
- Explore, develop, and implement spot entertainment as an economic driver for residents and tourists
- Continue to assess City Hall Complex redevelopment opportunities
- Implement the public art program strategic
- Support community events and activities through direct programming and grants
- Champion sustainability and the City's Climate Action Plan

Measurements:

- Identification of potential business opportunities
- Implementation of/or monetary amount for financial fund for feasibility areas
- % of empty store front/office space in downtown compared to Year 1
- Housing construction in progress on surplus sites/number of available sites
- Feasibility and fiscal impact studies complete, and business opportunities defined

(c) Economic Vibrancy and Resiliency



Community Investment

Invest in and support our diverse community to fortify current and future economic challenges

Goals:

- Increase economic opportunity through upstream investment
- Support diverse needs of all districts
- Address childhood poverty
- Strengthen early childhood education sector

Actions:

- Coordinate annual district-based surveys to solicit community input at a neighborhood level from all seven districts
- Advance childcare support programs
- Identify and capitalize on funding opportunities to expand upstream investment pilot programs
- Use ARPA funds to continue pilot programs addressing childhood poverty and increase advanced education opportunities – continue implementation through expenditure of funds by end of 2024

Measurements:

- Report progress on all funded program implementation through online dash
- # of programs funded, dollars provided, individuals impacted
- Report progress from annual surveys, year through dashboards



(d) Community Investment

City of Santa Rosa Economic Development Subcommittee
Meeting April 2025

9.6 Other Updates and Announcements

10. Future Agenda Items

Adjourn