

Sonoma County
Economic
Development
Board

EMPOWERING BUSINESS TO SUCCEED

2014 ANNUAL REPORT

The EDB's assistance has been invaluable in helping me navigate the multi-agency development process. It would have simply been impossible without them.

Will Foss, Kenwood Restaurant

When I worked with the Sonoma County EDB I found that the help and referrals came at no cost. As a veteran, this allowed me a peace of mind that there are people that are willing to listen and help and I am not alone on my mission.

Joe Meisch, Meisch Temple Massager

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Marcos Suarez, Latino Business Services

CREATIVE SONOMA

Kristen Madsen, Director



The Sonoma County Economic Development Board is pleased to present its 2014 Annual Report.

2014 was another strong year of growth for the local economy, and the Economic Development Board has worked hard to support and encourage business start-up, expansion and development in Sonoma County. This report covers our operations: from business assistance and industry support programs to events and reports. Some highlights from 2014 include:

- 501 businesses were assisted by the EDB's Business Assistance Program
- 8,500 jobs were added in Sonoma County
- More than 1,500 guests attended four major economic conferences hosted by the EDB
- 10 businesses started or expanded as a result of the EDB's microloan partnerships
- Increased industry cluster support programs through extensive work to develop the Creative Sonoma Arts Action Plan, the NExT Economy Project, the Agriculture Business Council, the Outdoor Recreation Council and more.

We are proud of the progress and programs we have developed over the past year, and we look forward to working with you in the future. As always, if you have any questions, please feel free to contact us at (707) 565-7170 or visit us online at SonomaEDB.org.

Sincerely,



Pam Chanter
EDB Chair



Ben Stone
Executive Director



H I G H L I G H T S

E D B S U C C E S S S T O R I E S

RETENTION



Retained a 30-employee manufacturing company, Empire West, Inc., by partnering with PG&E to significantly reduce energy costs.

TAX INCENTIVES

Helped over 30 businesses apply and receive state tax and economic development incentives, saving businesses more than \$200,000.

WORKFORCE

In partnership with the Workforce Investment Board, introduced a new hiring incentive program that offers Sonoma County employers subsidies covering up to 50% of the wages for new hires.

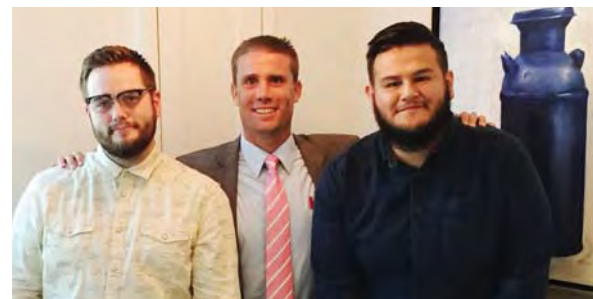
FINANCING



Facilitated tax exempt financing for United Cerebral Palsy of the North Bay, Inc., a North Bay non-profit, totaling \$5.2 million.

LATINO HERITAGE MONTH

To celebrate Latino Heritage Month, the EDB coordinated with 29 Latino-owned businesses to arrange business visits with their district Supervisor and EDB representatives. Pictured are Sonoma County Supervisors Susan Gorin, Efren Carrillo, David Rabbitt, Shirlee Zane, and Mike McGuire recognizing business owners.





SONOMA COUNTY: 2014 BY THE NUMBERS

2.4% ▲ GDP INCREASE

Sonoma County's gross domestic product (GDP) increased by 2.4% from 2012-2013.*

8,500 ▲ NEW JOBS

8,500 new jobs were created in Sonoma County in 2014. This is a 10.4% increase from 2013.

5.6% ▼ UNEMPLOYMENT RATE

Sonoma County's annual unemployment rate in 2014 was 5.6%, compared to 6.7% in 2013.

4.9% ▲ SALES TAX REVENUE INCREASE

Sales tax revenue increased by 4.9% from 2013-2014 and achieved a 10-year high.

5.2% ▲ BUSINESS FORMATION RATE

In Sonoma County, the number of businesses increased by 5.2% from 2012-2013.* Statewide, the number of businesses increased by 1.9% over the same period.

74.3% ▲ HOTEL OCCUPANCY RATE

Sonoma County's hotel occupancy rate in 2014 was 74.3%, compared to 73.4% in 2013.

4.5% ▲ AIRPORT PASSENGER INCREASE (2013-2014)

*Most current data available

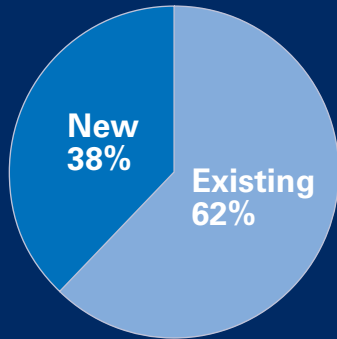
COMMERCIAL REAL ESTATE VACANCY RATES

	2014		2013
RETAIL	4.4%	▼	4.9%
INDUSTRIAL	8.8%	▼	11.0%
OFFICE	18.9%	▼	21.8%



2014 METRICS

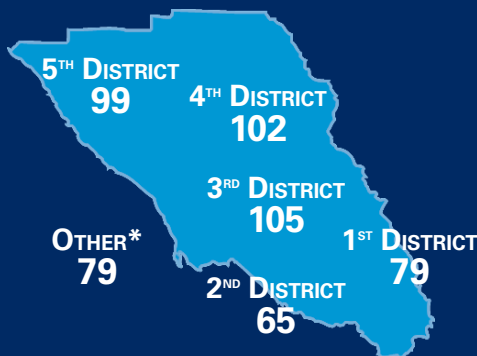
BUSINESSES ASSISTED BY TYPE



TOP 10 INDUSTRIES ASSISTED



BUSINESSES ASSISTED BY SUPERVISORIAL DISTRICT



**Some requests for assistance are from businesses that do not have a physical location, and others are based outside of the County looking to relocate.*

BUSINESS ASSISTANCE

HELPING BUSINESS THRIVE

The EDB's Business Assistance Program builds relationships with local business owners to identify and solve business issues, address workforce needs and provide custom market analysis. Working directly with businesses to address and overcome challenges contributes to increased efficiency, improved performance, jobs and business growth in Sonoma County.



NCE PROGRAM

ASSISTED 501 BUSINESSES
IN 2014 REPRESENTING
6,700 JOBS

TOP 3 SERVICES PROVIDED

- Business marketing reports
- License and regulatory help
- Business-to-business connections

PROGRAMS

BUSINESS RETENTION & EXPANSION (BRE)

The EDB's BRE program uses extensive interviews to build relationships with local business owners, identifies and works to solve business issues and connects leaders with valuable local resources.

BUSINESS DEVELOPMENT TOOLS

The EDB offers free, customized market research to provide new and established businesses with information concerning:

- Site selection
- Market demographics
- Industry trends
- New markets

BUSINESS HOTLINE | 707-565-7589

The Hotline offers rapid service for start-up and growing businesses by answering questions and troubleshooting issues about licensing, permitting, workforce, access to capital and more.

WORKFORCE SOLUTIONS

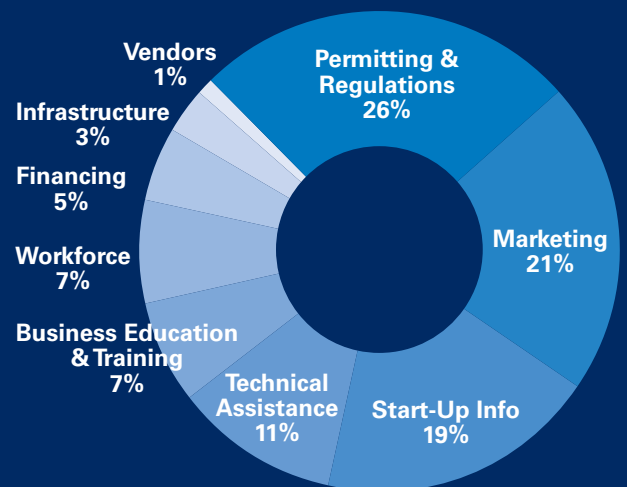
In partnership with the Sonoma County Job Link, the EDB provides valuable workforce support services including:

- Recruitment and retention
- Customized workforce trainings
- Subsidized hiring incentives
- Specialized hiring events

2014 METRICS

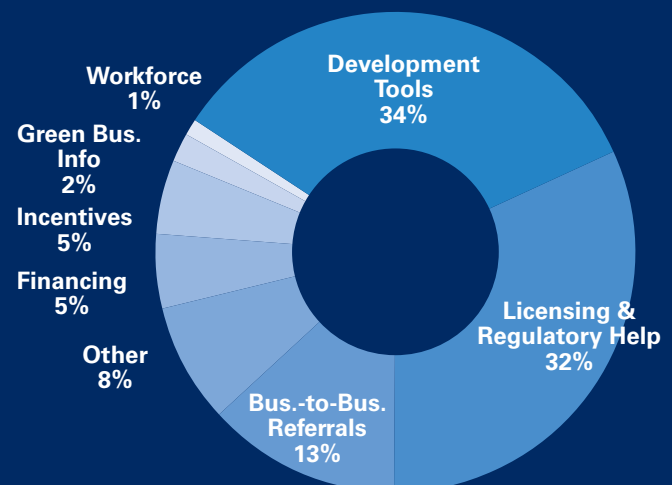
BUSINESS CHALLENGES

775 Challenges Reported



ASSISTANCE ACTIONS TAKEN

1537 Actions taken



WHAT COMPANIES ARE SAYING ABOUT THE EDB

Thank you very much for this most valuable information for our new food truck venture! This information will help us greatly to get started on the right foot with all the city and county's rules and regulations.

Alexis Kambur, Business Start Up

By working with the EDB, one can save time and get connected to decision makers. Any time I have called the service is fast and friendly. Usually right on the spot.

Mike Runyan, LegalShield

We appreciated the efforts of the staff at the EDB in helping local restaurants generate much needed business in this tough economic climate. Thank you! Great job!

John Frenzel, Cattlemens

ENTREPRENEURIAL DEVELOPMENT

Empowering entrepreneurs to start and grow new businesses in Sonoma County

The EDB provides technical assistance for new businesses in their initial start-up phase and offers continued guidance through other business services for continued growth.

MICROLOANS

Since March 2014, 10 businesses have been created or retained, totaling 29 jobs and more than \$163,000 in approved microloans, as a result of the EDB's partnership with Working Solutions Microloan Fund.

ECONOMIC OPPORTUNITY GRANT

In 2014, 10 businesses were launched as a result of the EDB securing a grant for \$75,000 from the Metropolitan Transportation Commission and the Association of Bay Area Governments by proposing self-employment as a viable pathway to middle-wage jobs for LMI (low-to-moderate income) earners.

Seven business development workshops were also funded by the grant, engaging over 65 current and future business owners in Sonoma County.

GREEN BUSINESS PROGRAM

Helping businesses operate in an environmentally responsible way in Sonoma County

The Green Business Program assists with environmental best practices for waste minimization, water and energy conservation, and pollution prevention. To become certified, businesses are evaluated and must comply with industry-specific program standards.

2014 HIGHLIGHTS

- 26 certified businesses
- 88 consultations
- 225 businesses contacted
- 175 businesses enrolled





INDUSTRY INITIATIVES

Strengthening industries by building connections through innovative methods in Sonoma County

NEXT ECONOMY PROJECT

NEXT In Fall 2014, a group of 40 "next generation" business leaders in Sonoma County was selected to identify and analyze how future changes to economic inputs may affect Sonoma County's key industry clusters:

- Advanced Manufacturing & Technology
- Agriculture
- Construction
- Health & Wellness
- Sonoma Specialties (Wine, Food, Tourism, etc.)

The following three categories emerged as the focus for the next phase of the project: Innovative and Entrepreneurial Approaches, Skills and Talent Pipeline, and Healthy and Vibrant Communities.

CREATIVE SONOMA ARTS ACTION PLAN

Developed by the EDB, Sonoma County's first-ever strategic Arts Action Plan was adopted by the Board of Supervisors in June 2014. This newly coordinated strategy aims to support and boost the County's diverse cultural and creative economy.

In 2014, input was collected through meetings with over 30 stakeholder groups including business, government, trade groups, education and non-profit officials. Two community forums were held, to inform and allow for community input, contributing to the final Action Plan.

EMERGING SECTOR MEETINGS

In February 2014, the EDB convened stakeholder meetings with the following three emerging sectors:

- Craft Food & Beverages
- Tourism & Outdoor Recreation
- Creative & Cultural Arts

The purpose of the meetings was to help encourage growth by identifying opportunities and challenges within these sectors. Continuing efforts include the development of an Agriculture Business Council and an Outdoor Recreation Business Council, and implementation of Creative Sonoma.





MARKETING INITIATIVES

SONOMA COUNTY RESTAURANT WEEK



The fifth annual Sonoma County Restaurant Week generated a total economic impact of over \$2.8 million and 137 establishments participated. The week is a seven-day culinary celebration of Sonoma County's farm fresh food and premier artisanal products. A lunch option, new in 2014, was offered at participating restaurants.

SONOMA COUNTY VISITOR CENTERS

In 2014, over 340,000 visitors walked into Sonoma County Visitor Centers. The EDB-supported visitor centers ensure visitors receive high-quality customer service, explore Sonoma County destinations with ease, spend valuable time and money within Sonoma County, and are motivated to return to Sonoma County.

TALENT ATTRACTION

The EDB manages the SonomaCountyConnections.com site to market and attract businesses looking to relocate to Sonoma County. In 2014, the site was visited by more than 18,000 new users, and received 47,000 total pageviews.

2014 EVENTS

In 2014, more than 1,500 people attended events hosted by the EDB. The annual events bring business, government, education, non-profit, and community leaders together to provide information about Sonoma County's key economic opportunities and challenges. The events provide an opportunity to connect, share ideas, discover local resources, and expand understanding of the business community.

JANUARY | STATE OF THE COUNTY

Keynote Speakers Supervisors Mike McGuire and David Rabbitt
Economist Dr. Jerry Nickelsburg, UCLA

SPRING | ECONOMIC BRIEFING

Economist Steve Cochrane, Moody's Analytics

FALL | ECONOMIC OUTLOOK

Economist Dr. Christopher Thornberg, Beacon Economics

DECEMBER | SPIRIT OF SONOMA

Local chambers and trade organizations honored 20 individuals for their contributions to economic development and enhancement of their community.



NESS CLIMATE

ECONOMIC RESEARCH & FORECASTS

Providing information about economic trends and projections for Sonoma County's future

In 2014, the EDB produced more than 20 economic forecast reports and distributed economic trend information. Many reports are used by businesses looking to start up, grow or relocate in Sonoma County.

More than 5,000 local business, government, education and community organizations receive economic reports and forecasts as they are produced throughout the year. The reports are available for free at SonomaEDB.org.

2014 MAJOR REPORTS INDEX

- Business Climate Updates
- City Profiles
- Industry Reports
- Sonoma County Indicators (abridged and unabridged)
- Tourism Annual Report
- Transient Occupancy Tax Trends



2015 PLANS

WORKFORCE ASSISTANCE

Help meet workforce needs by expanding the Business Assistance Program to connect employers to new employees, and address the growing demand for skilled workers.

LATINO BUSINESS SERVICES

Implement a bilingual Business Assistance Program to foster growth in the expanding Latino business community.

NAPA-SONOMA SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

As the new location of the SBDC, the EDB is excited to expand its resources for Sonoma County's start-up and developing businesses by offering business workshops and counseling.

CREATIVE SONOMA

Support and promote Sonoma's creative individuals, organizations and enterprises to enhance the county's collective innovation and cultural vitality through professional development, training, collaborations and resource development.

AGRICULTURE BUSINESS COUNCIL & OUTDOOR RECREATION BUSINESS COUNCIL

Convene a broad cross-section of business and industry representatives to oversee efforts to engage and support these growing industry clusters.

NEXt ECONOMY PROJECT 2.0

Continue efforts to anticipate and prepare for future economic opportunities by prioritizing potential actions from the report and engaging with other organizations to identify next steps.

2016: YEAR OF THE ENTREPRENEUR

Develop an action plan outlining a year-long focused strategy to celebrate the county's entrepreneurs and to strengthen the entrepreneurial ecosystem in Sonoma County for the 2016 Year of the Entrepreneur.

TALENT ATTRACTION

Informed by a talent attraction task force of Sonoma County's key industries and employers, the EDB will work to update the SonomaCountyConnections.com website.



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