

March 24, 2025

To: City Council

From: Don Schwartz, City Manager

Re: Potential Economic Development Strategy

The purpose of this memo is to outline some thoughts on a potential Economic Development Strategy for Sebastopol. I hope you find it helpful, particularly in light of your upcoming Goal-setting session.

There are many different aspects to Economic Development. I have heard many ideas on what Economic Development for Sebastopol might entail, and you likely have as well. I am suggesting that you consider developing an Economic Development Strategy so that we and the community can approach this topic as a whole, rather than one piece at a time. It would also prioritize among the many options for actions related to Economic Development.

The success of an Economic Development Strategy will depend on the participation of key stakeholders, particularly those from within the Sebastopol business community. I envision us working with the business community. I would also invite the Sonoma County Economic Development Board, Sonoma County Tourism, and perhaps other regional organizations to participate. I also envision anything that we do complementing what we are already doing.

Strong Planning Function: The foundation for effective economic development includes a strong City planning function. For example, our current process allows the DRB to weigh in after final Council approval for a project creates delays and uncertainty, which are problems for economic development. A strong planning function includes collaboration among City departments, and an attitude of trying to solve rather than find problems with projects. Other aspects might include:

- a. Revise zoning code to reduce complexity and streamline required reviews to create a more predictable environment for developers and businesses. This could involve reducing the number of required approvals or creating clearer, more straightforward guidelines for developers. The goal is to make the process faster and easier, while still ensuring that developments align with the city's vision and objectives.
- b. Explore expansion of uniform design standards. Currently, uniform design standards have been applied only to a limited number of housing projects. Expanding these standards city-wide could offer a more cohesive and predictable approach to design, improving both the aesthetic quality of new projects and the ease of approval. Developers and business owners would have a clear understanding of what is expected, which could help speed up project approval and reduce ambiguity during the planning process.

Supporting and retaining existing businesses is often part of an economic development strategy because it is easier to keep existing businesses than to attract new ones. Efforts can include

enhancing the quality of the downtown area either directly or through agreement with the Business Improvement District. This could also be a City-wide effort. An example of this strategy is to explore a storefront improvement program.

Visitor attraction could include particular actions and/or developing a plan for marketing Sebastopol to visitors, in collaboration with local businesses and Sonoma County Tourism. This strategy is a way to support existing businesses. Sonoma County Tourism's marketing strategy is well-aligned with what Sebastopol offers in terms of arts and culture, ready access to nature and wineries, and desirable restaurants.

Business attraction can be another part of a strategy for economic development. Currently, this includes completing the application for the Barlow Hotel. While attracting businesses to sites is challenging for cities, it is an option particularly if built upon a strong planning function. Other aspects could include:

- a. Explore opportunities to partner with Economic Development Board to enhance promotion of Sebastopol, and/or other cities to promote Sonoma County.
- b. Develop and implement plan to attract retailers.
- c. Examining changes to the formula business ordinance, which limits formula business to some parts of the City. to limit the proliferation of chain stores and preserve the community's character. While maintaining this balance is essential, it is also important to regularly assess whether the current ordinance is overly restrictive or if adjustments are needed to encourage more diverse business types.

While an Economic Development Strategy will chart new directions, it is important to ensure that any new initiatives complement and enhance the good work already being done. Sebastopol has many strengths, including its vibrant arts scene, natural beauty, and community-oriented values. These elements should remain at the core of our approach, while also addressing emerging opportunities and challenges in the economic landscape.

There are many possible approaches to Economic Development. Creating a Strategy that considers the topics noted above, as well as others that emerge from a participatory process, would set a solid foundation for improving our local economy.