

Sausalito Economic Development Study

Comments on June 24, 2011 BAC Review Draft

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Survey Card

First, a comment about the survey card. At our home, we came very close to tossing this, and it was discarded by some people that I spoke with. It had no addressee (where were the promised labels?). It had the MEF logo (that most people have never heard of) instead of Sausalito identity. The reason for the survey is buried in the small print rather than as the headline. In other words, this looks like junk mail from an unidentified source, potentially seriously jeopardizing the response rate. Let's hope that our experience, and that of about a dozen people that I have spoken with is an anomaly.

General

As stated in the Scope of Work for this study, the primary objective was to “have a database to use when making decisions about Sausalito’s future”, to “shape how new businesses can be attracted and retained”, leading to “a more vital city where community development is proactive rather than reactive.”

During the course of the study, the BAC repeatedly urged the consultants to use a demand driven model for this study, irrespective of political considerations. The result would then be an unbiased fact-based resource that would be a source of information for land use and other debates within the community. The draft report contains little of this information and is mostly driven from an analysis of existing businesses rather than what might be possible. In my opinion, this is a major shortcoming that significantly reduces the value of the study.

As pointed out in the following detailed comments, more specific references to data sources would be helpful, as some of the data seems to be contrary to anecdotal observations.

Detail

These comments are on the draft as presented, and will not repeat the general comment above about the approach discussed above.

I recommend that the title of the report be “Sausalito Economic Development Study.” The MEF logo should be minimized.

p. 3 Conclusions

The 1,300 businesses cannot be predominantly in retail and restaurants, as the Short Term Business Needs Study discovered only 241 businesses in these categories, leaving over a thousand as more predominant.

I'm surprised that there are more rental units in Sausalito than owner occupied homes. It would be helpful to quote the stats somewhere.

I'll comment on leakage in that section.

Based on a demand driven methodology, design, advertising and professional services may or may not be the right foci for development efforts.

p. 4 I'll defer comments on Recommendations until the final draft, but in general, they should be a specific step-by-step Action Plan that acknowledges market forces and is proactive within that framework.

p. 5 Introduction

Mostly a repeat of the Executive Summary. Should state the objectives of the study, why it was commissioned, the prospective use, etc. – basically a recap of the Scope of Work.

Targeting “an optimal mix of businesses to utilize vacant commercial real estate” is way to limiting (See General, above).

Don't understand the paragraph about tourism and transient consumption.

p. 7-9 Figure 1 does not show a business mix, as it a meaningless level of aggregation. Certainly, 15 – 20 categories could be shown, probably in table form. Figure 2 shows a net loss of 231 businesses, versus the 51 stated in the text.

p. 12 Table 1 looks particularly suspect compared to casual observation. For example, I would guess that there are not than 5 or 6 real estate offices in Sausalito, and none of them would employ anywhere near 100 agents, so how can there be 678 of them in town? Could this be the number of people that live in Sausalito that are agents, even if working somewhere else? Also, \$230 million is clearly not the business revenue of these agencies (e.g. gross commissions and fees earned), but rather more likely the value of the properties sold/leased – misleading, compared with other businesses. Clarify, if something else intended.

Likewise, the restaurant employment seems way low. With 56 food service establishments, and places like Horizons possibly employing up to 100 part time workers, only 661 in this sector raises a question. For advertising, we can ask Amy about how many people are at Butler Shine, let alone other companies. If

the City still has around 120 employees, where are the other 170 or so government workers?

p. 13 Recent Efforts

It is appropriate to reference the BAC's *Imagine Sausalito* Recommended Actions Summary and the individual reports. This would be more appropriate in the Action Plan section under a heading of completed steps. In any event, all references to political opinions, specific supporters of objectors have no place in this resource study. All of that commentary should be deleted.

p. 16 Retail

Mention is made of trade area. In developing the concept of demand driven retail, there needs to be an expanded discussion of trade area, including the drive time radius population density to support various categories of business, and geographic constraints, e.g Sausalito being a "one road town" effectively at the end of a peninsula. Many businesses often stated by residents as desired (for example, drug store) simply cannot survive here.

In the demand driven model, there needs to be more discussion of buying power – from both residents and visitors. This information can modify the general assumptions about trade area viability.

p. 17 342 American Indian and Alaska Native people in Sausalito? Five times our Asian population?

p. 19 – 21 Leakage

The text and Table 5 needs to be explained further to clarify the intent for the layman reader. The impression is that the per capita sales (autos, for instance) is the average annual expenditure per person, regardless of where the purchase was made. While there may be an auto broker or two in town, there are no dealerships, so the number looks high for in-town transactions. The basis for adjustment factors needs to be clarified (25% of all auto purchases satisfied in town seems high.) A similar reality check needs to be done for the other categories. Also, regional sales averages per firm should be used instead of national.

p. 24 I don't agree that TOT is a good proxy for tourism stats. Too few rooms, too high priced, to represent the general tourist. Table 6 labeled 1999, but starts at 2001.

p. 27 The Sausalito figures in Table 7 are greater than the 5% indicated in the heading.

p. 31 Non-Retail Sector

Again, there needs to be a breakdown of the non-retail business sector. “Monitoring commercial real estate fluctuations” does little to provide a direction to find proper “opportunities for local development.”

p. 32 If, in fact, the referenced targeted industry analyses from 2004 and 2005 performed the appropriate “blank slate” demand driven study to come up with the listed five industry categories for the Marinship, a detail overview of that methodology must be provided here. Otherwise, this group of five seems to be arbitrary and based mostly on what is already in the area, and if so, of relatively little value for the purposes of the present study.

p. 33 What is Table 11? 9.9 architecture employees produce \$1,000,000 in fees to the firm? Output not \$1 million, but \$1.395 million? Sorry, don’t get it.

p. 38 Fix Table number references in the text.

p. 41 Again, clarification of a table is needed – is Table 13 employment the actual? If so, this level of detail can be provided earlier in the report where I have called for a breakdown by industry.

p. 44 Can’t wait for the survey results.

p. 45 – 46 Looking forward to a revised set of Recommendations and Action Plan.