



2016 Sonoma City: Local Economic Profile

2016
SONOMA
COUNTY

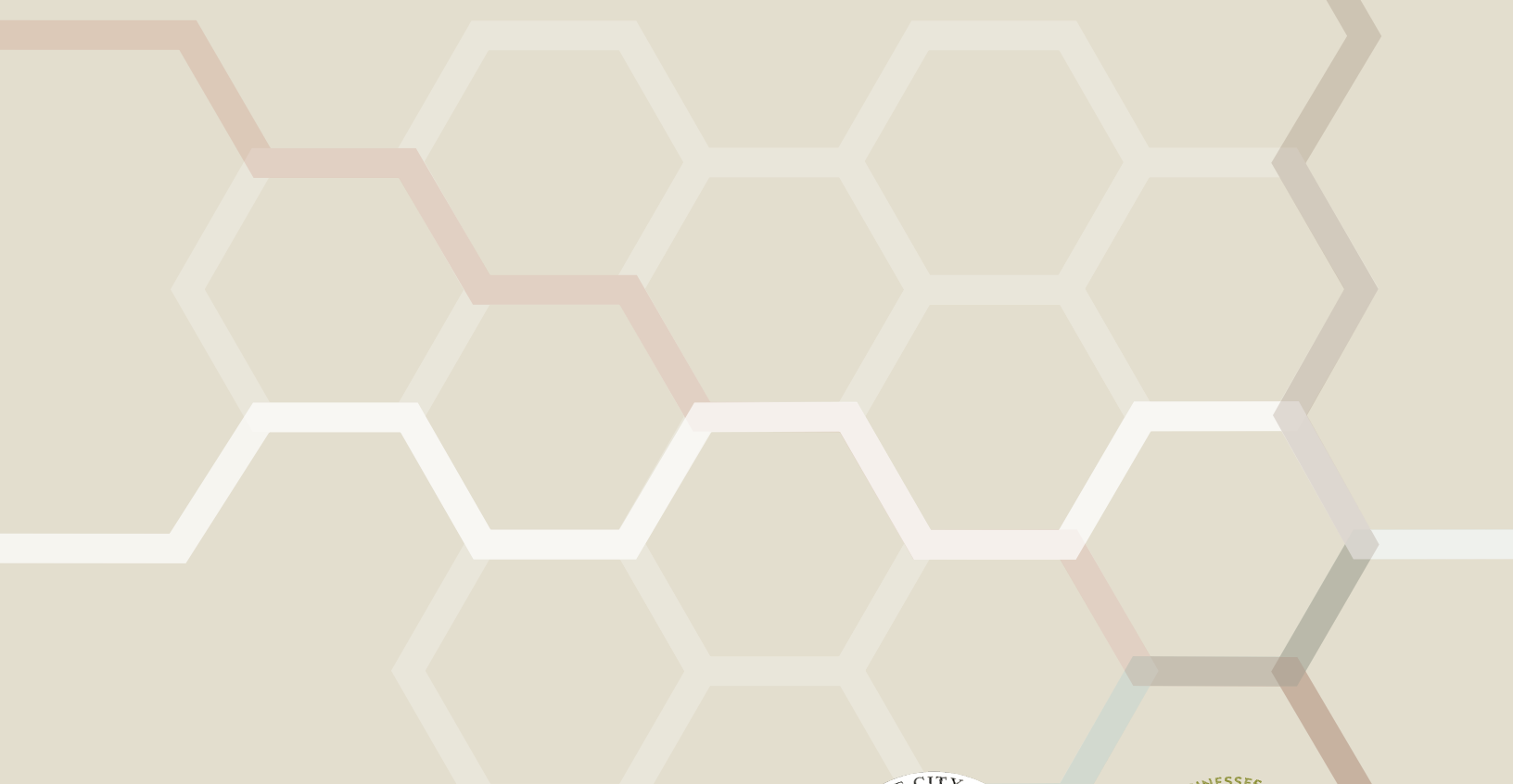


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Sonoma City: Local Economic Profile

The Sonoma County Economic Development Board (EDB), in partnership with the Sonoma County Workforce Investment Board (WIB), the City of Sonoma, and the Sonoma Chamber of Commerce is pleased to present the *2016 Sonoma City Local Economic Profile*. The City of Sonoma comprises 2.74 square miles and serves as the economic hub for the greater Sonoma Valley, which has a population of about 39,000.

Highlights from this *Local Economic Profile* include:

- Sonoma city's seasonally unadjusted unemployment rate was 4.2% in July 2015, lower than Sonoma County (4.6%), California (6.5%) and the nation (5.6%) for the same month.
- The population of Sonoma city in 2015 was 11,202, and it is expected to rise 4.65% to 11,735 by 2020. This is greater than the projected population increase of 2.7% for Sonoma County over the same period.
- Between 2000 and 2015, the median household income in Sonoma City grew by 18% to \$59,596. Looking into 2020, this growth is expected to continue with median income rising to \$72,299, an increase of around 21% from 2015.
- Median home prices in Sonoma city are significantly increasing after prices rose 12.8% from 2013 to 2014.

While every effort was made to ensure this report contained up-to-date information, certain data was unavailable at the time this report was released; thus, some figures may reflect years previous to 2015.

Thank you for your interest in the Economic Development Board's research. For additional information, questions, comments, or suggestions please contact us at (707) 565-7170 or visit www.sonomaedb.org. For other city-specific questions, please visit www.sonomacity.org and/or www.sonomachamber.org.

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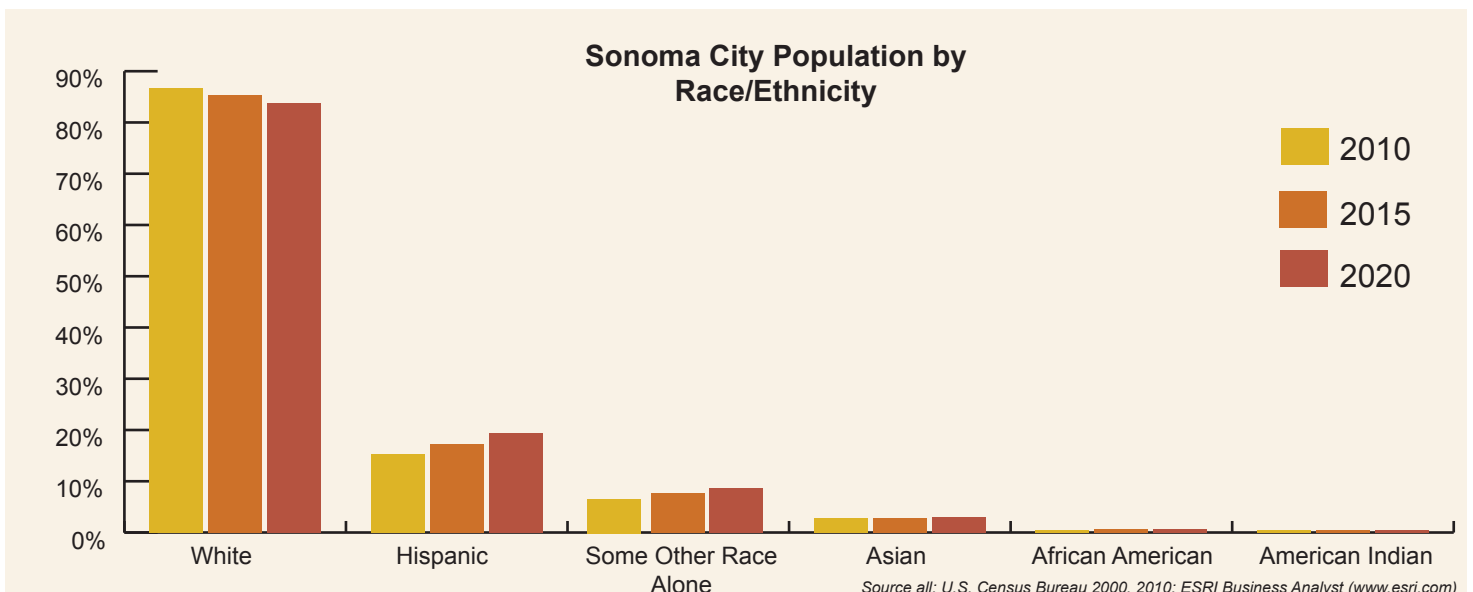
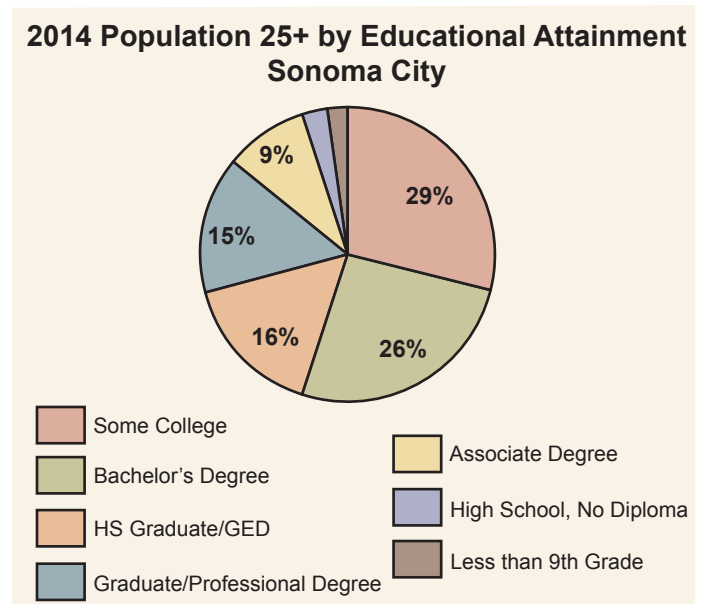
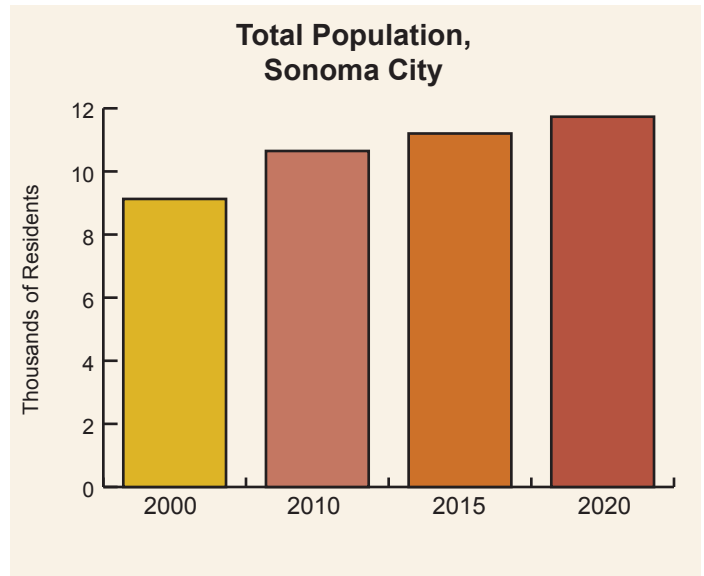
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Population & Demographics

The population of Sonoma City in 2015 was 11,202, and according to Environmental Systems Research Institute (ESRI) projections, it is expected to rise about 4.65% to 11,735 by 2020. This is greater than the projected population increase of 2.7% for Sonoma County over the same period. From 2000 to 2015, Sonoma City's population grew 18%. The City of Sonoma comprises 2.74 square miles and serves as the economic hub for the greater Sonoma Valley, which has a population of about 39,000.

In 2015, in the population of those 25 and older, 16% of residents had obtained a High School Diploma. This is lower than Sonoma County in the same year with 20% of residents obtaining diplomas. The category of Some College consists of individuals who have taken college courses but who have never received their degree. **In 2015, about 26% of residents had obtained a Bachelor's Degree and around 15% had received a Graduate or Professional Degree, which are both higher than the county average.**

A new trend we see moving into 2020 is the increase in the Hispanic population in Sonoma city. **Between 2010 and 2020 there is predicted to be a 4.1 percentage point increase.** This is on par with to Sonoma County where there will be a 4 percentage point increase overall in Hispanic population.



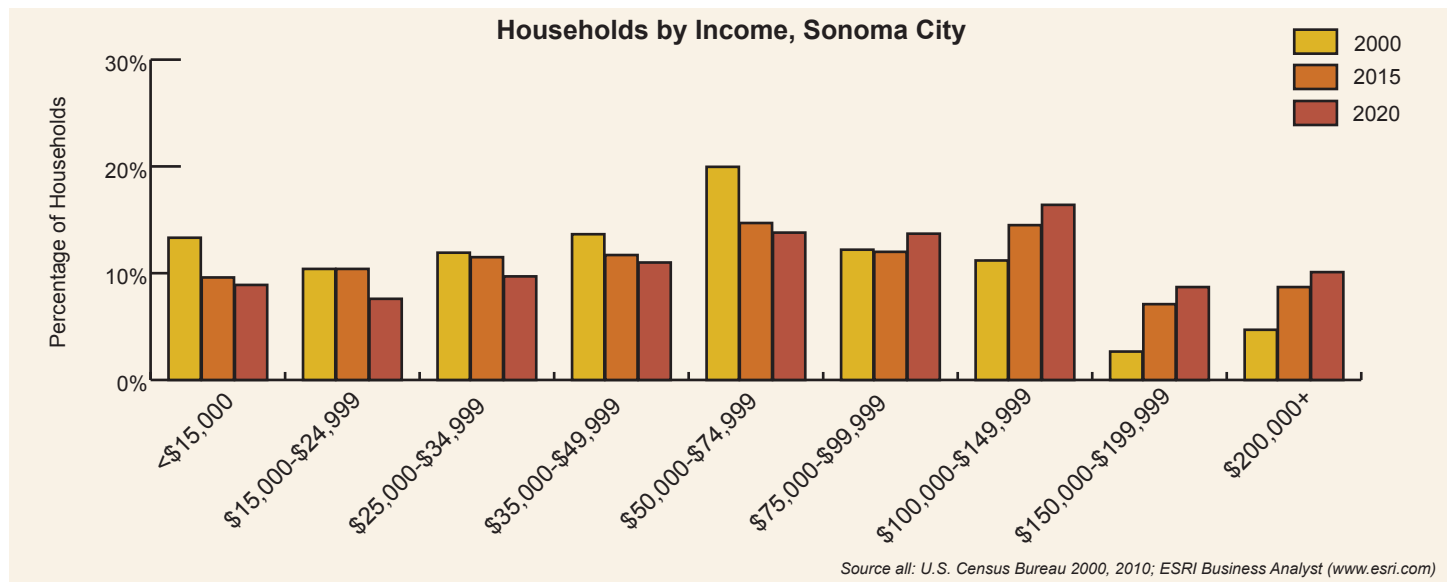
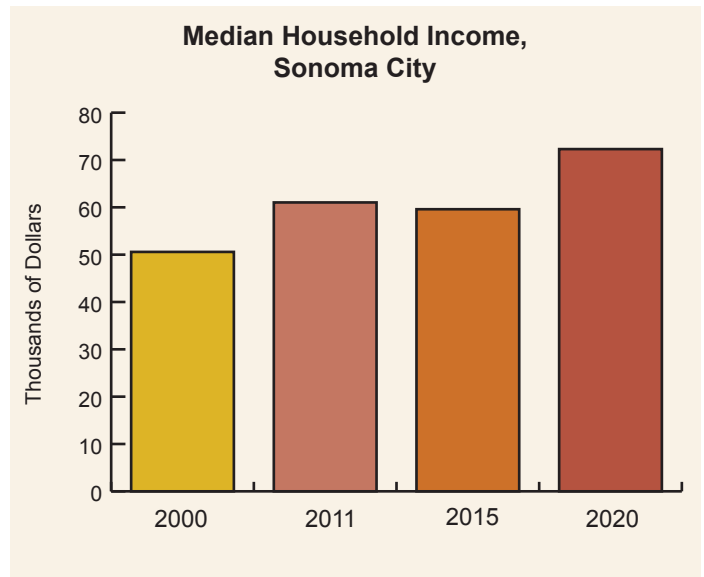
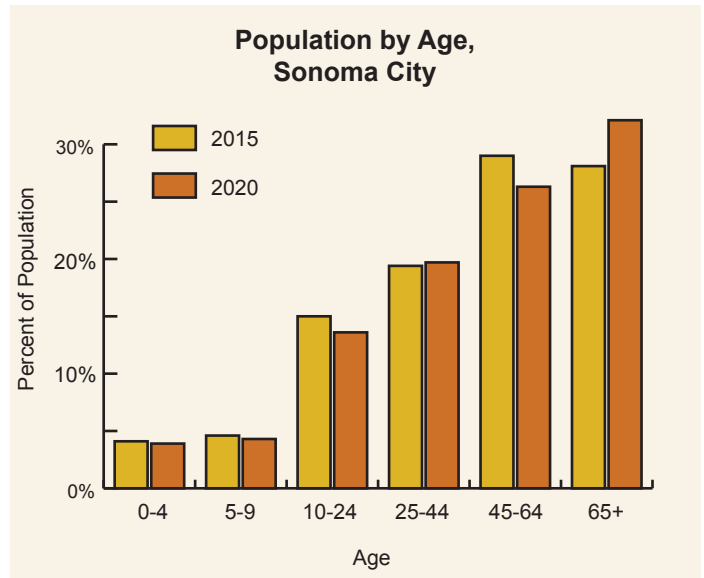
Population & Income Projection

The population by age in Sonoma City in 2015 and 2020 followed a wide distribution with an overall increase in aging individuals, and according to Environmental Systems Research Institute (ESRI) projections, the 65 and older population is expected to increase the greatest amount by 2020. This is creating a decrease in individuals 10-24 and 45-64 between 2015 and 2020.

Between 2000 and 2015, the median household income in Sonoma City grew by 18% to \$59,596. Looking into 2020, this growth is expected to continue with median income rising to \$72,299, an increase of around 21% from 2015.

As income in Sonoma City rose between 2000 and 2015, the percentage of households earning less than \$35,000 was reduced by about 4 percentage points. The fastest growing income range was \$150,000-\$199,999, followed by gains in the \$200,000+ range.

A trend that remains consistent into 2020 is the shrinking percentage of households earning less than \$35,000. The proportion of Sonoma City in this range will decrease by 5 percentage points from 2015 to 2020. This trend, coupled with the increasing proportion of Sonoma City earning over \$100,000, will result in further concentration of households in higher-income tiers.



Source all: U.S. Census Bureau 2000, 2010; ESRI Business Analyst (www.esri.com)

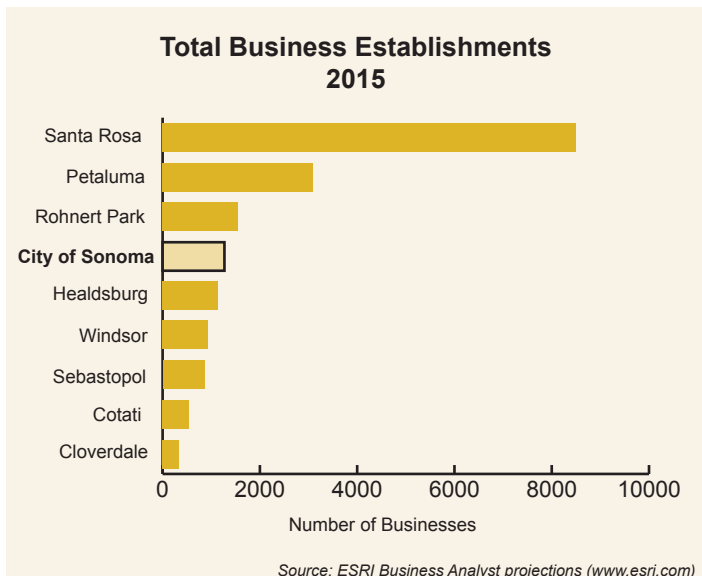
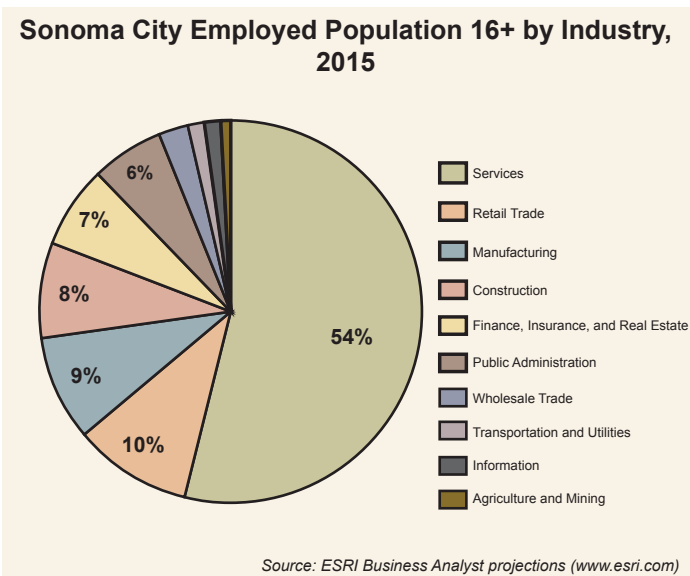
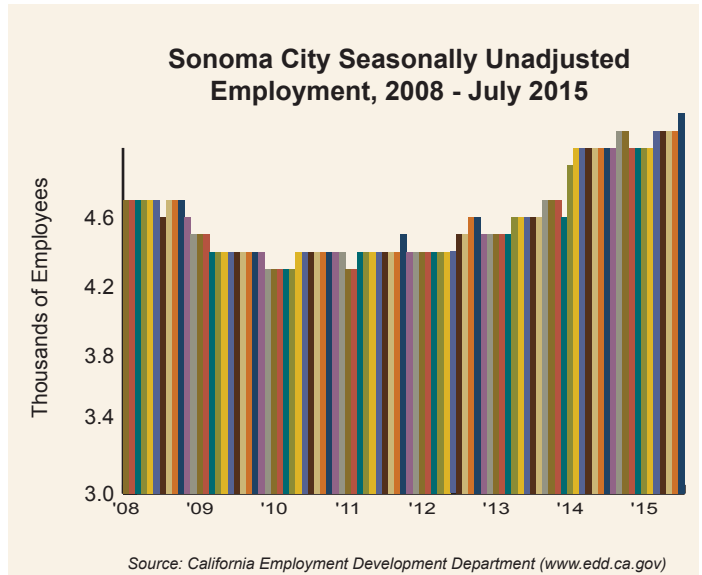
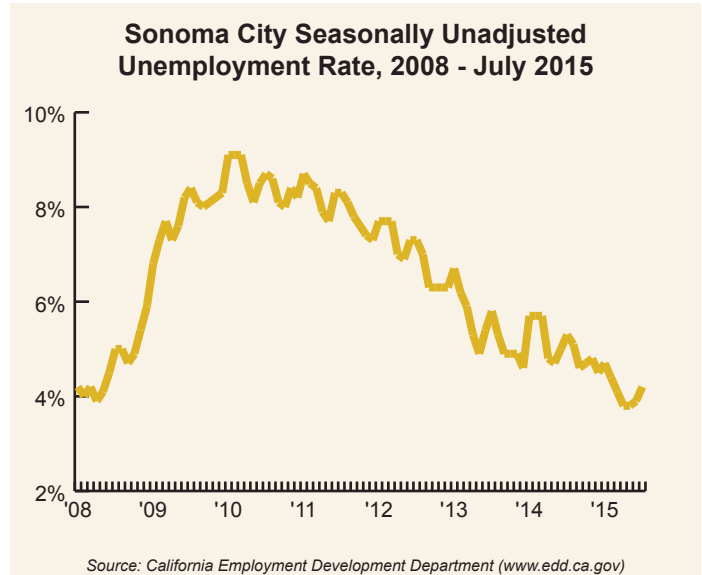
Employment

Sonoma City's seasonally unadjusted unemployment rate was 4.2% in July 2015, lower than Sonoma County (4.6%) for the same month. Compared to July of the previous year, Sonoma City's unemployment rate is down 1.1 points from 5.3%. Unemployment remains significantly lower in Sonoma City compared to its peak of 9.1% in January of 2010. Sonoma City's unemployment rate is below both the state (6.5%), and the nation (5.6%).

Total employment in Sonoma City was 5,200 in July 2015, which is up 0.4% from a year earlier. Employment has been following an increasing trend since 2010.

The total number of business establishments in 2015 in Sonoma City is 1271. Sonoma County has about 25,800 business establishments.

About 54% of Sonoma City's employed population is in the category of Services, which includes education, health care, tourism and legal services. The second largest sector is Retail trade, followed by Manufacturing. This is very similar to the county average.



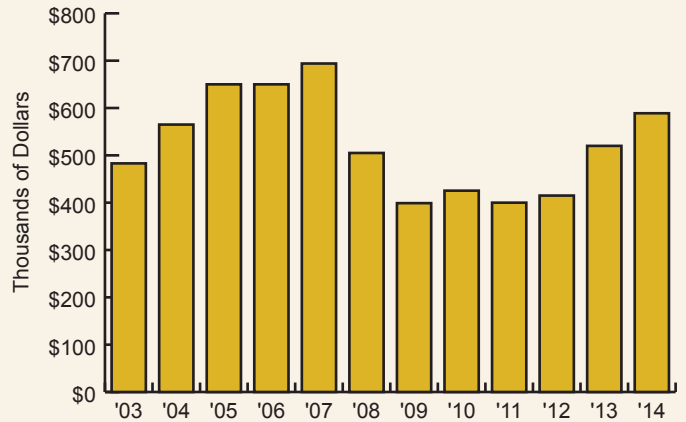
Residential Real Estate

Median home prices in Sonoma city are significantly increasing after prices rose 12.8% from 2013 to 2014. Median home prices have been trending upwards since 2011 and reached \$588,900 in 2014.

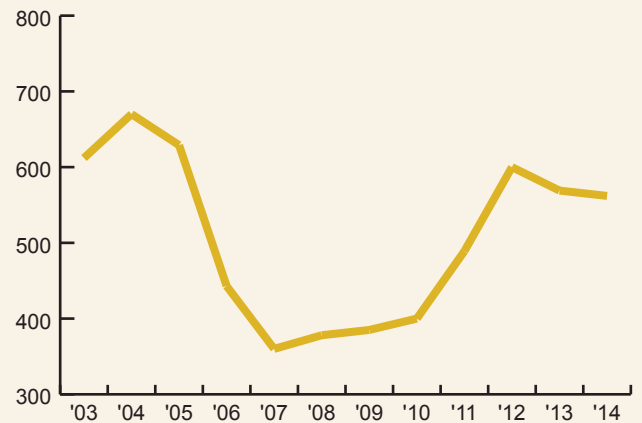
The total number of houses sold in Sonoma city decreased by 7 in 2014 to 562. The number of houses sold had been rising steadily since 2009, but rising home prices have slowed down the real estate market in 2013 and 2014.

The average sales price of a home in Sonoma City for 2014 was \$835,899. This puts Sonoma city at the higher end of the spectrum for homes in the area, \$263,971 higher than the county average.

Median Price of an Existing Home in Sonoma city, 2003-2014

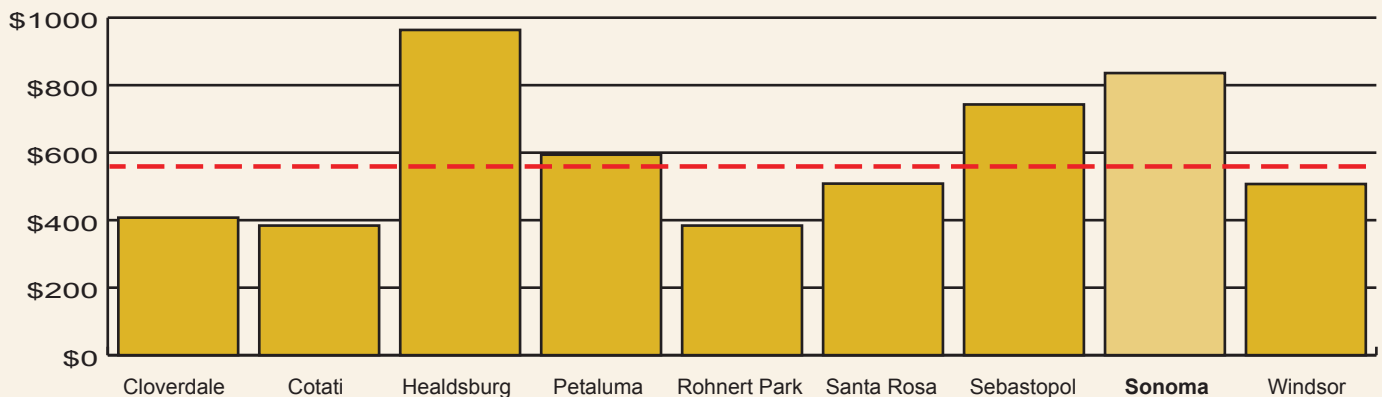


Total Number of Houses Sold in Sonoma city, 2003-2014



Average Sales Price (\$ Thousands) by Sub-County Area, 2014

Legend: Average Sales Price (\$ Thousands) (Yellow Bar), County Average Price (\$ Thousands) (Red Dashed Line)

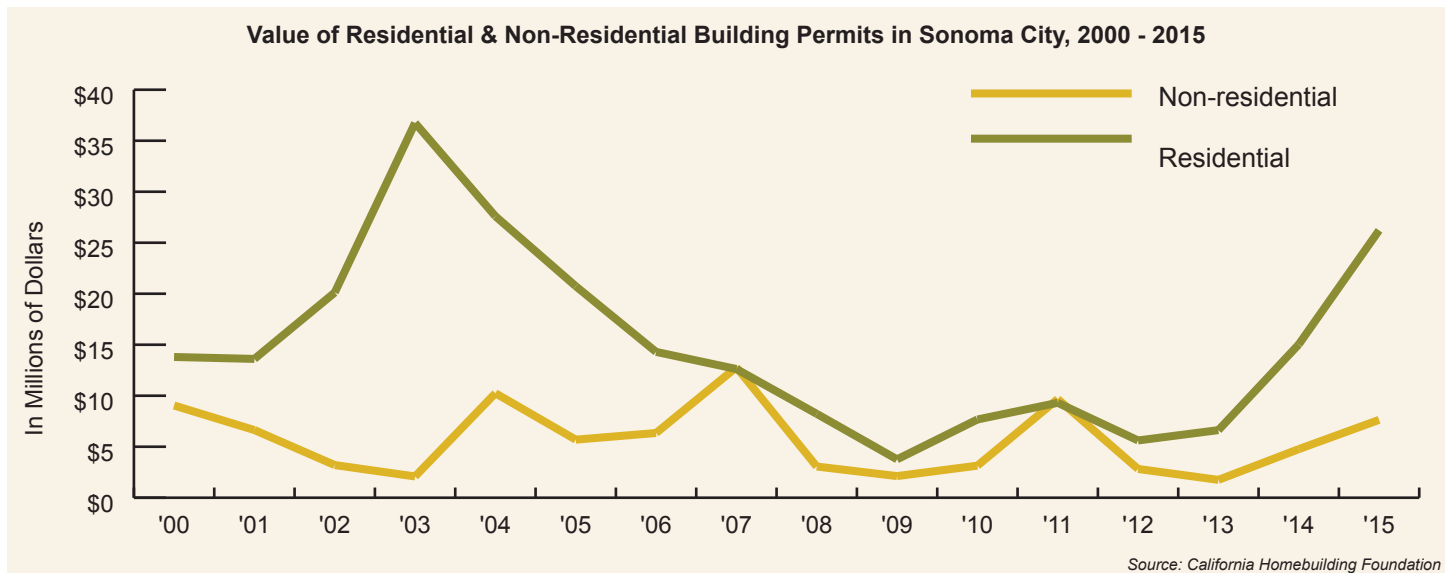
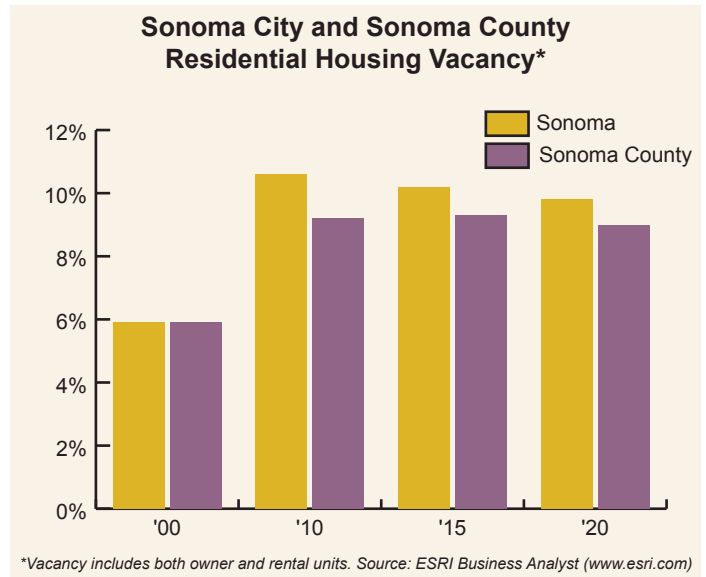


Source all: Bay Area Real Estate Information Services (www.bareis.com)

Real Estate & Construction

Sonoma city's residential housing vacancy has been historically higher than Sonoma County's. From 2000 to 2015, the city's residential housing vacancy rate increased 4.3 percentage points, compared to a 3.4 percentage points gain across the county. Sonoma city's residential housing vacancy rate is expected to decrease 1.4 points from 10.2% in 2015 to 9.8% in 2020.

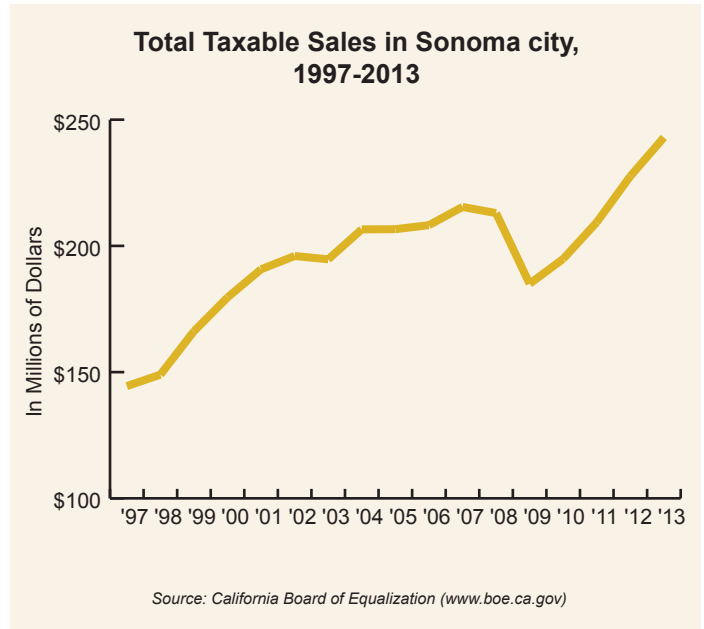
The values of residential and non-residential building permits in Sonoma city in July 2015 were \$26,213,980 and \$7,632,858, respectively. Building permit values reflect trends in construction activity and both residential and non-residential building permits have been increasing over the past 3 years.



Consumer Spending & Taxable Sales

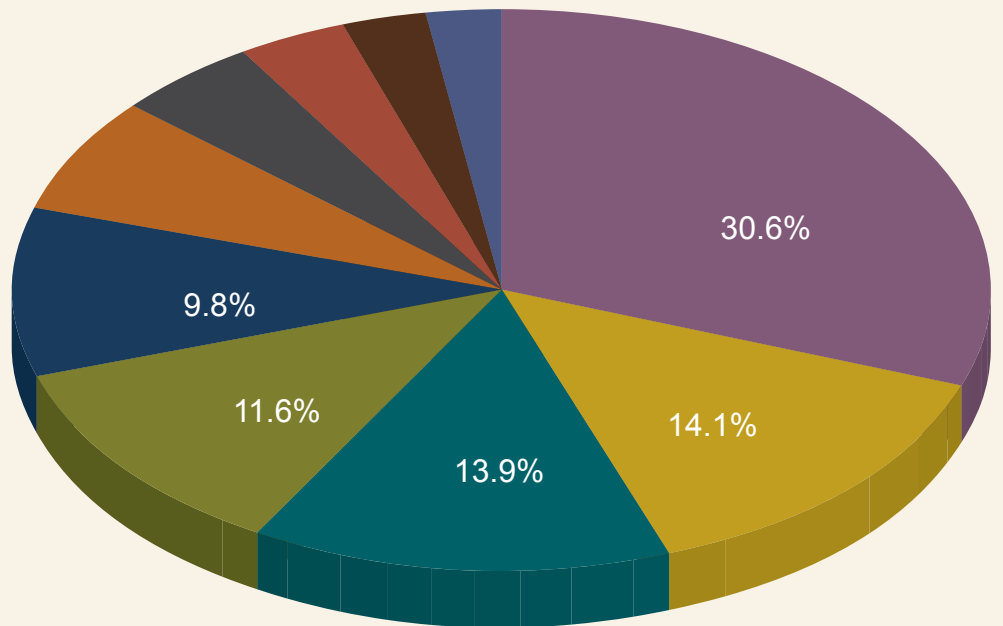
Sonoma city's taxable sales continued increasing with a gain of 6.7% in 2013 from 2012. This continues the upward trend starting after taxable sales bottomed out in 2009. The gain seen in 2013 is consistent with the positive economic activity across Sonoma County. The county saw an increase of 8.6% in taxable sales in 2013, while the state rose by a more modest 5%.

Compared to the national average, Sonoma city residents spend more on education, travel, and cash contributions/gifts. Sonoma City residents spend more than 70% of household income on housing, other*, transportation and food.



Consumer Spending by Commodity in Sonoma City, 2015

- Housing
\$138,076,217
- Other*
\$63,368,066
- Transportation
\$62,727,034
- Food
\$52,106,414
- Pensions and Social Security
\$44,289,670
- Healthcare
\$30,140,294
- Entertainment and Recreation
\$20,690,178
- Cash Contributions/Gifts
\$16,464,250
- Travel
\$12,986,286
- Education
\$10,254,693



*The Other category includes Apparel and Services, Alcoholic Beverages, Household Operations, Housekeeping Supplies, Household furnishings and equipment, Life/Other Insurance, Miscellaneous, Personal Care Product and Services, and Smoking Products.

Source: ESRI Business Analyst Online (www.bao.esri.com)

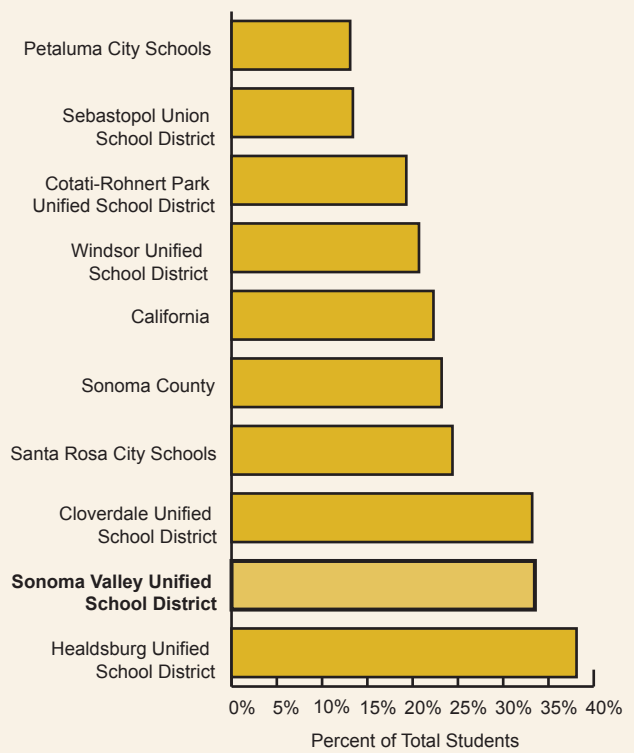
Education

The Sonoma Valley Unified School District serves the greater Sonoma Valley, including the City of Sonoma along with the unincorporated communities of El Verano, Boyes Hot Springs, Fetters Hot Springs, Agua Caliente, Glen Ellen, Vineburg and Schellville. The district enrolls about 4,600 students each year.

The percentage of English learners in the Sonoma Valley Unified School District is 33.5%. This includes elementary, middle, and high school students. The ratio of English learners in the Sonoma Valley Unified School District is well above the county average of 23.2%, as well as the state average of 22.3%.

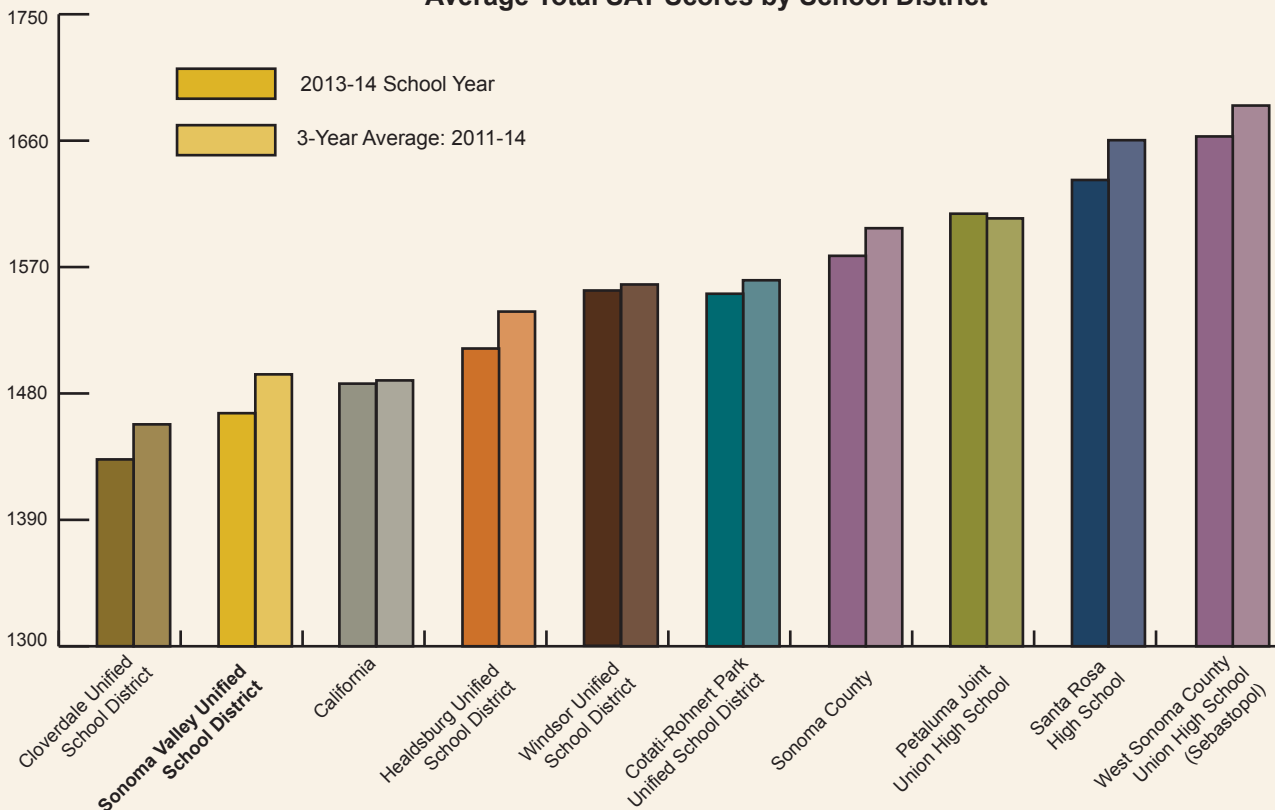
The average SAT score for a student from the Sonoma Valley School District in the 2013-14 school year was 1466. This places the Sonoma Valley Unified School District below the county average of 1578, and below the state average of 1487.

English Learners by School District, 2014-15



Source All: California Department of Education (www.cde.ca.gov)

Average Total SAT Scores by School District



City Data Snapshot

	Total Population 2015	Unemployment Rate June 2015	Median Household Income 2015	Median Price of an Existing Home 2014	Business Establishments 2015	Total Taxable Sales 2013 (Millions)
Cloverdale	8,858	3.7%	\$57,643	\$350,000	333	\$62
Cotati	7,399	5.7%	\$62,498	\$399,000	546	\$166
Healdsburg	11,681	3.7%	\$61,950	\$625,000	1137	\$328
Petaluma	59,322	3.3%	\$75,655	\$540,000	3,093	\$1,028
Rohnert Park	41,967	4.5%	\$58,719	\$399,000	1,555	\$625
Santa Rosa	171,827	4.8%	\$57,602	\$420,000	8,498	\$2,907
Sebastopol	7,490	3.7%	\$57,607	\$639,000	859	\$143
City of Sonoma	11,202	3.9%	\$59,596	\$588,900	1,271	\$243
Windsor	27,221	3.7%	\$77,205	\$470,000	933	\$352
Sonoma County*	494,431	4.3%	\$61,807	\$459,000	25,800	\$8,018

Note on Data Sources

The *2016 Sonoma City Local Economic Profile* is a brief summary on various demographic, economic and social aspects of Sonoma City. Economic Development Board (EDB) research originates from information available from outside resources and previously published material. The *2016 Sonoma City Local Economic Profile* offers partial or composite representations of raw data and cites respective source data sets. For more information, please see the listed sources.

The *Local Economic Profile* does not provide complete in-depth analyses of all facets of the incorporated cities or the county. The EDB believes all data contained within this report to be accurate and the most current available, but does not guarantee its accuracy or completeness. Use of data from an outside source does not represent an endorsement of any product or service by the EDB, its members or affiliates.

The *2016 Sonoma City Local Economic Profile* was developed from national and local data sources. Interested readers are encouraged to contact data source agencies or organizations for further research. Readers are also invited to suggest for future reports by calling (707) 565-7170 or e-mailing edb@sonoma-county.org.

Sources

Bay Area Real Estate Information Services

California Board of Equalization

California Department of Education

California Employment Development Department

California Homebuilding Foundation

ESRI Business Analyst

Keegan and Coppin Company

U.S. Census Bureau

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