

SUPPLEMENTAL REPORTS & COMMUNICATIONS I
Office of the City Clerk

City Council of the City of Napa
Regular Meeting
May 15, 2018

FOR THE CITY COUNCIL OF THE CITY OF NAPA:

AFTERNOON SESSION:

6. ADMINISTRATIVE REPORTS:

Item 6.A. Napa Tourism Improvement District's Operating Policy Amendment FY 2018-19 Budget and Work Plan; and Agreement for Services for Marketing, Advertising, Public Relations, Event Planning & Related Services.

- PowerPoint presentation by city staff.
- PowerPoint presentation by D. Augustine & Associates, Inc., consultant.

Item 6.B. 2018 Lodging Market Study and Related Economic Impact Analyses.

- PowerPoint presentation by city staff.
- Letter from Catherine Heywood, Visit Napa Valley, dated May 10, 2018.

Item 6.C. Proposed Ballot Measure to Increase Transient Occupancy Tax to Fund Affordable and Workforce Housing.

- PowerPoint presentation by city staff.

EVENING SESSION:

14. ADMINISTRATIVE REPORTS:


Item 14.A. Administrative Process for Regulating Installation of Small Cell Antennae.


- PowerPoint presentation by city staff.



PRESENTATION OVERVIEW


1. Catherine Heywood, Visit Napa Valley
 - Napa Valley TID Overview
 - TID Assessment vs. TOT Tax
2. Shari Cooper, City of Napa
 - Operating Policy Amendment
 - Budget and Work Plan for FY 2018-19
3. Lindsay Moore, Augustine Ideas
 - Marketing Work Plan for last fiscal year
 - Marketing Work Plan for upcoming fiscal year

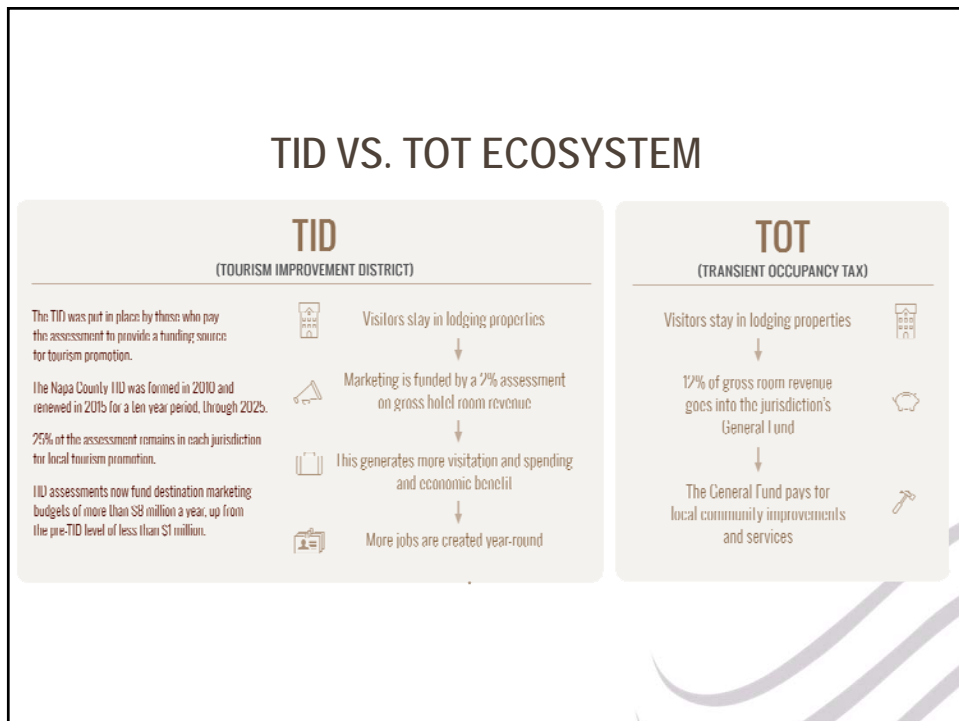




The official tourism marketing organization for the Napa Valley

Our mission is to promote, protect, and enhance the Napa Valley's position as America's premier wine, food, arts and wellness destination.





VISIT NAPA VALLEY STRATEGICALLY MANAGES TOURISM



COLLABORATION

Works closely with all six jurisdictions, community leaders, partner organizations and Chambers of Commerce.



TARGETED VISITORS

Commissions a biennial Visitor Profile Study to track visitor demographics, spending, length of stay, and economic contributions to the community.



COMMUNITY & GOVERNMENT RELATIONS

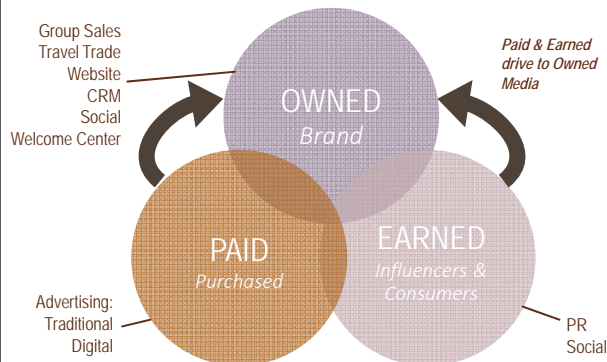
Participates in meaningful initiatives and programs for the community through ongoing communication and education with local governments and special interest groups.



KEY OBJECTIVES & STRATEGIES

Goal is to maintain and increase leisure travel and spending in the Napa Valley during non-peak time periods, including November to April (Cabernet Season) and midweek, Sunday through Thursday nights.

INTEGRATED SALES & MARKETING



Approach

- Holistic planning and execution designed to deliver on LRP objectives and deliver during key need periods
- Reserve funds are maintained to allow for timely and impactful responsiveness to market shifts or unforeseen circumstances, i.e.
 - Marketing/promotional opportunities identified out of the planning cycle
 - Economic crisis requiring organizational support

OPERATING POLICY AMENDMENT

Amends the Napa Tourism Improvement District
Operating Policy to:

Section 1.3.1

- Changes the deadline for the proposed budget and work plan from April to March 30th

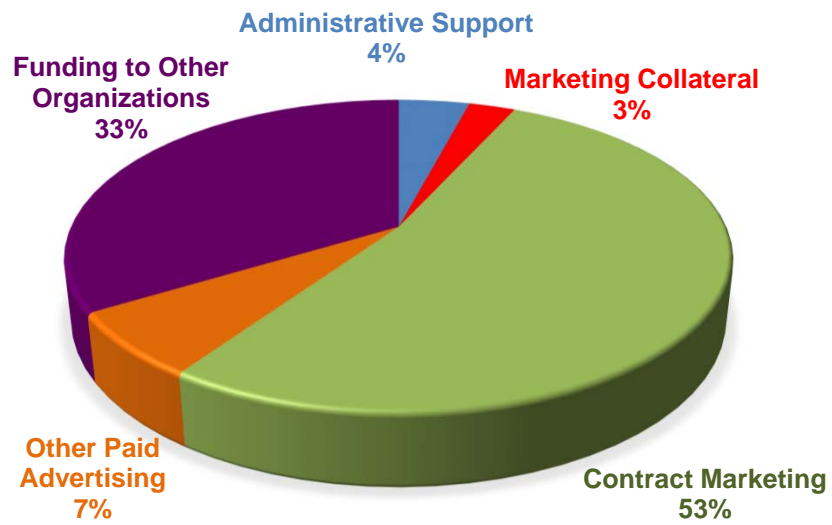
Section 1.3.2

- Adds an evaluation process to be used when considering grant requests.
- Adds procedures for Chair/Vice-Chair when encountering an urgent demand.

FY 2018-19 WORK PLAN & BUDGET

Estimated Beginning Unreserved Fund Balance	\$ 354,084
Estimated Beginning Reserved Fund Balance (per Contingency Reserve Fund Policy)	317,800
Revenues	
<i>TID Assessment</i>	1,029,000
<i>Interest Earnings</i>	2,500
TOTAL REVENUE	1,031,500
TOTAL OPERATING EXPENSES	1,113,740
<i>Transfer to Reserves</i>	200,000
Estimated Ending Unreserved Fund Balance	71,844
Estimated Ending Reserved Fund Balance (per Contingency Reserve Fund Policy)	517,800

EXPENDITURE DETAIL





Industry Insights

DOWNTOWN
NAPA

Industry Insights

- Travel to and throughout California continues to rise
- Competition is increasing – there are more TBID's in CA than ever before, all vying for the same tourism dollars
- Today's consumer is curious, demanding and impatient
- Successful brands serve as a true resource throughout the planning process, during one's trip and following through to post-trip engagement

NAPA

Industry Insights

- Millennials are here to stay, and they're shaping the future of travel more than any other demographic
- Storytelling continues to change the way destinations market themselves - this is at the forefront of all connecting and planning for the year
- Consumers expect brands to speak directly to them - know their likes, know their dislikes and provide solutions for them during every touch point of the consumer journey
- Access to custom content via mobile is shortening the trip planning window



FY 18/19 Work Plan



Strategy

- Stand out among competition
- Elevate DoNapa brand
- Continue developing tourism pipeline
- Paid Media Approach: Data Driven; Audience Buying; 3rd Party Data
- Content Strategy: Storytelling, personalization, authenticity



NAPA

Target Audiences

Girls Getaway

The wine
The food
The galleries
The shopping
The laughter and memories
Key Takeaway: A weekend away is good for the soul.

Just The Two Of Us

Pamper yourself
Laugh and flirt
Eat well
Buy something special
Enjoy each other
Key Takeaway: Sometimes we need time for just the two of us.

Will Travel For Food & Wine

The bouquets
The flavors
The textures
The exhibits
The delights
Key Takeaway: Indulge the senses.

LGBTQ

Eat
Explore
Celebrate
Shop
Dream
Key Takeaway: I feel welcome in the City of Napa.



NAPA

Objectives

- Increase overnight visitation, especially mid-week and during Cabernet Season
- Establish the City of Napa as visitors' choice when visiting the Napa Valley
- Increase exposure of local attractions and businesses
- Promote local events that enhance the visitor experience
- Increase awareness of experiences to be had in-market



Work Plan: Content Marketing



Content Marketing Tactics

- * Proactive Media Pitching
- * Content Development
- * Annual FAM Tour Planning & Execution
- * Social Media Influencer Campaign
- * Social Media Management & Strategy



BottleRock

DOWNTOWN
NAPA

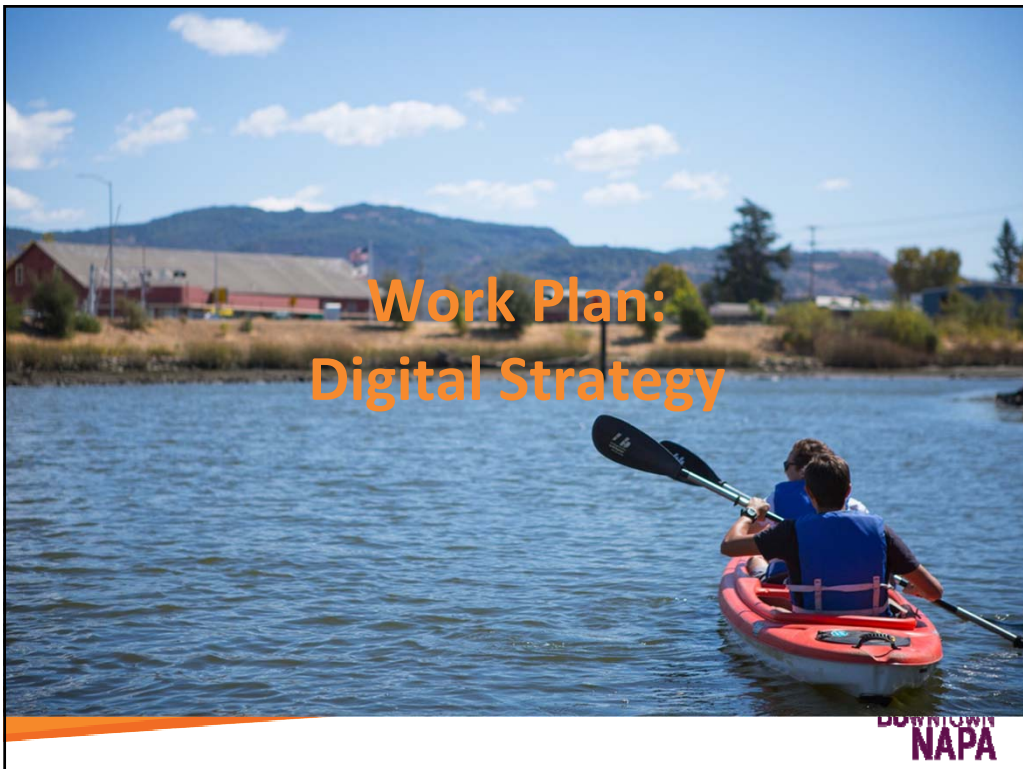
BottleRock

- * Post across Facebook & Instagram
- * Utilize opportunity for on-site audience engagement and giveaways
- * Exposure to new audiences, increasing Facebook & Instagram fan-base
- * Educate on experiences unique to the City of Napa
- * Encourage trips – return or first time – during other times of the year (Cabernet Season, etc.)



DOWNTOWN
NAPA

Work Plan: Digital Strategy



DOWNTOWN
NAPA

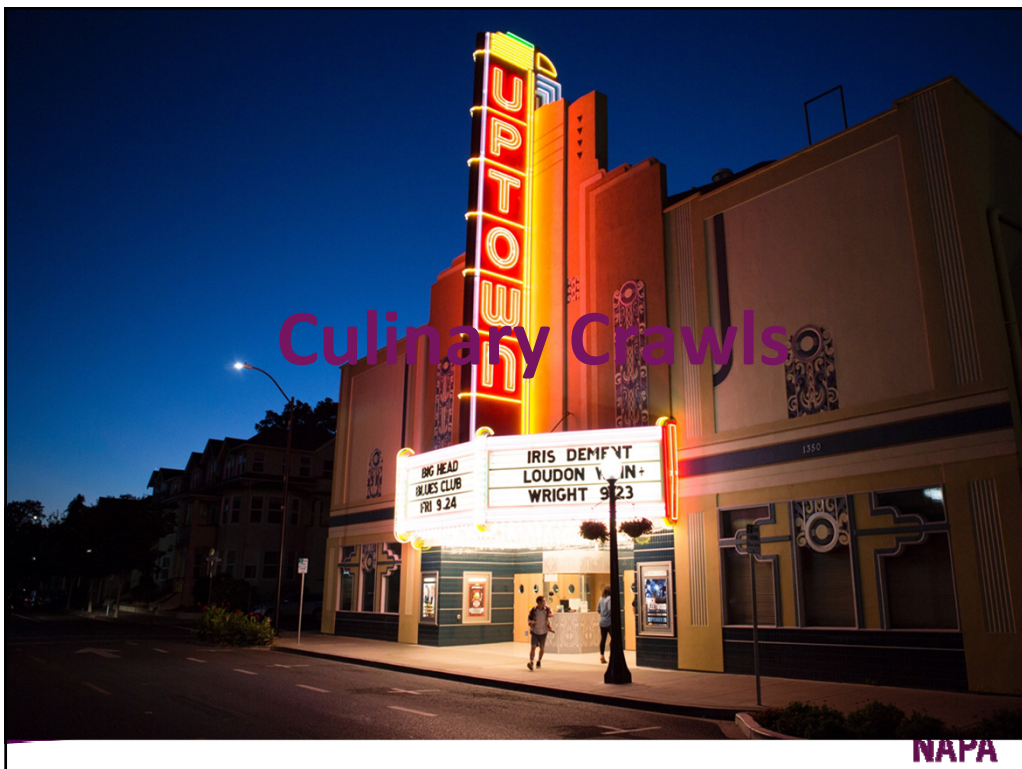
Digital Tactics

- Paid Social Media
- Paid Search/Display/Retargeting
- Video Advertising
- Email Marketing
- Search Engine Optimization (SEO)
- Website Refresh
- Content Delivery Network



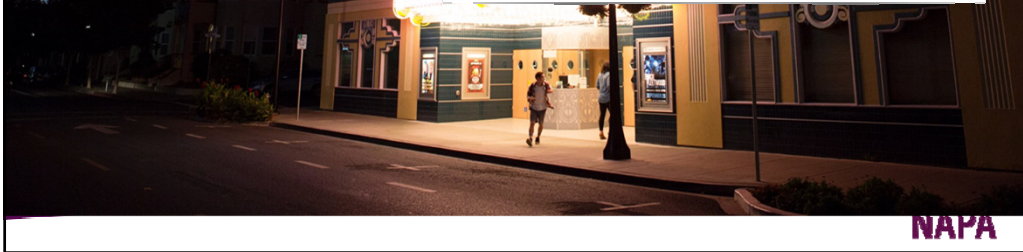
DOWNTOWN
NAPA

Culinary Crawls



DoNapa Culinary Crawls

- Six bi-monthly crawls
- Locations to be selected as available, including tasting rooms and restaurants in Downtown Napa
- To take place on third Thursdays of the month from 5pm - 8:30pm.
- Drink specials at each location
- Restaurant specials at each location



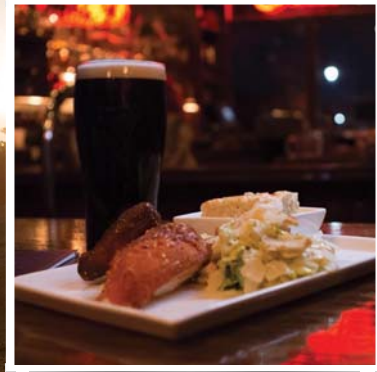
Work Plan: Video Series



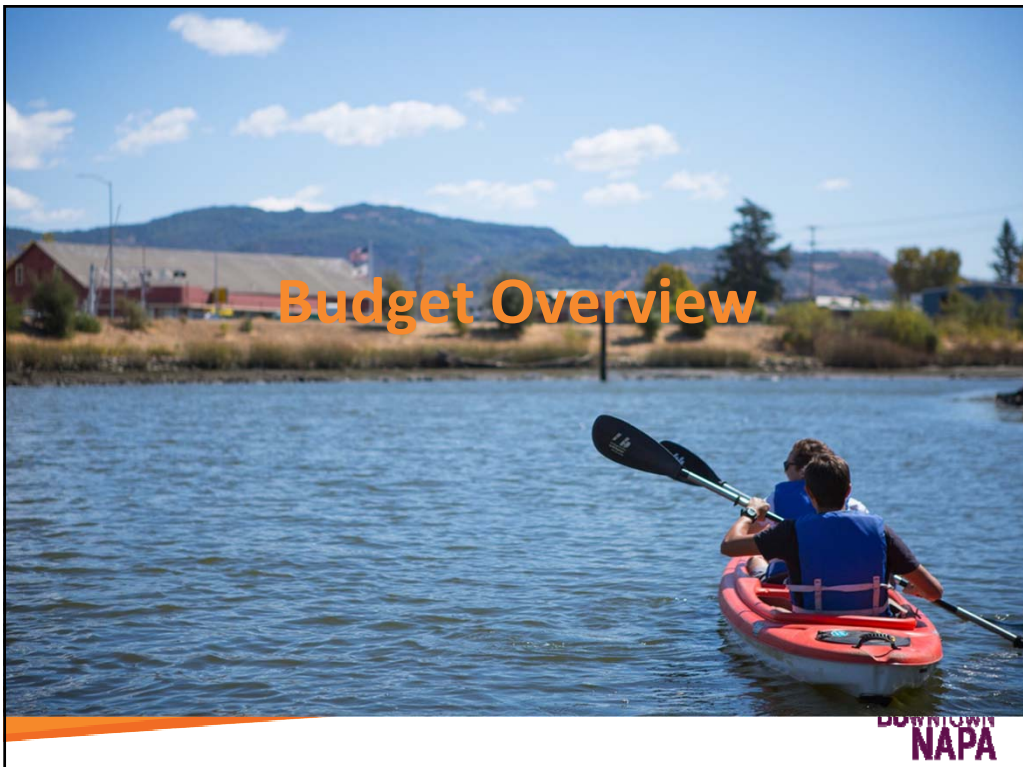
Overview

With great successes in our current Do Napa in 30 video series, we look forward to producing more content of this kind. The campaigns will help audiences gain insight on fun happenings, local hotspots and more around the city.

- Promote the City of Napa during Cabernet Season (January - April)
- Specific concept and content will be put into storyboards and presented for TID approval

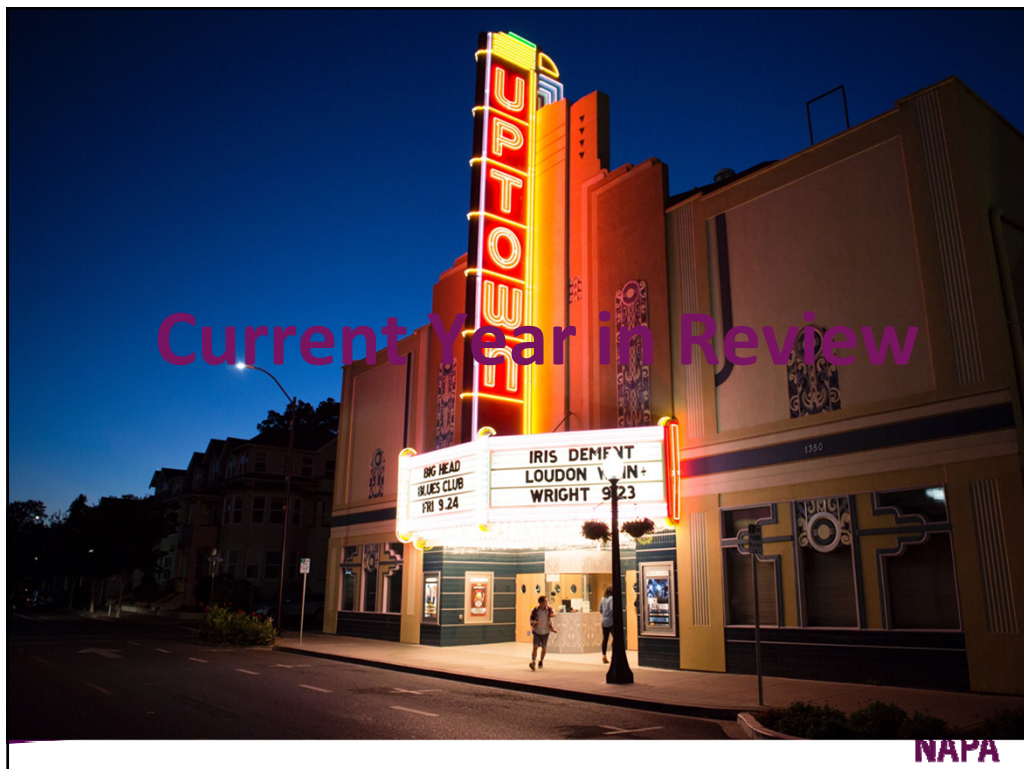


Budget Overview



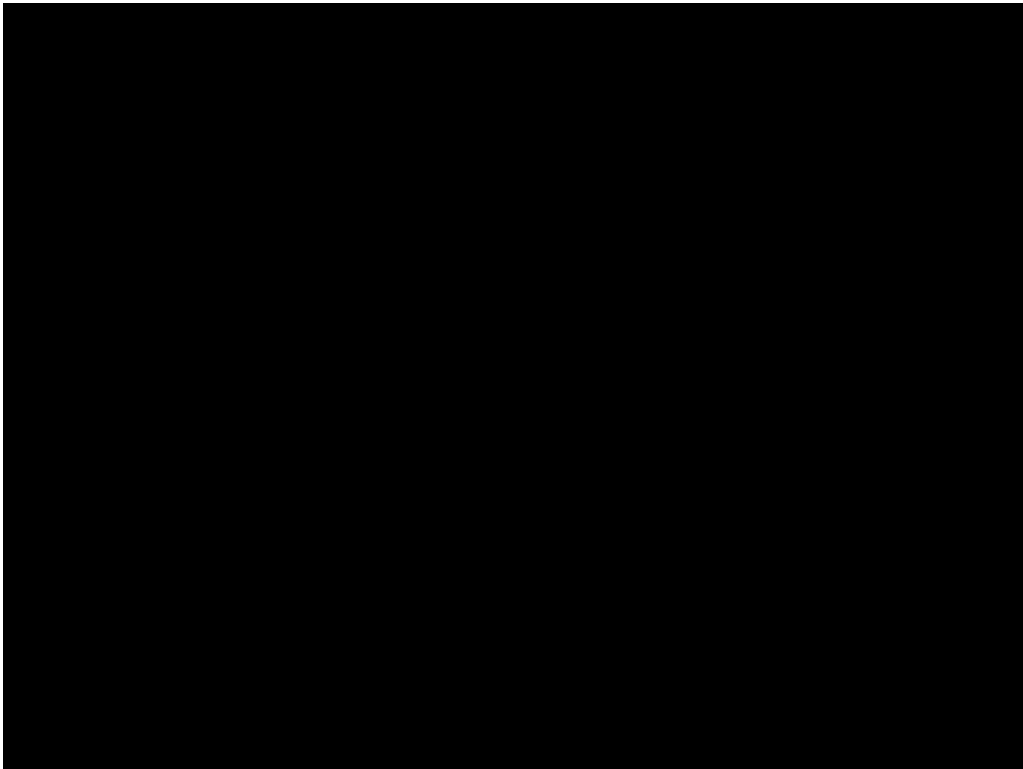
Budget

Work Plan Line Item	Annual Investment	+/- Y-O-Y
Account Management & Strategy	\$48,000	+\$2,400
Content Marketing & Strategy (PR/Social)	\$78,000	\$0
Digital Management & Strategy	\$54,000	-\$6,000
BottleRock Awareness Campaign	\$9,500	+\$2,000
Do Napa Video Series	\$40,000	+\$4,000
Creative Production	\$66,650	+\$41,650
Culinary Crawls	\$21,000	\$0
Social Media Influencer Campaign	\$30,000	\$10,000
FAM Tour Coordination	\$9,000	-\$6,000
Paid Digital Media Campaigns	\$103,400	\$28,400
Monthly eNewsletters	\$14,400	+\$14,400
Email Marketing Platform Hosting Fees	\$1,300	-\$1,500
Website Refresh	\$8,000	+\$8,000
Content Delivery Network	\$350	+\$350
Website Hosting Fee	\$1,400	+\$212
FY 19/20 Planning	\$3,000	+\$3,000
SUBTOTAL	\$488,000	+\$79,062
Optional Responsive Marketing	\$100,000	
TOTAL	\$588,000	



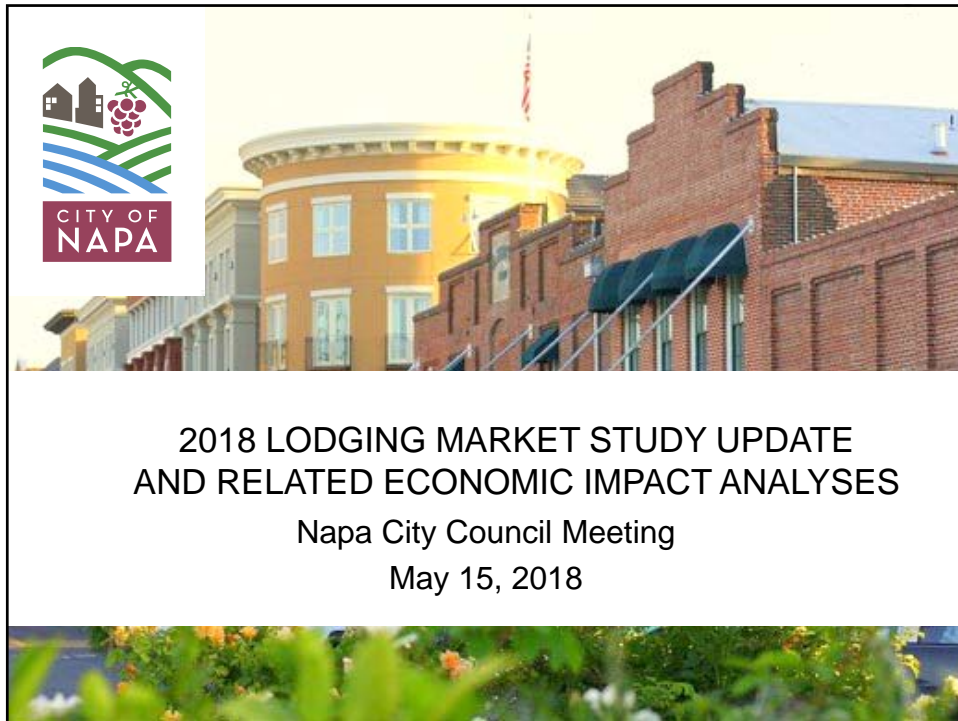
Year in Review

- DoNapa Now Campaign
- Social Media Influencer Campaign
- Visit Napa Valley Instagram Takeovers
- Streaming TV Campaign
- Expedia Campaign
- Continued Public Relations & Social Media Efforts
- DoNapa in :30 Video Series



Thank you!





Administrative Report Purpose

- Present study highlights and key findings
 - 2018 Lodging Market Study update
 - Related economic analyses
- Receive report
- Direct staff
 - Review existing lodging policy
 - Bring forward suggested revisions for approval



Primary Objectives

Cushman & Wakefield

- Lodging study update
- Industry trends
- Lodging inventory
- Supply, demand, absorption
- Occupancy & daily rates
- Findings & recommendations

BAE Urban Economics

- Economic impacts
- Fiscal revenue impacts
- Labor & housing availability
- Conservative buildout scenarios; 5-yr timeframe



Key Local Trends



- Lodging market growth; cyclical
- Product type & location variety
- Seasonality expansion
- Rising occupancy & ADR, past & projected
- Room absorption capability; 10-yr
- Economic activity expansion & general fund contribution
- Labor pool & affordable housing; housing project pipeline





Napa Valley Lodging Study

Presentation to City Council

May 15, 2018

Elaine Sahlins, MAI, CRE

Elaine.Sahlins@cushwake.com

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Cushman & Wakefield Napa Valley Lodging Study 2018

Now and Then (2017 Data compared to 2007 Data)

In prior study, the Napa Valley lodging market was on the precipice of the Great Recession and the performance was challenged:

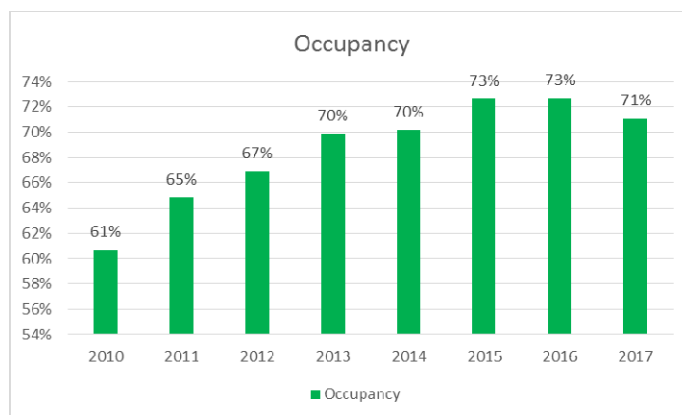
Base Year Occupancy and Rate

2007 (HVS Study)	66%	\$255
2017	71%	\$323

Cushman & Wakefield Napa Valley Lodging Study 2018

Now and Then (2017 Data compared to 2010 Data)

Since 2007, occupancy in the Napa Valley has been on an upward trajectory.



Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Major Trends

Seasonality has been “Smoothing Out”

Monthly Occupancy 65% or Greater												
2017	55%	67%	70%	74%	78%	79%	80%	79%	83%	63%	68%	58%
2016	56%	66%	68%	75%	76%	78%	81%	79%	85%	83%	70%	55%
2015	54%	65%	68%	75%	78%	76%	79%	82%	84%	85%	69%	56%
2014	48%	59%	66%	74%	77%	78%	80%	79%	80%	81%	69%	51%
2013	47%	56%	62%	71%	77%	76%	81%	84%	83%	82%	71%	47%
2012	43%	55%	59%	67%	71%	78%	79%	80%	82%	81%	62%	43%
2011	40%	50%	57%	64%	70%	72%	78%	81%	83%	79%	60%	44%
2010	37%	45%	53%	61%	67%	68%	74%	74%	76%	77%	55%	39%
	January	February	March	April	May	June	July	August	September	October	November	December

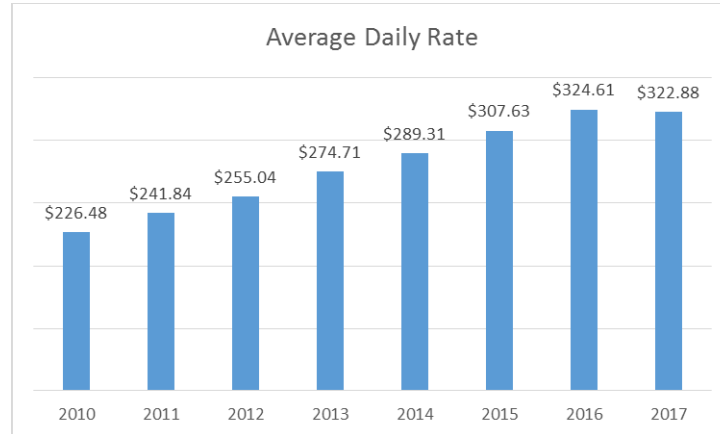
Source: STR/ Cushman & Wakefield

Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Now and Then (2017 Data compared to 2010 Data)

- Strong average rate growth since 2010 in the Napa Valley



Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Now and Then (2017 compared to 2007)

- New hotel room additions have been mostly in the city of Napa:

Napa Valley Hotel Room Inventory Changes		
	Napa Valley	City of Napa
2000 to 2007	822	370
2007 to 2017	917	683
Source: STR/Cushman & Wakefield		

Note that the Napa Valley includes the city of Napa

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Cushman & Wakefield Napa Valley Lodging Study 2018

New Supply Distribution

Napa Valley - Proposed Lodging Supply				
Property Type	Number of Properties	% of Total	Number of Guestrooms	% of Total
Bed and Breakfast	8	30%	102	4%
Limited Service Hotels	5	19%	556	24%
Full Service Hotel	7	26%	971	42%
Luxury Hotels & Resorts	7	26%	691	30%
Totals	27	100%	2,321	100%

Excludes Speculative Development

Source: Cushman & Wakefield

City of Napa - Proposed Lodging Supply				
Property Type	Number of Properties	% of Total	Number of Guestrooms	% of Total
Bed and Breakfast	8	36%	102	5%
Limited Service Hotels	5	23%	556	26%
Full Service Hotel	7	32%	971	46%
Luxury Hotels & Resorts	2	9%	483	23%
Totals	22	100%	2,112	100%

Excludes Speculative Development

Source: Cushman & Wakefield

Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Major Trends

- The Napa Valley submarkets continue to evolve as unique destinations
- The hotel market in Napa Valley is anticipated to continue to attract overnight visitors at a steady pace
- Existing and proposed hotel facilities have different operating profiles. Rate positioning, branding, and size all influence absorption and performance

Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Findings and Recommendations

- As is occurring in other destinations, hotel projects in the future should consider a variety of different types of facilities and experiences
- Hotels can be developed in non-core locations depending on the proposed facilities and expected room rates



Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Findings and Recommendations

- The study anticipates that the proposed new hotels can be absorbed ***over the long term***
- Market occupancy is projected to moderate with the additional supply
- While the study uses all of the proposed supply in the current pipeline to assess long-term potential of the market, ***in reality, it is unlikely that all of the proposed supply will be built as planned***

Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Findings and Recommendations

- Hotel feasibility is an inherent constraint on new development impacted by rising construction costs, timing, and cost/availability of capital (equity and debt)
- Hotel market cyclicalality can also impact the expected performance of the existing and proposed hotels

Cushman & Wakefield | Presentation to City Council

Cushman & Wakefield Napa Valley Lodging Study 2018

Findings and Recommendations

- The Napa Valley is a perennial target market for hotel developers and brands who continue to seek out hotel projects with the underlying expectation that the area will continue to be a viable, sustaining visitor destination.

Cushman & Wakefield | Presentation to City Council

ABOUT BAE

- Award-winning urban economics and public-benefit development advisory services
- Over 2,200 engagements since 1986
- Services:
 - Fiscal and economic impact studies
 - Affordable & Workforce Housing
 - Sustainable Development & TOD
 - Economic Development
 - P3 negotiations
 - Finance and operations

bae urban economics

LODGING STUDY ECONOMIC ANALYSES

1. Economic Impacts
2. Fiscal Impacts
3. Labor Availability and Housing Affordability

Findings for the 2,112 planned rooms were prorated based on more conservative buildout estimates

bae urban economics

ECONOMIC IMPACT FINDINGS

Impacts from Construction (during construction period only)

Employment	700 Jobs
Economic Output	\$110.9 million per year

Impacts from Ongoing Operations

Employment	3,700 Jobs
Economic Output	\$456.4 million per year

Note: estimates based on 60% of full buildout of 2,112 planned rooms

bae urban economics

FISCAL REVENUE IMPACT FINDINGS

- \$18 million per year in General Fund Revenue
 - 87% of revenues from transient occupancy tax
 - Property tax & sales tax are most of remaining revenue
- Actual revenues will depend on number & type of rooms built

Note: estimates based on 60% of full buildout of 2,112 planned rooms

bae urban economics

HOUSING AFFORDABILITY & LABOR AVAILABILITY FINDINGS

- Employment for new hotels will total approximately 630 workers
 - Associated housing need estimated at 324 units total, 233 units for households with moderate incomes or lower
- New members of labor force & workers from outside of the area will generate housing demand

Note: estimates based on 60% of full buildout of 2,112 planned rooms

bae urban economics

HOUSING AFFORDABILITY & LABOR AVAILABILITY FINDINGS

- New planned & proposed units will help to serve hotel worker housing needs
 - There are 1,529 housing units in Napa's development pipeline, including 492 affordable units
- These units will be essential to meeting hotel worker housing demand

bae urban economics

Key Take-Aways

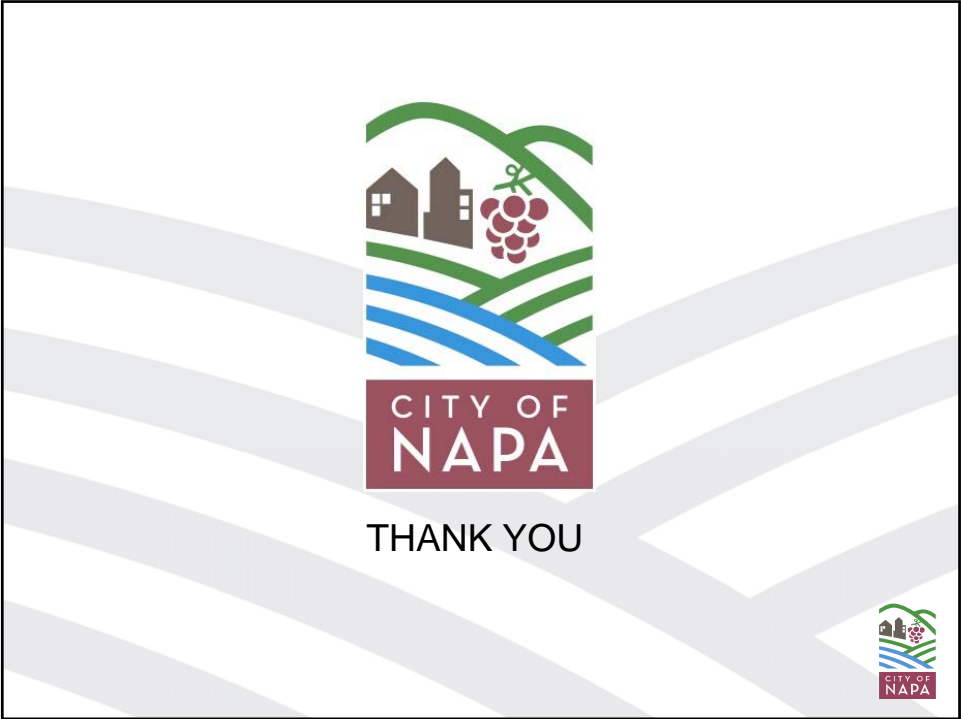
- Methodology shows market capable of absorbing existing pipeline
- Seasonality is levelling
- Anticipated economic growth and positive impact on City's general fund
- Increased demand for locally-based housing; offset by housing units in the queue
- Projected capacity for absorption does not imply pipeline projects should be, or are, approved



Recommended Actions

- Receive the 2018 Lodging Market and Impact Analyses reports
- Direct staff to recommend revisions to existing lodging policy for future action.







May 10, 2018

Napa City Council Members
C/O Dorothy Roberts, City Clerk
droberts@cityofnapa.org

Dear Mayor Techel and City Councilmembers:

It was with great interest that Visit Napa Valley reviewed the Napa Valley Lodging Study prepared by Cushman & Wakefield and its sub-consultants. We appreciate being included in the early data gathering for this effort and afforded the opportunity to provide some insight and data to the consultant on behalf of the lodging industry.

Overall, the report appears to be based on collected data and extrapolations; a sound methodology and reasonable approach. The consultant made certain assumptions about Napa's future lodging performance based on historical trends in Napa Valley, as well as a dynamic travel industry market. While we understand that local lodging representatives were part of the information gathering process, we feel the study could benefit from further validation and refinement, particularly regarding rates. Expanded insights from the lodging operators and owners throughout Napa could add value in drawing conclusions about the future of the lodging industry in Napa Valley.

Additionally, we recommend the study be reviewed by a wine industry analyst to compare trends experienced or forecasted in the wine business. Since wine tourism is the primary reason visitors come to Napa Valley, a review of wine consumer behavior and demographic alignment may influence the conclusions drawn from the study. Samples of this type of data are found in the 2018 Silicon Valley Bank Wine Report.

Should the City decide to move to another phase of this effort, Visit Napa Valley would be pleased to help and would offer to facilitate an interactive discussion with our lodging members to make sure we understand Napa Valley's visitor market and anticipate future ramifications of Napa Valley's visitor demographics.

Best regards,

A handwritten signature in cursive script, reading "Catherine Heywood".

Catherine Heywood
VP, Community & Industry Relations



Proposed 1%
TOT Ballot
Measure

May 15, 2018

Agenda Item:

- Receive report on proposed ballot measure
- Provide direction



Visit Napa Valley's Proposal

- Visit Napa Valley taking leadership role in this effort
- County & each of cities/town being asked to seek 1% increase to TOT
 - November ballot measure
 - City's cost = \$10K-\$15K
 - Special tax for affordable & workforce housing
 - New funding for housing
 - \$2.1M per year in Napa
 - \$5M countywide



TOT

- Transient Occupancy Tax (TOT)
 - Tax on lodging (stays 30 days or less)
 - Can be general or special tax
- Special Tax
 - Specific purpose
 - Requires 2/3 vote
- Current charge on lodging = 14%
 - TOT = 12%
 - Tourism Improvement District Assessment = 2%



California TOT Comparison with TID Assessments			
Jurisdiction	Other Guest Levies	TID Assessment	Total Assessment
HIGHER THAN NAPA			
Anaheim/Garden Grove	15%	2%	17%
Healdsburg	14%	2%	16%
Long Beach	12%	3%	15%
Los Angeles	14%	1.50%	15.5%
Mammoth Lakes	13%	1 - 2%	14 - 15%
Palm Springs	13.5%	1%	14.5%
Palm Springs	13.5%	3%	16.5%
Pasadena	12.1%	2.89%	14.90%
Sacramento	12%	1-3%	13 - 15%
San Francisco	14%	1.3125 - 2.75%	15.3-16.75%
San Jose	14%	\$1.25 - \$2.75/nite	14% + \$ nite
Santa Monica	14%	\$2.50-\$4.50/nite	14% + \$ nite
West Hollywood	12.5%	3.0%	15.5%

SAME AS NAPA			
Bishop	12%	2%	14%
Buena Park	12%	2%	14%
Conejo Valley	12%	2%	14%
Santa Maria	12%	2%	14%
Sonoma County	12%	2%	14%
OTHER WINE REGIONS			
Monterey	10%	.50 - \$2.50/nite	
Paso Robles	10%	2%	12%
Ojai	10%	1%	11%
Santa Barbara so. Coast	10.9%	.50 - \$2.00/nite	10.9% +
Sonoma City	10%	2%	12%
Temecula	8%	4%	12%
Temecula Wine	10%	2%	12%

US Domestic Markets Comparison (Sample)			
Jurisdiction	Room Revenue	Other Guest Levies	Total Assessment
Steamboat Springs, Colorado	2%	10.65%	12.65%
Vail, Colorado	1.4%	8.4%	9.8%
Tampa Bay, Florida	1.5%	12%	13.5%
Wichita, Kansas	2.75%	13.5%	16.25%
New Orleans, Louisiana	1.75%	14%	15.75%
Portland, Oregon	2%	11.5%	13.5%
Philadelphia, Pennsylvania	0.75%	15.5%	16.25%
Dallas, Texas	2.26%	13%	15.26%
Fort Worth, Texas	2%	14%	16%

Napa's Workforce: Top 4 Sectors

	<u>2017</u>	<u>Est. 2022</u>	<u>Average Pay</u>
Hospitality <i>Lodging, Restaurants, Tasting Rooms</i>	11,690	14% to 13,277	\$ 37,994
Manufacturing <i>Wine Production</i>	12,175	< 1% to 12,544	\$ 86,100
Government/Education	10,653	< 1% to 11,351	\$ 94,471
Health Care/Social Asst.	8,392	11% to 9,337	\$ 66,779

3,779 New Jobs Projected by 2022: 9% increase)

Workforce Alliance of the North Bay, Emsi 2018, Cass Walker Co.

Affordable & Workforce Housing

- 2018 income limits for household of 4 in Napa
 - Very-low 50% of median = \$46,550
 - Low 80% of median = \$74,500
 - Median 100% of median = \$91,000
 - Moderate 120% of median = \$109,200



30% of Salary for Housing Costs

Earners Category	30% of Monthly Earnings
Very Low	\$ 1,164
Low	\$ 1,377
Median	\$ 2,275
Moderate	\$ 2,730

Based on 2018 income data

Apartment Rents, City of Napa (2 Bedroom)	
Built Pre-2003	Built Post-2003
\$ 1,718 - \$2,981	\$ 2,493 - \$2,900

Home Ownership, City of Napa 30-year Fixed Mortgage	
Median Home Price	\$ 655,000
Down Payment 20%	\$ 131,000
Monthly Loan Payment	\$ 2,941
Prop tax, Insurance	\$ 700
Total monthly cost	\$ 3,641

Gasser Foundation, Cass Walker Co.

Affordable & Workforce Housing (continued)

- Most affordable housing projects are targeted to 60% of median & below
 - Leverage State/federal funding
 - \$55,080 for household of 4
- City's Housing Impact Fee Fund capped at 80% of median
 - \$74,500 for household of 4
- "Missing middle"
 - 61%-120% of median not being assisted



What Could 1% Pay For?

- Projects aimed at "missing middle"
 - "Workforce housing"
 - Up to 120% of median?
- Leverage for affordable housing projects to get them built faster
- Land
- Down payment assistance
- Etc.



Next Steps

- Very tight timeframe
- June 19 - City Council meeting:
 - Return with proposed ballot measure
 - Procedural steps
 - Resolution requesting County to consolidate ballot measure
- July 31 - Board of Supervisors meeting:
 - County take action
- July-November: public education campaign, etc.



- Staff seeking discussion & direction on proposed ballot measure





Administrative Process for Reviewing and Regulating Small Cell Antennae Installations

City Council Presentation
May 15, 2018



City Regulation of Small Cells

- City authority limited by preemptive laws at state and federal level
- City can regulate placement, construction and modification of small cell antennae within right of way based on considerations of public safety and aesthetics

However:

- City is preempted from regulating facilities on basis of environmental effects of radio frequency emissions that comply with federal regulations
- City cannot unreasonable discriminate among providers of functionally equivalent services
- City regulation cannot have effect of prohibiting the provision of personal wireless service.



What is Small Cell Technology?

- Term used to describe low-powered cellular radio access nodes
- Smaller and limited in range/coverage area (1000-foot radius on average)
- Larger/macro cell sites significantly more powerful and cover broad area (several mile radius)
- Units close service gaps, improve coverage and increase network capacity to localized area



Why Small Cells?

- Significant increase in use of smart phones and other wireless technologies in past few years
- Growth of voice, text, data driven media and apps has grown and will continue to exponentially grow in future
- Customer desire for better service and more wireless connectivity
- New infrastructure will allow for next generation of technology that supports smart communities, connected vehicles and other up and coming technologies



Why Small Cells?

- Macro cell sites, often miles apart, can have gaps in coverage or low signal strength creating areas of poor voice quality and data usage
- Macro cell sites can be limited in ability to handle current and future growth in voice and data usage
- Small cell antenna units augment use of macro cell towers
- Installation typically occurs in low signal strength areas or locations with high demand

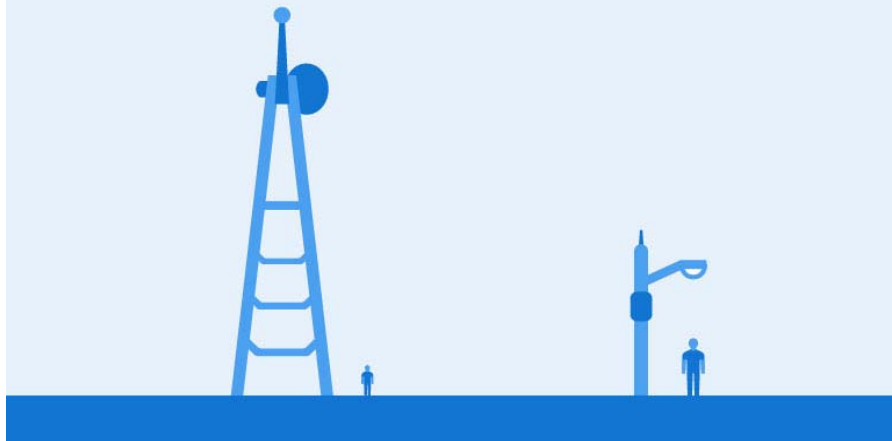


Towers

Tall. Visually prominent.

Small cells

Discreet. Lower to the ground.





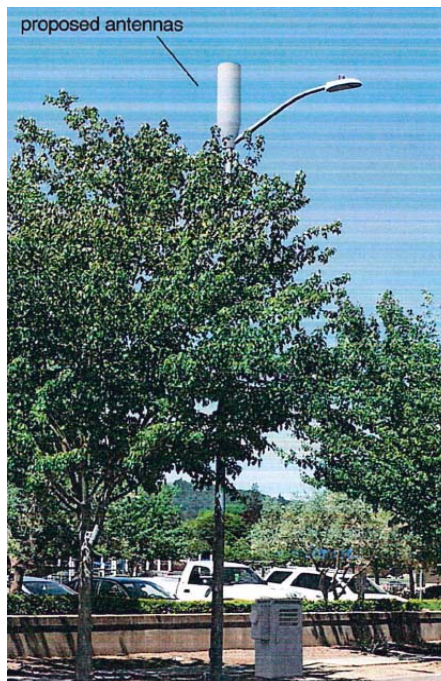
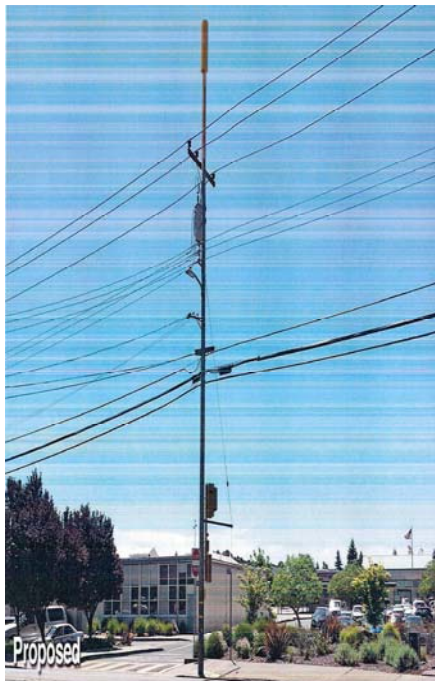
Encroachment Permit Process

- Small cell sites authorized through Encroachment Permit process
- Application submitted for each proposed location
- Site visit by staff
- Application reviewed with respect to:
 - Neighborhood (commercial, residential, industrial)
 - Location within public right of way
 - Proposed equipment (size, shape) and location in right of way
 - Can right of way physically accommodate equipment
 - Effect on City's ability to use right of way
 - Safety (visual obstructions, limitation of specific pole, ped and vehicular sight distance, height above ground)
 - Aesthetics considerations



Encroachment Permit Process

- Require public outreach for each proposed installation sites
- Provider notifies residents within 150 feet of each site inviting them to public information meeting
- Meeting includes provider, engineers/contractor, residents (City staff also attends)
- Opportunity for public to ask questions, express concerns, explain process by provider
- Notification and attendance is tracked
- Staff works with provider to gather concerns raised at meeting or as conveyed to City staff through other means
- Site applications modified to greatest extent possible to address concerns/issues raised
- Permits issued at end of process



PROPOSED



PROPOSED WIRELESS ANTENNA
AND NEW POLE

PROPOSED SUPPORT
EQUIPMENT AND POWER
CABINET

Proposed - Wood Joint Utility Pole



Santa Rosa



Santa Rosa

Existing Conditions in Napa

Franklin Street



Chelsea Avenue



Yajome Street



Beard Road



Pueblo Avenue

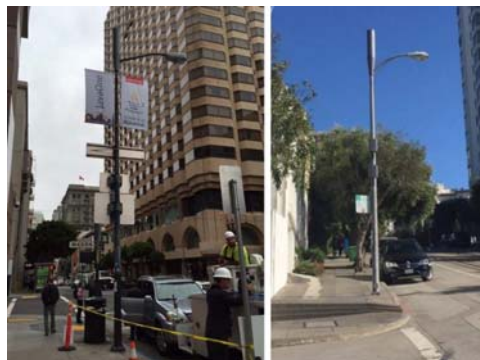


Installations in Other Cities

Santa Rosa



San Francisco



San Jose



Santa Rosa



Sunnyvale



Questions?

