

MR+E

Buellton Community Visioning Process Economic Information

Prepared for
RBF
City of Buellton

Prepared by
MR+E

6/7/10

Introduction

In April of 2010 the City of Buellton, in coordination with its consultant RBF, commissioned Metropolitan Research and Economics (MR+E) to prepare this economic data package as part of the ongoing public visioning process that the City is currently undertaking. There are two interrelated goals in this analysis. The first is to provide current economic data on a broad variety of economic factors that are influencing the development of the community. The second request was to provide a framework for evaluating the opportunities and constraints associated with several possible initiatives that had emerged in discussions with community stakeholders.

In terms of the first set of issues this report provides data on the following topic areas related to economic conditions in Buellton:

- Population
- Households
- Income
- Employment
- Retail Sales
- Transient Occupancy

Each of these factors will be discussed in the economic conditions section that follows below.

In addition to these overall issues, MR+E was provided with a list of concepts for new developments, investments or initiatives that have been nominated by the community as potential catalytic projects. The goal of this analysis has been to provide the visioning process with a framework for evaluating the overall suitability of these concepts in meeting the development goals and objectives that are being articulated by the vision process. The concepts under consideration include:

- A new museum
- Performing arts center
- Convention or conference center
- Sports complex
- Specialty grocery store
- Special events
- Civic complex
- New restaurants

- Regional Nature Preserve
- Community Art Center

Each of these concepts will be discussed in the context of their development characteristics and the opportunities and constraints associated with each of these items.

Economic Conditions

This section of the report provides a narrative description of the economic data presented by subject matter. The analysis uses three levels of geography for comparative purposes. The first is the City of Buellton, the second is the rest of the Santa Ynez Valley (excluding Buellton) and the third is Santa Barbara County as a whole (including the SYV and Buellton). Each of the variables for the City and for the Santa Ynez Valley (SYV) total—which includes Buellton, are presented as in index with the County totals. Where an index value is greater than 100% the characteristic being measured occurs at a greater rate than the County as a whole and where it is less than 100% it indicates a value below the County average.

Population

Tables 1 and 2 summarize current population characteristics for Buellton and the surrounding areas. With a population of just over 4,000 Buellton represents about 1% of the county's total population. Buellton's median age is 37 which is significantly higher than the county but lower than the rest of the SYV. The community has a relative under representation of school aged children but, has an over representation of younger adults. Table 3 presents data from the California Department of Finance (DoF) on annual population growth in selected Santa Barbara communities. Note that the DoF estimates vary from the previously reported population estimates on the first two tables. This is not unusual as the data sources use different methods for forecasting based on the most recent census data which is now 10 years old. As the 2010 enumeration data is released, DoF and other sources will calibrate their data to this new base. Based on DoF estimates Buellton added over 1,000 residents over the decade, making it, in percentage terms, the fastest growing community in the county. In terms of raw population growth Santa Maria recorded the most growth and accounted for almost half the county's total.

Households

Table 4 provides comparable data on households in Buellton, the SYV and Santa Barbara County as a whole. Almost 70% of Buellton made up of family households. This is defined as more than one related

person sharing a dwelling unit. A similar percentage, about 70% of dwelling units in the City are owner occupied. Both of these rates are higher than the county average.

Incomes

Median household income in Buellton was estimated at \$65,000. This is somewhat higher than the county median of \$63,784. Buellton household income per employed person was lower than the county and SYV averages, indicating that the population is employed in moderate income occupations and receives a lower amount of its income from unearned sources such as pensions and investments than either of the comparable areas. Compared to the County Buellton is significantly under represented in households earning more than \$125,000 but is over represented in households with incomes of between \$75 and \$100 thousand. Table 5 provides details on these distributions.

Employment

Table 6 shows the distribution of employment in Buellton and the other analyses regions. This measures the number of jobs in the community, not the occupation of residents. According to this data there are 116 establishments in the city employing over 1,500 persons. Accommodations and food service account for approximately one third of all jobs in Buellton. The next leading sectors were manufacturing and retail accounting for 20% and 15% respectively. In terms of occupations, that is the type of work that the residents of Buellton are employed in, table 7 shows the distribution. Of the employed population of 2,188 persons, the majority work in professional office occupations.

Taxable sales

Buellton has been fortunate to have experienced growth in taxable transactions every year since 2002. This in the context of flat or declining sales tax receipts state wide since 2006. As illustrated on table 8, Buellton is the only Santa Barbara area community to consistently experience growth over this time period. Table 9 shows retail sales tax receipts per capita, Buellton collects over twice the per capita receipts as the county as a whole, \$33.4 thousand to \$19.79 thousand respectively. This shows that the city is a significant sales tax importer. This is likely an artifact of the importance of the hospitality and retail sectors in the city's business base.

Transient Occupancy Tax

Transient occupancy tax (TOT) or hotel tax is levied on stays at commercial accommodations less than 30 days. It represents an important part of the city's revenues each year and can serve as a proxy indicator of the level of visitor activity that the community is experiencing. Table 10 provides comparative statistics for

Buellton and selected other Santa Barbara County communities' TOT collections back to 2002. As with sales tax Buellton has fared well in the recession in comparison to other Santa Barbara County communities. The City experienced growth in TOT collections consistently from 2002 to 2007 but did experience a decline in 2008. These collections and related comparative data is displayed on table 10.

Project Concepts

As part of the visioning process, the community and various stakeholders have been asked to identify potential catalytic projects or initiatives. This section provides a framework for evaluating the opportunities associated with each possible approach. The uses are conceptual in nature at this point and have been examined in generic terms. The method used for evaluating the concept project is based on an evaluation of each initiative's relative position on a two axis scale contrasted across the following variables:

- **Capital Cost** This is a measure of the initial capital cost required by the public sector in order to implement the proposed project
- **Use** This is a measure of the orientation of the project between visitors and community members
- **Operations Costs** This is a measure of the ability of a project to cover its own annual operating costs or if the proposal would require ongoing annual support
- **Competition** This is an assessment as to whether or not Buellton would be in competition with other communities in the region in order to attract or sustain the proposed use.

Each variable was measured as a paired set against each other to produce the following conceptual comparisons:

- Competition v. Use
- Competition v. Capital cost
- Competition v. Operations cost
- Use v. Capital Cost
- Use v. Operations cost
- Capital cost v. Operational costs

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In this manner all of the four variables are measure against one another. A scatter plot is provided for each one of these relationships and includes all of the projects that have been nominated through the visioning process.

A table showing the space requirements as well as a range of approximate costs for each project is also provided. Each of the costs listed in this table should be seen as providing a general estimate subject to further refinement and definition of the development proposals.

Table 1

Population and Age

		Buelton	Rest of SYV	Santa Barbara County	Index: Buelton compared to County	Index: SYV Total compared to County
Total Population	2009	4,410	14,885	406,108	1.09%	4.75%
	2000	3,828	14,637	399,947	0.96%	4.62%
Population by Age						
	Under 5 years	372	981	33,008		
	6 to 11 years	417	1,459	34,487		
	12 to 17 years	330	874	56,791		
	18 to 24 years	482	1,305	53,665		
	25 to 34 years	696	2,115	52,378		
	35 to 44 years	628	2,521	51,906		
	45 to 54 years	490	2,117	38,666		
	55 to 64 years	417	1,286	34,788		
	65 to 74 years	291	1,119	24,095		
	75 to 84 years	199	788	18,129		
	85 and over	88	320	8,195		
	Median Age	37.0	42.2	33.0	112%	120%
Age Distribution						
	Under 5 years	8.4%	6.6%	8.1%	104%	86.27%
	5 to 9 years	9.5%	9.8%	8.5%	111%	114.49%
	10 to 14 years	7.5%	5.9%	14.0%	54%	44.62%
	15 to 19 years	10.9%	8.8%	13.2%	83%	70.09%
	20 to 24 years	15.8%	14.2%	12.9%	122%	112.96%
	25 to 34 years	14.2%	16.9%	12.8%	111%	127.69%
	35 to 44 years	11.1%	14.2%	9.5%	117%	141.91%
	45 to 54 years	9.5%	8.6%	8.6%	110%	103.03%
	55 to 59 years	6.6%	7.5%	5.9%	111%	123.17%
	60 to 64 years	4.5%	5.3%	4.5%	101%	114.59%
	65 to 74 years	2.0%	2.1%	2.0%	99%	104.79%

Source: MR+E, Geographic Research Incorporated

Table 2

Race and Ethnicity

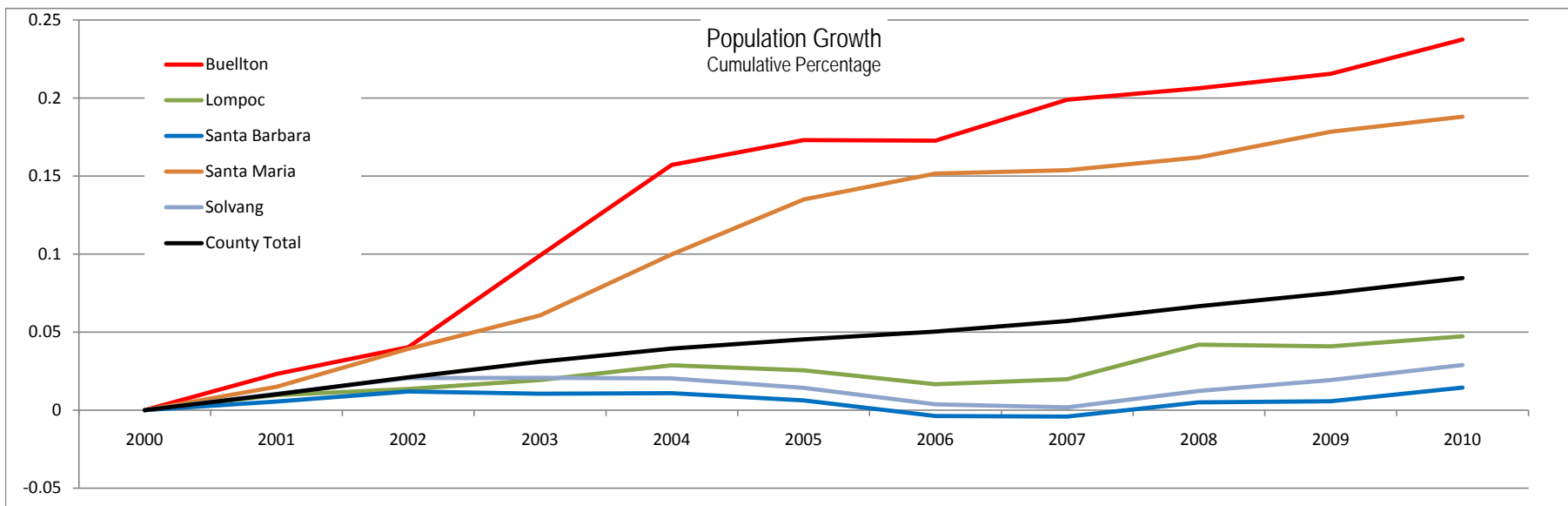
	Buelton	Rest of SYV	Santa Barbara County	Index: Buelton compared to County	Index: SYV Total compared to County
Race and Ethnicity,					
White (Non-Hispanic)	2,632	10,233	198,914		
African American	29	48	9,703		
American Indian and Other	974	2,269	104,307		
Asian	73	223	20,528		
Hispanic	702	2,112	72,656		
Total Population	4,410	14,885	406,108	1.09%	4.75%
Distribution of Race and Ethnicity					
White (Non-Hispanic)	59.7%	68.7%	49.0%	122%	136%
African American	0.7%	0.3%	2.4%	28%	17%
American Indian and Other	22.1%	15.2%	25.7%	86%	65%
Asian	1.7%	1.5%	5.1%	33%	30%
Hispanic	15.9%	14.2%	17.9%	89%	82%

Source: MR+E, Geographic Research Incorporated

Table 3

Population Growth
Santa Barbara County

Santa Barbara County	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	Growth 2000-10
Buellton	3,828	3,917	3,984	4,218	4,463	4,534	4,532	4,651	4,685	4,729	4,833	1,005
Lompoc	41,103	41,500	41,659	41,898	42,299	42,162	41,786	41,918	42,843	42,801	43,079	1,976
Santa Barbara	89,606	90,106	90,673	90,550	90,589	90,160	89,255	89,234	90,040	90,099	90,893	1,287
Santa Maria	77,423	78,583	80,485	82,216	85,430	88,439	89,904	90,108	90,839	92,328	93,225	15,802
Solvang	5,332	5,388	5,442	5,443	5,441	5,408	5,351	5,340	5,397	5,434	5,487	155
County Total	399,347	403,410	407,787	411,886	415,304	417,795	419,883	422,731	426,757	430,333	434,481	35,134



Source: Calif. DoF and MR+E

Table 4

Households and Tenure

	Buelton	Rest of SYV	Santa Barbara County	Index: Buelton compared to County	Index: SYV Total compared to County
Total estimated Households	1,756	6,016	147,764	1.2%	5.26%
Family Households	1,199	4,293	95,470	1.26%	5.75%
Non Family Households	557	1,723	52,294	1.07%	4.36%
Total Housing Units	1,811	8,238	153,637	1.18%	6.54%
Owner Occupied	1,282	5,447	84,649	1.51%	7.95%
Renter Occupied	474	2,132	63,115	0.75%	4.13%
Vacant Housing Units	55	659	5,873	0.94%	12.16%
Total Estimated Households					
Family Households	68.3%	71.4%	64.6%	105.7%	109.4%
Non Family Households	31.7%	28.6%	35.4%	89.6%	82.9%
Total Housing Units					
Owner Occupied	70.8%	66.1%	55.1%	128.5%	157.1%
Renter Occupied	26.2%	25.9%	41.1%	63.7%	81.6%
Vacant Housing Units	3.0%	8.0%	3.8%	79.4%	240.3%

Source: MR+E, Geographic Research Incorporated

Table 5

Household Income

	Buelton	Rest of SYV	Santa Barbara County	Index: Buelton compared to County	Index: SYV Total compared to County
Median Household Income	\$65,000	\$74,676	\$63,784	101.9%	168.0%
Aggregate Household Income	\$135,007,740	\$677,431,235	\$13,311,814,132	1.0%	6.1%
Income per Employed Person	\$61,704	\$76,598	\$73,436	84.0%	94.2%
Average Household Income	\$76,883	\$111,653	\$90,089	85.3%	104.6%
Per Capita Income	\$30,614	\$45,511	\$32,779	93.4%	116.1%
Household Income 2009					
Less than \$15,000	132	476	14,847	0.9%	
\$15,000 to \$24,999	124	400	11,434	1.1%	
\$25,000 to \$34,999	202	434	12,812	1.6%	
\$35,000 to \$49,999	234	717	19,907	1.2%	
\$50,000 to \$74,999	300	1,010	26,991	1.1%	
\$75,000 to \$99,999	266	765	21,274	1.3%	
\$100,000 to \$124,999	259	569	14,675	1.8%	
\$125,000 to \$149,999	122	601	9,104	1.3%	
\$150,000 to \$199,999	61	411	7,116	0.9%	
Over \$200,000	56	633	9,604	0.6%	
Total Households	1,756	6,016	147,764	1.2%	
Household Income 2009					
Less than \$15,000	7.5%	7.9%	10.0%	74.8%	77.9%
\$15,000 to \$24,999	7.1%	6.6%	7.7%	91.3%	87.1%
\$25,000 to \$34,999	11.5%	7.2%	8.7%	132.7%	94.4%
\$35,000 to \$49,999	13.3%	11.9%	13.5%	98.9%	90.8%
\$50,000 to \$74,999	17.1%	16.8%	18.3%	93.5%	92.3%
\$75,000 to \$99,999	15.1%	12.7%	14.4%	105.2%	92.1%
\$100,000 to \$124,999	14.7%	9.5%	9.9%	148.5%	107.3%
\$125,000 to \$149,999	6.9%	10.0%	6.2%	112.8%	151.0%
\$150,000 to \$199,999	3.5%	6.8%	4.8%	72.1%	126.1%
Over \$200,000	3.2%	10.5%	6.5%	49.1%	136.4%

Source: MR+E, Geographic Research Incorporated

Table 6

Employment by Location

	Buelton	Rest of SYV	Santa Barbara County	Index: Buelton compared to County	Index: SYV Total compared to County	
Total Establishments	116	254	11,506	1.0%		
Employment by Industry						
Agriculture, forestry, and hunting	9	73	414	2.17%	19.81%	
Mining	0	45	1,546	0.00%	2.91%	
Utilities	0	2	350	0.00%	0.57%	
Construction	74	400	10,043	0.74%	4.72%	
Manufacturing	304	490	12,443	2.44%	6.38%	
Wholesale trade	66	98	5,385	1.23%	3.05%	
Retail trade	230	591	24,015	0.96%	3.42%	
Transportation and warehousing	0	14	2,455	0.00%	0.57%	
Information	22	10	4,757	0.46%	0.67%	
Finance, insurance, and real estate	31	221	6,046	0.51%	4.17%	
Professional, scientific, management, and admin.	49	181	3,723	1.32%	6.18%	
Real Estate rental and leasing	71	441	12,366	0.57%	4.14%	
Management of companies and enterprises	40	41	2,167	1.85%	3.74%	
Administrative support	34	132	10,379	0.33%	1.60%	
Educational services	0	256	3,760	0.00%	6.81%	
Health and Social services	96	324	19,111	0.50%	2.20%	
Arts, entertainment, and recreation	4	2,331	5,287	0.08%	44.16%	
Accommodations and food services	492	1,078	19,343	2.54%	8.12%	
Other services	45	107	6,910	0.65%	2.20%	
Total	<i>Total Employment</i>	1,558	6,728	150,500	1.04%	5.51%
Industry (Distribution)						
Agriculture, forestry, and hunting	0.58%	1%	0.28%	210%	359.8%	
Mining	0%	0.67%	1%	0%	52.9%	
Utilities	0%	0.03%	0.23%	0%	10.4%	
Construction	5%	6%	7%	71%	85.7%	
Manufacturing	20%	7%	8%	236%	115.9%	
Wholesale trade	4%	1%	4%	118%	55.3%	
Retail trade	15%	9%	16%	93%	62.1%	
Transportation and warehousing	0%	0.21%	2%	0%	10.4%	
Information	1%	0.15%	3%	45%	12.2%	
Finance, insurance, and real estate	2%	3%	4%	50%	75.7%	
Professional, scientific, management, and admin.	3%	3%	2%	127%	112.2%	
Real Estate rental and leasing	5%	7%	8%	55%	75.2%	
Management of companies and enterprises	3%	0.61%	1%	178%	67.9%	
Administrative support	2%	2%	7%	32%	29.0%	
Accommodations and food services	32%	16%	13%	246%	147.4%	
Other services	3%	2%	5%	63%	40.0%	

Source: MR+E, Geographic Research Incorporated

Table 7

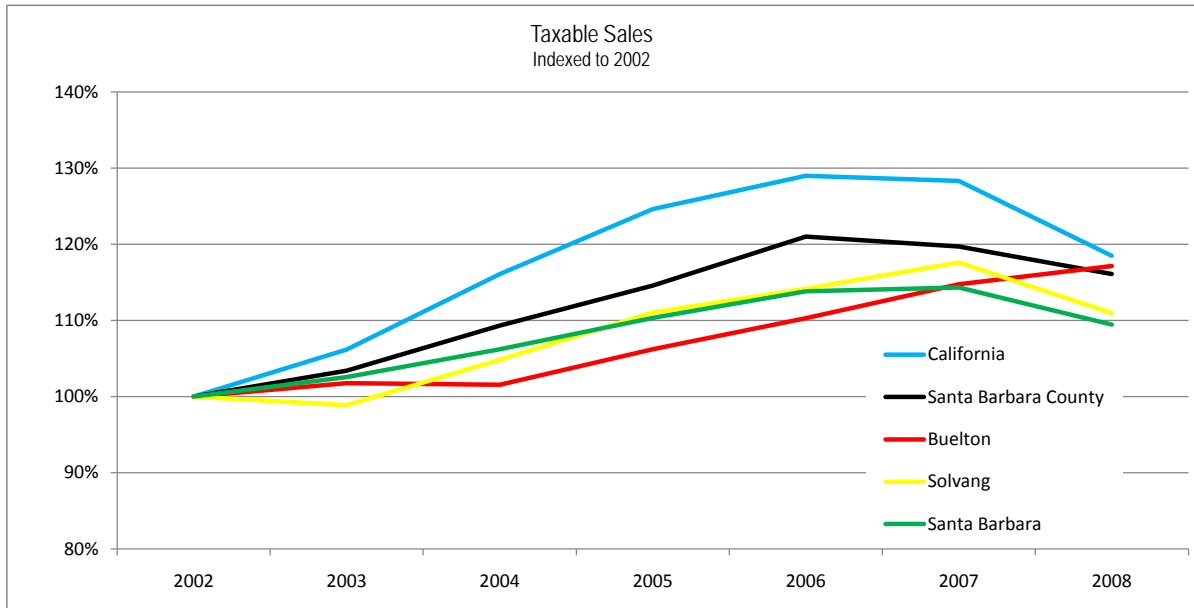
Occupation of Residents

	Buelton	Rest of SYV	Santa Barbara County	Index: Buelton compared to County	Index: SYV Total compared to County
Occupation					
Construction, Extraction, and Maintenance	172	739	14,673	1.2%	6.21%
Farming, Fishing, and Forestry	52	248	6674	0.8%	4.50%
Management, Business, and Financial Operations	355	1,731	25,894	1.4%	8.06%
Production, Transportation, and Material Moving	259	597	17,487	1.5%	4.90%
Professional and Related	368	1,786	42,293	0.9%	5.09%
Sales and Office	590	2,285	46,307	1.3%	6.21%
Service	392	1,458	27,943	1.4%	6.62%
Total	<i>Total Employed Population</i> 2,188	8,844	181,271	1.2%	6.09%
Occupation					
Construction, Extraction, and Maintenance	7.86%	8.36%	8.09%	97%	102.0%
Farming, Fishing, and Forestry	2.38%	2.80%	3.68%	65%	73.9%
Management, Business, and Financial Operations	16.22%	19.57%	14.28%	114%	132.4%
Production, Transportation, and Material Moving	11.84%	6.75%	9.65%	123%	80.4%
Professional and Related	16.82%	20.19%	23.33%	72%	83.7%
Sales and Office	26.97%	25.84%	25.55%	106%	102.0%
Service	17.92%	16.49%	15.42%	116%	108.8%

Source: MR+E, Geographic Research Incorporated

Table 8
Taxable Sales
(in thousands)

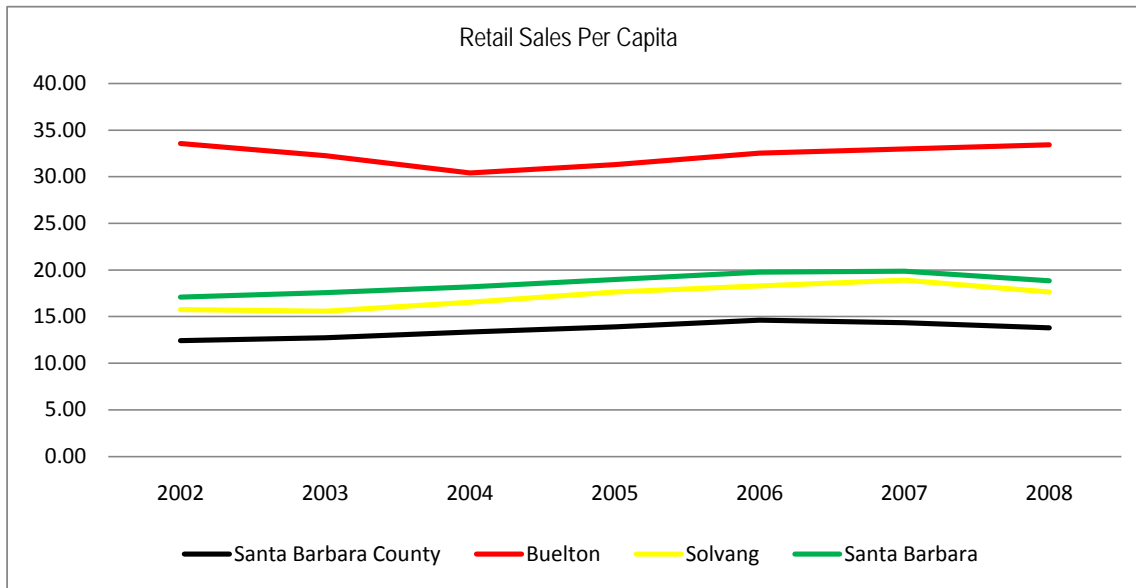
Year	California	Santa Barbara County	Buelton	Solvang	Santa Barbara
2002	301,612,306	5,068,430	133,651	85,809	1,550,832
2003	320,217,054	5,240,200	136,014	84,840	1,590,717
2004	350,172,688	5,541,537	135,707	89,954	1,647,209
2005	375,808,125	5,806,935	141,950	95,297	1,711,326
2006	389,066,572	6,133,270	147,431	97,944	1,764,889
2007	387,025,102	6,067,223	153,341	100,904	1,773,217
2008	357,318,427	5,883,938	156,546	95,227	1,697,196



Source: State Board of Equalization and MR+E

Table 9
Per Capita Taxable Sales
(in thousands)

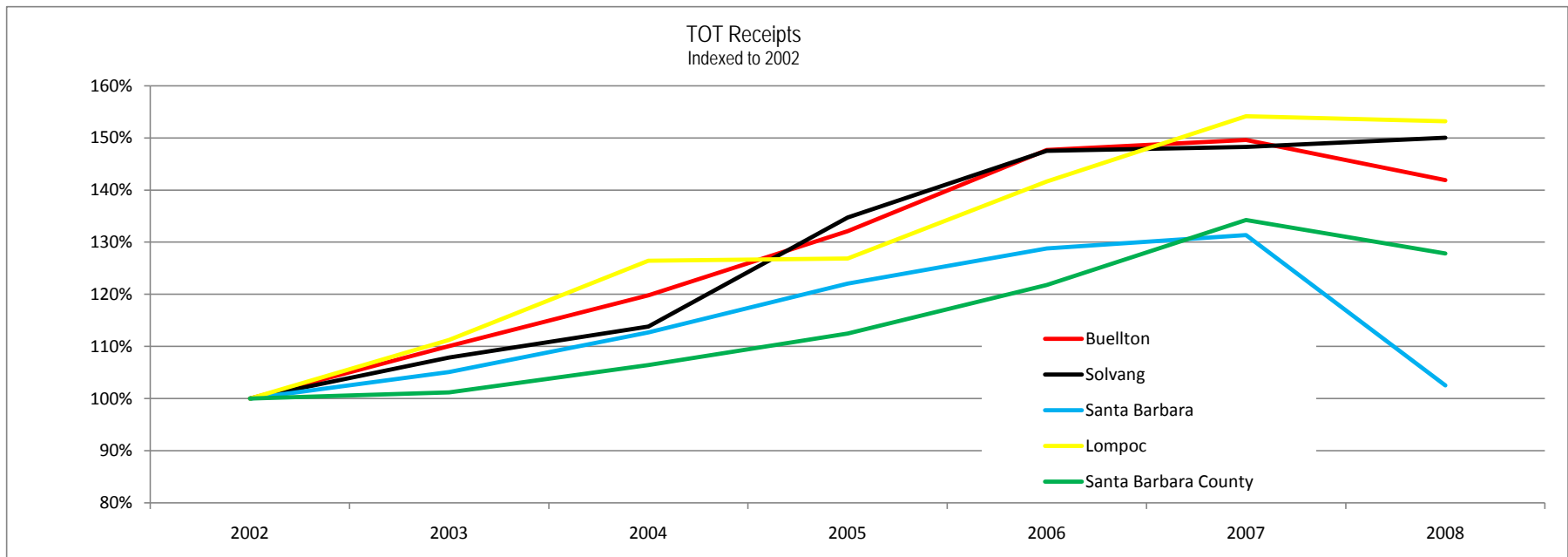
Year	Santa Barbara County	Buelton	Solvang	Santa Barbara
2002	12.43	33.55	15.77	17.10
2003	12.72	32.25	15.59	17.57
2004	13.34	30.41	16.53	18.18
2005	13.90	31.31	17.62	18.98
2006	14.61	32.53	18.30	19.77
2007	14.35	32.97	18.90	19.87
2008	13.79	33.41	17.64	18.85



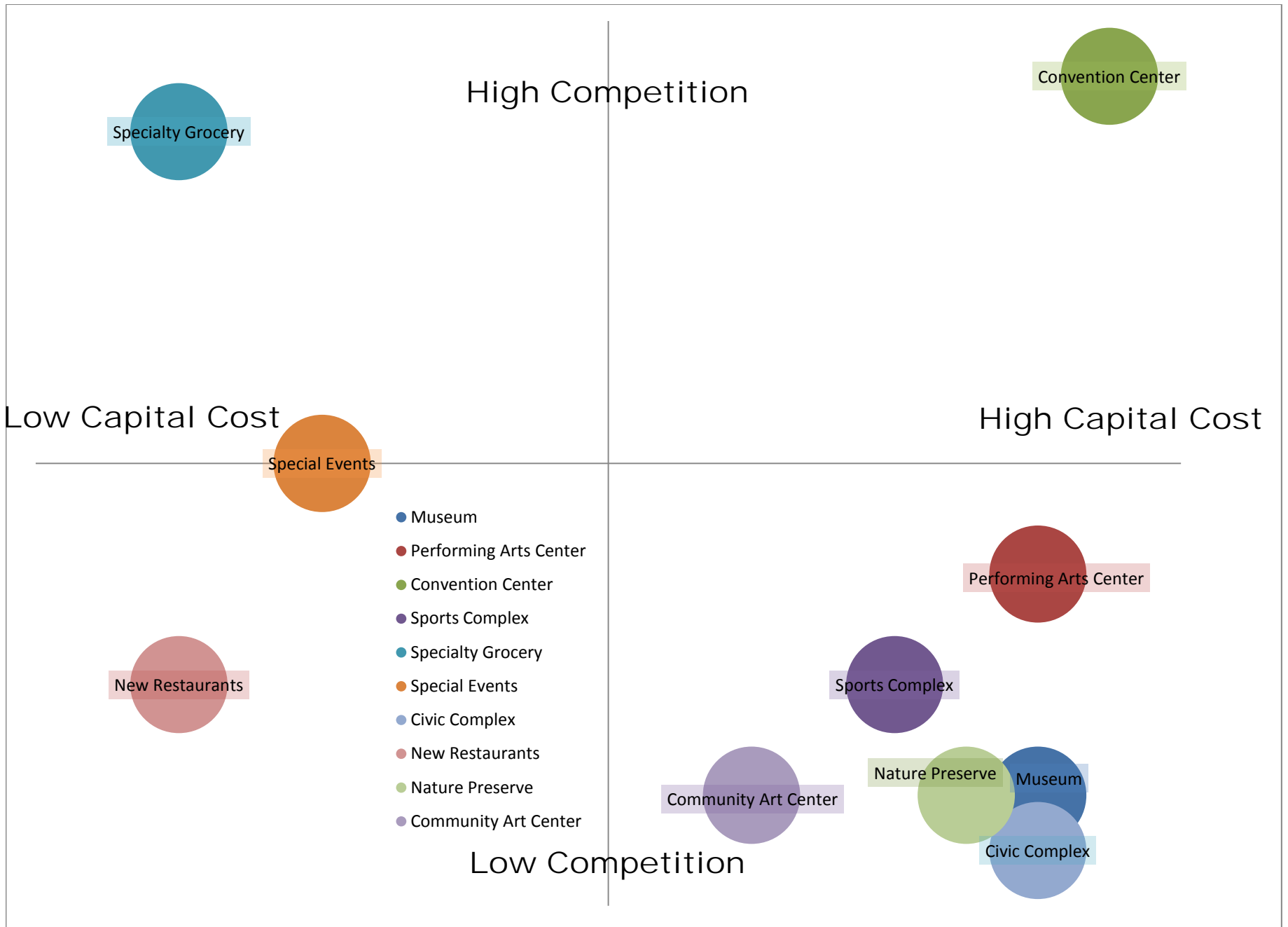
Source: State Board of equalization and MR+E

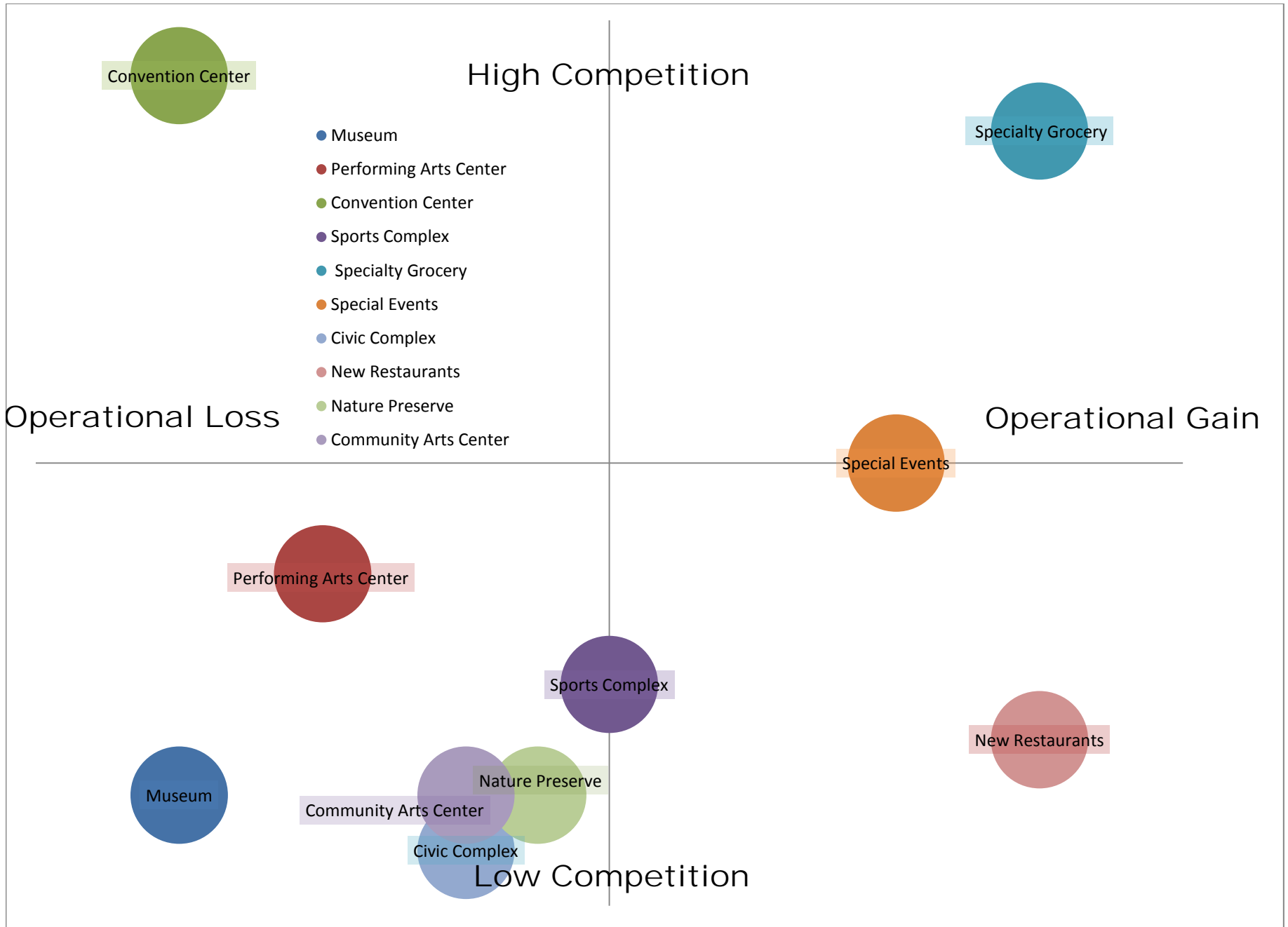
Table 10
 Transient Occupancy Tax
 (in thousands)

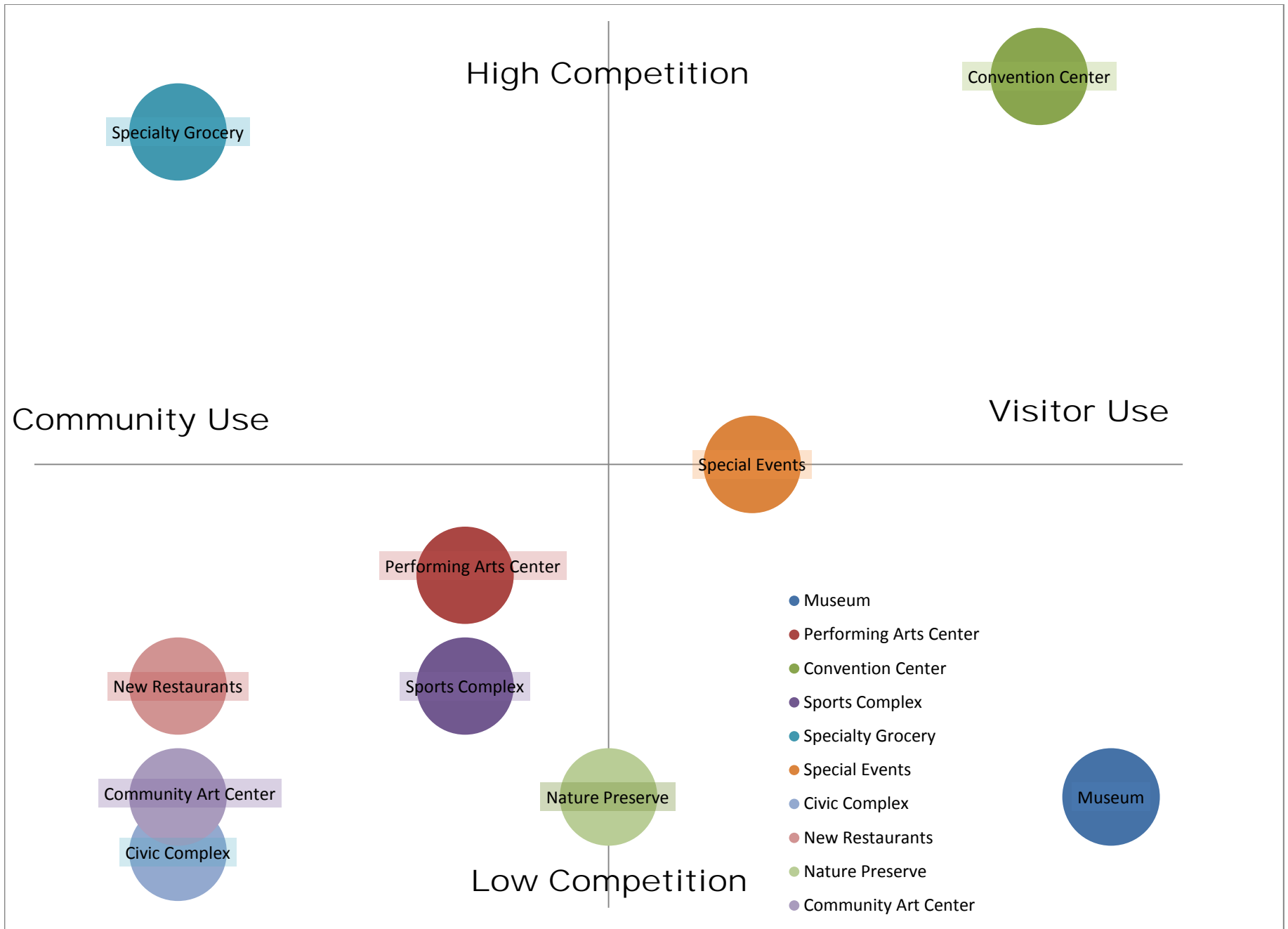
Year	Buellton	Solvang	Santa Barbara	Lompoc	Santa Barbara County
2002	\$863	\$1,631	\$11,800	\$968	\$24,800
2003	\$950	\$1,760	\$12,400	\$1,077	\$25,100
2004	\$1,033	\$1,857	\$13,300	\$1,224	\$26,400
2005	\$1,140	\$2,198	\$14,400	\$1,228	\$27,900
2006	\$1,274	\$2,406	\$15,200	\$1,371	\$30,200
2007	\$1,290	\$2,418	\$15,500	\$1,492	\$33,300
2008	\$1,224	\$2,447	\$12,100	\$1,483	\$31,700

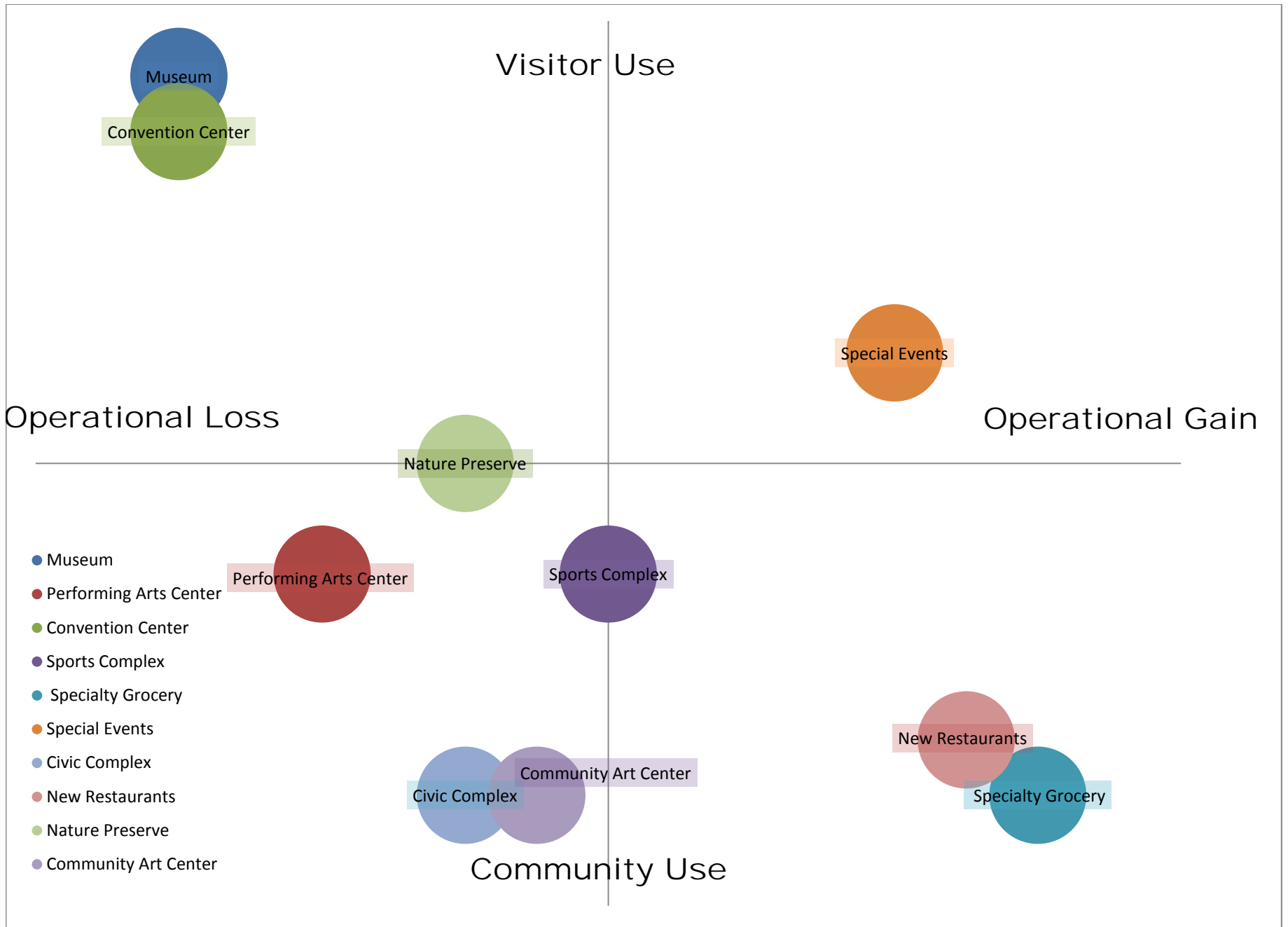


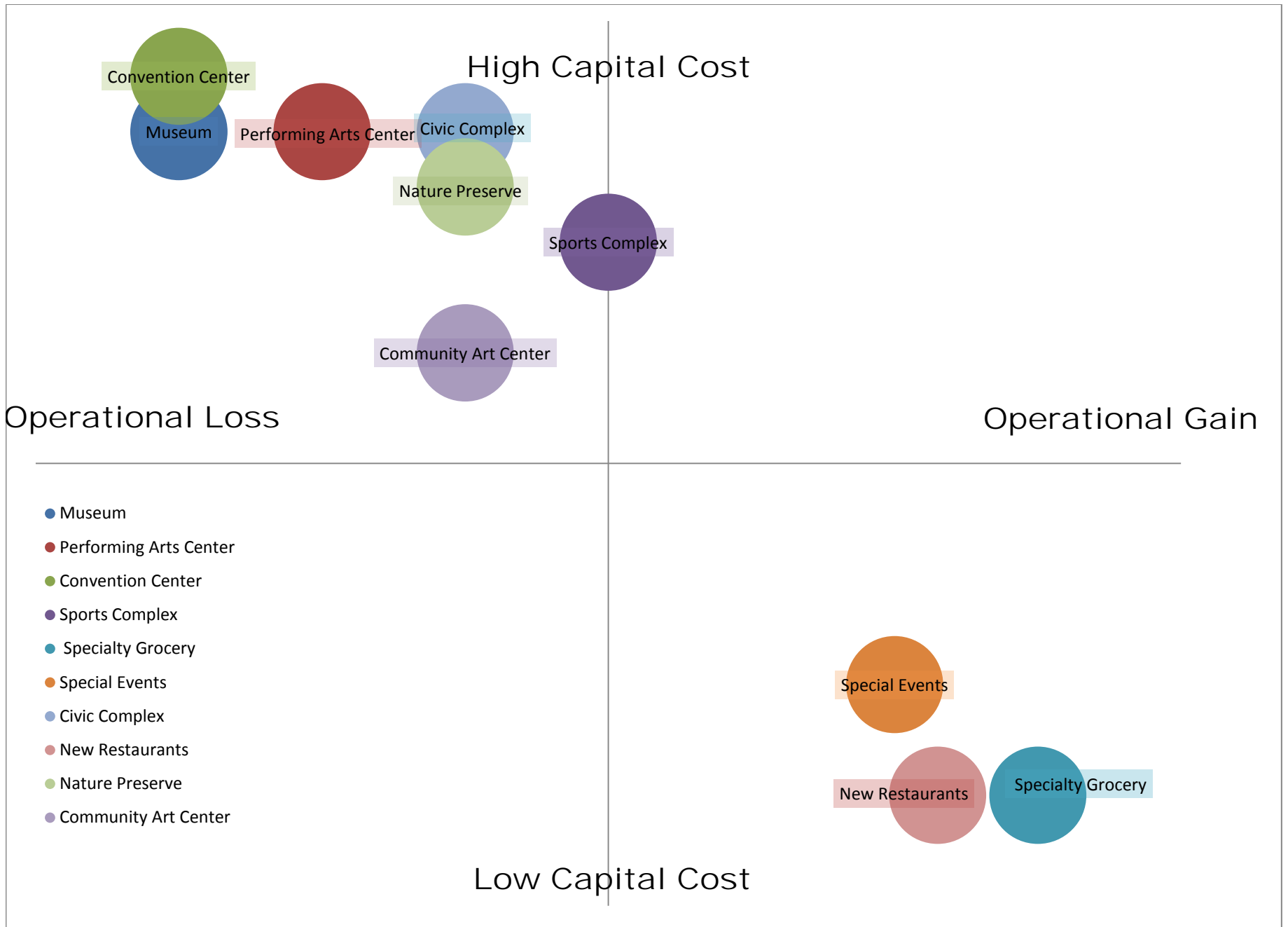
Source: California Tourism Commission and MR+E

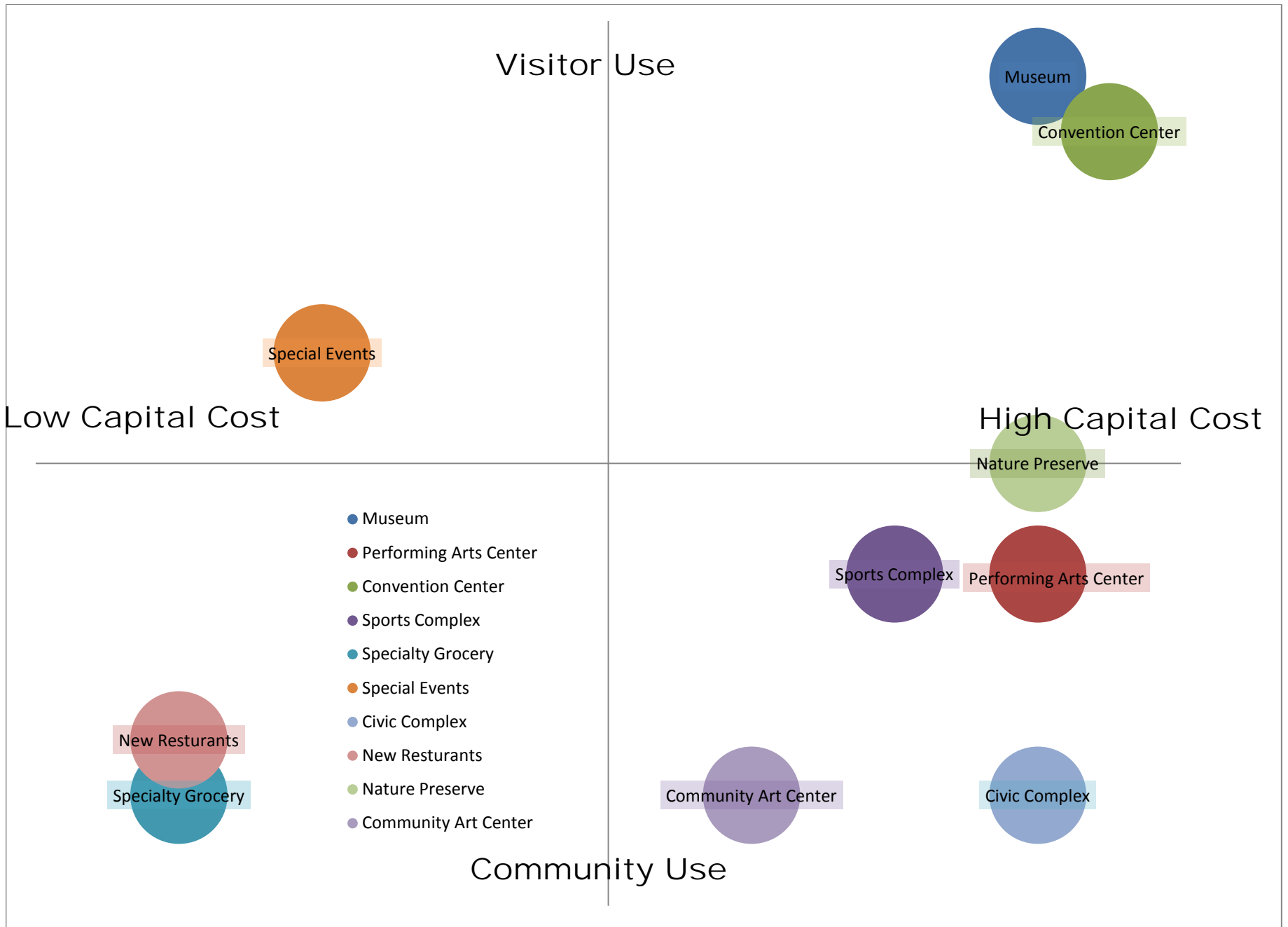












Approximate Costs for Catalytic Projects, Buellton Vision Plan

	Comparables and Examples	Space Requirements	Capital Cost (1) (Public Sector)(2)	Annual Operations Costs (Public Sector)	Notes and Comments
Museum	Elverhøj Museum , Carnegie Art Museum, Santa Barbara Historical Museum	15 thousand sq. ft. and above	\$25 to 50 Million	\$150 to 250 thousand	Costs are just for the building not exhibits or collections
Performing arts center	Lobero Theater, Marian Theatre (Allan Hancock College)	25 to 50 thousand sq. ft	\$20 to 30 Million	\$50,000 to \$100,000	Could be developed as a school facility
Convention or conference center	Monterey Conference Center, Kellogg West (Pomona)	25 to 75 thousand sq. ft	\$30 to 50 Million	\$150 to 250 thousand	
Sports complex	Big League Dreams, Kern County Soccer Park	4 to 10 acres	\$4 to \$6 Million	Less than \$10,000	
Specialty grocery store	Trader Joes, Whole Foods	8 to 12 thousand sq. ft	\$100 to 500 thousand	None	May require capital incentives
Special events	Malibu Chili Cook Off, Oxnard Strawberry Festival	2 to 6 acres (occasional use)	\$100 to 500 thousand	Less than \$10,000	
Civic complex	Includes town hall, library, public meeting space	2 to 6 acres	\$10 to \$20 Million	\$25,000 to \$50,000	
New restaurants	Local business and regional chains not fast food	2 to 6 thousand sq. ft.	Less than \$200 thousand	None	
Regional nature preserve	Trails and access to the river	+40 acres	\$4 to \$6 Million	\$5,000 to \$10,000	
Community art center	Proposed Carpentaria arts center, Mesquite fine arts center, Mesquite NV	8 to 10 thousand sq. ft	\$ 2 to 3 Million	\$5,000 to \$10,000	

1) Excludes land costs

2) Could include non profit fundraising

Source: MR+E