

1.1 New Commercial Development

Community Vision

As the city grows, the core is expected to grow, but in a manner that bolsters its economic base while preserving its small city character.⁵ Policies call for:

- Encouraging new infill development that fulfills the community's desire for restaurant and entertainment venues, and shopping. Larger retailers that can't fit downtown locate outside of it.
- Intensifying use of the Core with taller buildings as a means to enhance its lively, pedestrian-oriented character while preserving valued older homes on its periphery.⁶
- Focusing land use intensification in the area bounded by First and Fourth streets, and D Street and the railroad tracks (with an extension north to Fifth Street along F and G streets.) Areas to the west and north shall intensify more slowly.⁷

Issues/Challenges

- ◆ **Incentives for independent retailers.** Property owners interviewed for this report said that owners of new developments want national retailers who have track records that lenders will approve, and who

can pay the higher rents often necessitated by the high costs of new construction. In order to locate independents in new developments, incentives may be necessary.

- ◆ **Clear development policies.** Property owners and business leaders interviewed for this report feel that while the City government has been a strong champion for the Core Area, the City's lack of a coordinated development policy does not encourage new projects or repeat business from developers who have worked in the Core before. They feel the City needs to be more consistent in economic policy decisions, and that zoning regulations need to be clearer. Development should be controlled through incentives as well as regulation.



- ◆ **Traffic congestion.** Traffic mitigation and circulation measures are needed to ensure new commercial developments do not create traffic congestion that frustrates downtown shoppers and degrades the ambiance and air quality.

⁵ Community Visions drawn from the 1996 Draft General Plan and the Core Area Specific Plan.

⁶ Core Area Specific Plan

⁷ Specific Plan

Current and Recent Actions

- ▶ **5th and G complex** — This \$15 million complex houses a five-screen cinema, 12,500 square feet of retail space, 60,000 square feet of offices in which the U.S. Department of Agriculture employs over 200 workers, and a five-story parking garage.
- ▶ **Davis Commons.** This new retail project borders the southern entry to the downtown at First Street and Richards Boulevard. The five-acre, 43,000 square-foot project includes a 20,000 square-foot Borders Books and Music store, specialty shops, restaurants, and 205 parking spaces at the rear.
- ▶ **Third & C Street Project.** This new, mixed-use project combines four residential units and 2,800 square-feet of retail space. The City has waived \$86,000 in parking in-lieu fees and the redevelopment agency has approved \$40,000 in fee assistance for this project.
- ▶ **Dresbach-Hunt-Boyer Pumphouse & Patio.** The City is considering a proposal for a retail/residential project at 604-B Second Street, the existing site of the Dresbach-Hunt-Boyer Pumphouse. This unique site is owned by the City and is adjacent to the Varsity Theatre and fronts one of the busiest streets downtown.
- ▶ **426 D Street Office Building.** The California Statewide Certified Development Corporation recently purchased a vacant lot at 426 D Street and built a 4,100-square-foot office for its staff of 15 to 18 people.
- ▶ **Cinema II.** Design Review plans are being reviewed for the conversion of the former theater on E Street into retail space with construction of a second floor for office use.

- ▶ **Natsoulas Gallery.** The city approved the conversion of this 3,000 square-foot residential building to an office/art gallery with a 4,500 square-foot addition on the back for an art gallery.
- ▶ **Assistance Programs.** The Redevelopment Agency offers assistance to commercial development through various programs such as: the Commercial Rehabilitation Loan Program, the Infill Fee Assistance Program, and the Facade Improvement Program.

Future Actions

HIGH PRIORITY ACTIONS FOR 2000-2004

- ▶ **Streamline permit process.** Attendees at the 1999 Downtown Forum recommended streamlining the permit process for downtown projects that comply with the City's visions, goals and design standards for the Core Area.
- ▶ **Building additions.** Analyze alternatives for developing programs and policy changes to assist in second and third story additions on single story buildings in the Downtown Core.
- ▶ **Redevelopment funding plan.** Analyze the Redevelopment Agency budget and initiate the process to determine priority redevelopment project(s).
- ▶ **Large retail uses.** Consider amending the zoning as part of the citywide review of zoning for big box retail, to require conditional use permits for large retail uses within the Central Commercial zone.



FURTHER ACTIONS FOR 2000 AND BEYOND

- ▶ **Outreach workshops.** The City should consider holding community workshops with city officials, developers, property owners, and other interested parties to better understand each other's needs and goals for development within the Core Area and the city as a whole.

1.2 Business Retention

Community Vision

Davis residents recognize the importance of keeping existing businesses healthy and promoting the city as a community where it is easy to propagate a small business. Policies call for:

- Retention of existing businesses through “business care programs” and the remedying of problems that thwart businesses.⁸
- Developing a more economical and service-oriented approach for all City departments,⁹ through means such as expediting the processing of development applications.¹⁰

Issues/Challenges

- ▶ **Balancing quality of life and with economic growth.** To protect the high quality of life Davis residents currently enjoy, while also maintaining a business-friendly atmosphere, it is necessary to have a clear understanding of the Core Area development goals, and consistent policy actions that show the community is serious about achieving them. Incentives are needed to maintain the desired business growth and stability.

Current and Recent Actions

- ▶ **City-Business communications.** The City continues to enhance communication with local businesses, property owners, the Davis Downtown Business Association, and the Davis Chamber of Commerce. Recent accomplishments include:
 - **Regular ongoing meetings** to discuss economic development goals and strategies.
 - **A real estate database** and facsimile notification system for information exchange between the City and real estate brokers looking for expansion opportunities for their clients.
 - **Simplified application forms** for development projects and signs
 - **Periodic publication** of a Business Bulletin which reports on business development activity and programs.
- ▶ **Lower development Fees.** The City in 1995 instituted a 50% reduction in Development Impact Fees for projects citywide. This reduction has been extended several times, and currently applies to office projects and projects within the Light Industrial Business Park.
- ▶ **Lower building permit fees.** The City Council recently approved reductions in building permit fees for commercial development citywide. Fees were reduced an estimated 40 percent for new construction and close to 60 percent for commercial remodels.
- ▶ **Business training programs.** The DDBA and the Chamber of Commerce, in partnership with the

8 Draft General Plan GOAL ED 3

9 Draft General Plan IMP 4

10 1994 Implementation Plan for Davis Redevelopment Project, and, Economic Development Strategy Plan 1995-2000.

Greater Sacramento Small Business Development Center, offer training programs for free or at reduced rates on business strategies and starting a new business.

- ▶ **DDBA Member benefits.** DDBA is exploring health club memberships, credit union memberships, and health and dental plans for its members.



Future Actions

HIGH PRIORITY ACTIONS FOR 2000-2004

- ▶ **Focus on customer service.** Attendees of the California Downtown Association Conference interviewed for this report said that while overall service at restaurants was good, service at retailers was not. They recommended stressing customer service in the DDBA newsletter, offering customer service training, and using a Secret Shopper program to report back to store owners.

FURTHER ACTIONS FOR 2000 AND BEYOND

- ▶ **Lower fees.** Reinstate lower development fees for retail expansion projects within the Core Area.
- ▶ **Student entrepreneurship program.** The Chamber, DDBA and the University could develop a joint incubation/entrepreneurship training program to train new graduates in small business management, and “incubate” them in new or existing downtown businesses with City/University/private sector support.

- ▶ **Business survey.** Conduct a survey of business needs to provide input into future business retention programs.
- ▶ **Economic summit.** Conduct an annual “Economic Summit” in partnership with U.C. Davis to provide information to, and exchange information with, the business community.
- ▶ **City staff awareness.** Coordinate efforts with all City departments to increase awareness of the city’s economic development goals. Joint work plans and staff education sessions could be developed.
- ▶ **Mentor program.** Develop a business mentor program with appropriate university faculty.

1.3 Business Recruitment

Community Vision

To ensure the vitality of the Core Area, the community recognizes that a significant amount of downtown space must be occupied by retail businesses. Policies that foster this include:

- Encouraging retail use of ground floor spaces on the blocks roughly bounded by First and Third streets, and D to G streets, in order to create an interesting, enticing pedestrian environment. Offices and residences could be housed on upper floors.¹¹
- Recruiting specialty stores to the Core Area to create a critical mass of retail downtown.¹²
- Marketing the city through a comprehensive and coordinated plan that draws on business and city leaders to recruit targeted businesses, and the publication of a

¹¹ Core Area Specific Plan

¹² General Plan Guiding Policy ED 1

data base of property available for development.¹³

- Focusing recruitment on independently owned businesses.¹⁴



Issues/Challenges

- ◆ **Chain stores.** Chain stores are often better able to afford (and more accustomed to paying) the higher rents that result from new construction than are small independents. If additional new retail development occurs in the Core Area, strategies to facilitate leasing by independents will be necessary.
- ◆ **Conversion of ground floor space to office use.** Attention has recently been focused on the conversion of ground floor retail space to office uses. The loss of retail uses in the Core Area is a concern both because retail attracts people downtown, and because it generates discretionary revenues in the form of sales tax for the City. In 1996, the Specific Plan Task Force believed that an adequate share of ground floor space was given over to retail and restaurant use and that the pattern of use had not changed significantly from that of a decade ago. Thus, the Task Force judged that it was not necessary to require ground

floor retailing by ordinance at that time. Last year, in response to renewed concerns, the City Council considered an ordinance prohibiting non-retail conversions in the area bounded by First and Third streets and E and G streets. The business community and many downtown property owners opposed the ordinance. The Council tabled the issue pending further study. Since then, key vacancies within the core have been filled with retail uses. In addition, the DDBA produced a map indicating current occupancy of ground floor space within the Downtown Core. The issue of ground floor office space in the central core was a major concern of people who attended the 1999 Downtown Forum conducted for this report, indicating that additional study and/or education is necessary.

Current and Recent Actions

- ◆ **Downtown database.** The City Planning and Building Department is in the process of creating a database of all downtown properties. The database includes information about ownership and square footage. The DDBA plans to add information on the types of businesses located in each property, thereby creating the ability to track the downtown mix of uses by percentage and square footage.
- ◆ **Retail Recruitment Work Plan.** The City recently hired a consulting firm to develop a downtown tenant recruitment effort, and to develop materials that the City and DDBA staff can use for ongoing recruitment efforts. The work plan includes identifying potential sites for tenant attraction efforts, con-

¹³ 1995 *Economic Development Strategic Plan 1995-2000*

¹⁴ Consultant interviews for this report, Davis City Council, 1999 Downtown Forum participants.

tacting property owners, compiling building profiles, developing a list of recruitment prospects, preparing a recruitment packet, and contacting prospective businesses. The focus will be on independent retailers. Business types identified as preliminary targets include a fine dining restaurant, a theme restaurant for family dining, apparel stores, a bridal shop, an outdoor gear store, a golf/tennis shop, and a home entertainment store.

- ▶ **Minimizing the impact of national fast food chains.** The City Council adopted an ordinance in the late summer of 1999 requiring a conditional use permit for restaurants that meet the criteria established for “fast food” and want to locate downtown.
- ▶ **Entrepreneurship training.** The City, DDBA and the Chamber of Commerce, in partnership with the Greater Sacramento Small Business Development Center, offer a nine-week entrepreneurial training program for Davis-based small businesses, home-based businesses and Davis residents who are planning to go into business on their own.



Future Actions

HIGH PRIORITY ACTIONS FOR 2000-2004

- ▶ **Incentives.** Business owners, property owners, and business organization leaders interviewed for this report recommended the City provide incentives to encourage Davis residents to open independent stores downtown and to enable them to better afford retail space. This could include grants

and loans for tenant improvements and working capital, fee reductions or waivers, and promotional assistance.

- ▶ **Recruit arts and entertainment uses.** Residents interviewed for this report wanted more evening activities like bowling, billiards, blues music, and an independent movie theater. Galleries and other arts uses should also be included in recruitment efforts.

- ▶ **Recruit sit-down restaurants.** Residents attending the 1999 Downtown Forum and those interviewed for this report wanted more sit-down restaurants, “white tablecloth” restaurants, and family dining options.

- ▶ **Study the issue of conversion of ground floor space to office use.** Further study and/or education is needed to determine if this is a problem. New maps of downtown uses should be produced and the results communicated to the community. If the maps indicate an unacceptable number of ground floor office uses in the retail core of the business district, then a four-pronged approach should be taken. First, discuss with property owners the reasons their spaces are being converted. Second, study whether the design of these storefronts is somehow undesirable to retail users. Third, study how other cities have dealt with this issue. Fourth, consider regulations and incentives only if it is clear that a problem exists and that there is no better way to solve it. *The Core Area Specific Plan* states that this type of regulation would become mandatory when less than 50% of the ground floor level uses are devoted to retail in the Plan’s Downtown Core (Retail Stores) boundary area.

- ▶ **Monitoring downtown mix.** Monitor the share of ground floor space occupied by different categories of uses, and the number of spaces converted from retail to other uses.
- ▶ **Retail Recruitment.** Target retail recruitment efforts on independent retail businesses currently under served in the Downtown.
- ▶ **Property Profile Database.** Compile and manage a GIS database with information on all Core Area commercial properties and buildings.

- Using the Chamber's new strategic plan, marketing plan and organizational model for visitor attraction. The Chamber developed these with the DDBA, Farmers Market, City, U.C. Davis, Amtrak, the arts community, and merchants.¹⁹

Issues/Challenges

- ▶ **Traffic and circulation.** Traffic mitigation and circulation measures are needed to ensure visitor attraction activities do not create traffic congestion that frustrates residents, visitors and other downtown shoppers while degrading the small town ambiance of the downtown.

1.4 Visitor Attraction

Community Vision

Attracting visitors to downtown can enhance its vitality and economic health, create jobs and increase sales tax revenues without increasing the city's permanent population. Policies to pursue this vision include:

- Developing the Core Area into a regional destination featuring arts, entertainment and specialty stores.¹⁵
- Marketing the downtown to entice people from around Northern California, and in general, increasing attractions and amenities that bring people downtown.¹⁶
- Promoting Davis as a destination for eco-tourism, university/academic events, conferences, and athletic events.¹⁷
- Creating heritage tourism offerings downtown, and promoting public awareness of Davis history.¹⁸



- ▶ **Business mix.** Care must be taken to ensure the downtown continues to meet the shopping needs of local residents.

Current and Recent Actions

- ▶ **Visitor Attraction Program funding.** In June of 1999 the City Council approved funding for a Visitor Attraction Program, contingent upon its passage of a Hotel Business Improvement District (BID). The

¹⁵ Economic Development Task Force recommendation, *General Plan Update*, General Plan Policy A&C 1.1

¹⁶ Economic Development Task Force recommendation, *General Plan Update*, General Plan Policy ED 1.1

¹⁷ *General Plan* Policy ED 2.1

¹⁸ *General Plan* GOAL HIS 2

¹⁹ *Economic Development Strategic Plan 1995-2000*



program would receive \$30,000 per year in City funds, \$10,000 from U.C. Davis the first year, and \$40,000 annually from the Hotel BID (see below). The Davis Downtown Business Association would receive \$30,000 in City funds to expand its current program of downtown events. A full-time staff person devoted to promoting visitor services and expanding visitor attractions would be hired. In addition, the DDBA would hire a part-time promotion/special event coordinator.

- ▶ **Hotel Business Improvement District.** In January 2000 the City Council approved the formation of this funding mechanism under which each of the city’s hotels would be assessed an annual fee to implement the Visitor Attraction Program. Approximately \$40,000 will be raised from the assessments.
- ▶ **Discover Davis brochure.** This brochure is very popular with residents and visitors. It includes a downtown business directory, a downtown map, information about downtown events and arts, and other things to do in the community. In 1999, 30,000 copies were distributed, 25,000 more than in 1993.
- ▶ **Bicycling.** Davis is a very attractive location for visitors on bicycle. The City offers more than 40 miles of bike lanes along city streets, past parks and historic resources, to the University, and through greenbelts. Bike path maps are available at the Davis Chamber of Commerce. The Historical Resource Management Commission publishes a *Davis Historic Bike Tour*. Bicycle and in-line

skate rental are available at downtown sport stores.

- ▶ **Culture and the arts.** Many of the public art, gallery and theater programs downtown appeal to visitors as well as locals. (See Section 3.1 on *Culture and the Arts*.)

Future Actions

HIGH PRIORITY ACTIONS FOR 2000-2004

- ▶ **Community calendar.** One of the first activities of the Visitor Attraction Program will be to produce a web-based community calendar that promotes all activities occurring in Davis.
- ▶ **Guides.** The Visitor Attraction Program will produce guides promoting restaurants, hotel and bed & breakfast locations, shopping opportunities, meeting rooms, museums, art galleries, the Farmers Market, and other attractions and amenities.
- ▶ **Historical information.** Publish and distribute educational information about the city’s historic resources, preservation activities, architecture, and history. Sponsor history-themed events. Cooperate with civic organizations in the placement of appropriate monuments or plaques to publicize or memorialize historic sites.
- ▶ **Streetscape improvements.** Ensure that streetscape elements, signs, kiosks, etc. contribute to visitor attraction and satisfaction goals. (See Section 2.4 on *Public Improvements/Streetscape*.)
- ▶ **Bicycling.** Attract visitors to bike Davis’ greenbelts, green streets and open space areas with downtown Davis as the hub. Coordi-

nate with bike shops for rentals, maps, tours, etc.

- ▶ **Visitors Center.** Locate a visitor's center Downtown.

FURTHER ACTIONS FOR 2000 AND BEYOND

- ▶ **Special events.** The DDBA will expand some of its events that have a regional draw, such as the Duck Days Art Walk, and Cyclebration. It also plans to create new events that would draw regionally such as a blues festival, a film festival, or theater festival.
- ▶ **Advertising and public relations.** The Visitor Attraction Program will develop broad-based advertising and publicity campaigns. The Program will install an 800-number and a web site.
- ▶ **Culture and the arts.** Use of the arts as a theme in events and promotions. (See Section 3.1 on *Culture and the Arts*.)
- ▶ **Create visitor welcome signage along I-80.** Attendees of the California Downtown Association Conference interviewed for this report said that Davis looks uncharacteristically plain from the highway. They recommended having better visual markers along I-80 to guide visitors into the community. Attendees at the 1999 Downtown Forum, however, were not supportive of the idea of constructing freeway signs promoting community events.
- ▶ **History Center.** Work with the University and other partners to develop a regional history center showcasing archaeological and historic resources of the Sacramento Valley.

20 General Plan Goal ED 1

- ▶ **Vintage Double Deck Buses.** Promote the Unitrans double decker buses as a visitor attraction.

- ▶ **Tours.** Conduct community tours that could be offered through the Varsity Theatre box office. Themes could include ecology, history, architecture, art, and other topics unique to Davis.

1.5 Sales Promotions and Events

Community Vision

The City and the DDBA work together to promote the Core Area as the retail center of Davis with sales promotions and special events as key vehicles for attracting shoppers and new business prospects.

- Goals include generating more festivals, entertainment and other attractions that bring local residents and people from the region to the Core Area.²⁰

Issues/Challenges

- ▶ **Reaching new residents.** New residents are often difficult to market to if they do not actively seek out local news. Downtown businesses need to explore creative advertising and highly targeted marketing techniques.
- ▶ **Funding.** Special events are expensive, and sources of funding beyond merchant contributions are needed to ensure they are of the highest quality.
- ▶ **Traffic.** Traffic and circulation measures are needed to ensure events do not create traffic congestion that frustrates attendees or other downtown shoppers.

Current and Recent Actions

- ▶ **Farmers Market.** The Farmers Market is a social institution on Wednesdays and Saturday mornings. Visitors find everything from fresh produce to sheep's wool and the latest community news. The Market is located downtown in Central Park.
- ▶ **Special events.** Special events position downtown as an active, vital area, and help to increase sales over the long-term. Events sponsored or facilitated by the DDBA include the Duck Days Wildlife Art Walk, Spring Eggstravaganza, Annual Cyclebration, Labor Day Fun Run, Halloween Trick or Treating and the Holiday Open House, parade, and tree lighting. These events draw people from all over Yolo County.
- ▶ **Group sales promotions.** Sales promotions bring people into a store, service business or restaurant to make a purchase that day. Promotions sponsored by the DDBA include the Fall Welcome (special giveaways and coupons to UCD students), sidewalk sales, a Valentine's Day promotion, newspaper supplements, senior citizen discount programs, a coupon book (10,000 distributed), cable TV commercials, and a downtown web site.
- ▶ **Business promotions.** Individual downtown businesses hold special events tailored to their customers, including beauty seminars, artists receptions, music, book signings, and children's activities.
- ▶ **Fridays After Five.** This promotion is designed to capitalize on the many people who are already downtown on Friday nights by

encouraging businesses to stay open later in the evening. Activities include live music, gallery openings, and children's programs.

- ▶ **Second Friday ArtAbout.** Gallery owners coordinate openings, new showings and receptions on the second Friday of each month. Galleries stay open until 8 or 9 p.m.
- ▶ **Professional and service businesses.** The DDBA has expanded its promotions for professional and service businesses. These include the downtown brochure, and Cable TV and newspaper advertising.
- ▶ **Discover Davis brochure.** This brochure is very popular with residents and visitors. It includes a business directory, a downtown map, information about downtown events and arts, and ideas for other things to do in the community. In 1999, 30,000 copies were distributed.

Future Actions

HIGH PRIORITY ACTIONS FOR 2000-2004

- ▶ **Student input.** DDBA goals include convening focus groups with UCD students to learn how to better serve the student community.
- ▶ **Corporate sponsorships.** Seek out local and regional businesses that may be interested in cosponsoring downtown events. This will provide additional funding for putting on the event, and provide area businesses with an effective way to promote themselves to a wide audience.



FURTHER ACTIONS FOR 2000 AND BEYOND

- ▶ **Regional marketing.** DDBA goals include cultivating a strong regional image by marketing DDBA events to surrounding communities or holding a new regional event.
- ▶ **The arts.** Continue to capitalize on the arts as a theme in events and promotions. Market the Core Area as a regional arts district. (See Section 3.1 on *Culture and the Arts*.)
- ▶ **Non-traditional marketing vehicles.** New residents may be targeted effectively through direct mail “Welcome” packets and special advertising flyers.