

Background and Current Conditions

The Davis region has positive attributes that bode well for the continued health and growth of the Core Area: a well-educated work force, a strategic location with easy access to business markets, affordable real estate, a growing population, and an excellent quality of life.

Davis' current population is 56,000. Residents like the community's small town atmosphere. They feel safe. They like the fact that the Core Area is walkable and bicycle-friendly.

The University of California, Davis, is growing. Enrollment in 1999 was approximately 22,500. Employment, excluding student staff, was 9,944. By 2005 enrollment is expected to increase to 26,000; employment to 12,630. Approximately 66 percent of students and 50 percent of UCD staff live in Davis. Through its purchases and payroll, UCD stimulates an estimated \$580 million in direct and indirect spending in the local economy per year.¹ University students use downtown cafes and restaurants for socializing and studying, and enjoy downtown nightlife. The active downtown is a draw for prospective students and faculty.

The Core Area serves as the city's vibrant center for business, culture and entertainment. There are more than 475 retail, professional and service businesses, 11 movie screens, and more than 60 restaurants and cafes. There are 518 residential units in the downtown

Core Area. These include approximately 113 houses, 40 duplexes and 353 apartments.² The residential areas surrounding the downtown consist of well-preserved neighborhoods of cottages and bungalows. Residents and visitors interviewed for this report found the district to be very pedestrian friendly with a good business mix, and felt a high degree of personal safety and security.



The restored Varsity Theatre features live performances, and the Core Area hosts a multitude of art galleries and special events. The Amtrak rail and Greyhound bus companies operate from the historic train depot and downtown is a regular stop on Amtrak's Capitol route from San Jose to Roseville. Central Park is the social and recreational heart of the City. It includes a pedal-powered carousel, a teen center, the Hattie Weber Museum,

¹ 1996 City of Davis General Plan Update

² Table 1. Existing Land Uses in the Core Area, 1996 Core Area Specific Plan.

a fountain, public art, play areas and a picnic area. It is also the site twice a week of the Farmers Market.

Architecture in the Core Area is diverse and varies in age. There are 21 City-designated historic resources within the Core Area. The Southern Pacific Depot, the Davis Subway (Richards Underpass), and the Dresbach-Hunt-Boyer Home on Second Street are listed on the National Register of Historic Places. Much of the downtown, however, was constructed in the 1960s in a grid pattern that extends west of the original downtown settlement (F and G Street). These modern buildings are of plain design. While the Downtown on the whole is attractive, the grid pattern and plain architecture do not offer identifiable landmarks or a central “place” that creates a special sense of arrival.

The City’s Street Tree Commission has identified 31 trees in the Core Area as “landmark” trees. These trees are designated because they are healthy and unique as outstanding specimens of a desirable species, are among the largest and oldest trees in Davis, are of historical interest, or are distinctive in form. Property owners and developers are asked to save these trees and to maintain them in good condition for the benefit of the present and future.

Pedestrian, bicycle and automobile circulation issues are increasingly important given that the permanent and University population continues to rise, while downtown parking is already considered tight and traffic backups during peak hours occur at one of the major downtown gateways, Richards Boulevard and First Street.

The Davis Downtown Business Association (DDBA) promotes business within

the Core Area. The DDBA was formed in 1988 to manage funds generated by the merchants’ Business Improvement District (BID). DDBA activities include: ensuring strong relationships between business, City Hall, U.C. Davis and other related organizations; facilitating implementation of the *Core Area Specific Plan*; building the tenant mix; providing member services; organizing downtown marketing activities; and stimulating improvements to public and private property and parking facilities. An 11-member board of directors and a full-time executive director manage the DDBA. Their activities have been very successful.

In the 1998/1999 fiscal year the Core Area generated \$770,366 in sales tax revenue to the city. As a percentage of the citywide total sales tax, the downtown generated 23% of the sales tax revenue and nearly 34% with the exclusion of sales tax from auto dealerships. In 1999 there were approximately 530,000 square feet of retail uses and 375,000 square feet of office in the Core Area.³ The vacancy rate is low, estimated at less than 1% by the DDBA. The DDBA believes, however, that a business climate change could result in business vacancies. Ongoing business recruitment and marketing is a high priority.

In October 1999, the consulting firm Bay Area Economics produced an economic analysis as part of a downtown retail recruitment work plan. Their major findings and recommendations are summarized below:

- The 1999 median household income in the local trade area is \$39,959 including approximately 10,632 families with a median household income of more than

³ City of Davis Planning and Building Department.

\$64,000. Although the large concentration of students in the area contributes to the lower overall household median income, national statistics indicate that with monthly discretionary income of approximately \$193 per student, the 22,500 UCD students alone represent a potential pool of up to \$50 million in local discretionary expenditures.

- ▶ Excluding the grocery and automotive sectors, Davis residents spend only about 50 percent of their shopping dollars in town. Residents spend an estimated \$144 million each year at shopping centers in Sacramento, Vacaville and Woodland buying apparel, home furnishings and general merchandise.
- ▶ Underserved retail categories targeted for business recruitment include apparel, eating and drinking places, household and home furnishings, outdoor gear, home electronics, science/educational specialty store, other specialty retail, and entertainment.

The business climate downtown is healthy according to merchants, commercial property owners, Core Area residents and community leaders interviewed for this report. The Davis Commons and Fifth & G projects have spurred investor confidence and increased pedestrian traffic. Many businesses now want to expand, but there is not enough available space. Residents are looking for more entertainment opportunities, and downtown movie theaters are doing very well. With this business growth come changes to the mix of storefront and land uses downtown that some find unsettling. For instance national chains (both within and outside of downtown) and new

downtown entertainment uses are taking the place of some independent retailers. More firms want to locate their offices in downtown. As a result, merchants are refining their operations to meet this shifting market. Some are changing their product mixes and staying open later in the evenings and on Sundays to capture the customers generated by the new anchor stores and movie theaters. Others have closed. A particular challenge is that Davis businesses find new residents are difficult to reach. Many work outside of town, do not read local newspapers, have not developed loyalty to in-town shopping, and continue to drive to other cities to shop.

These issues have led City leaders to hone the vision for the Core Area in order to implement a comprehensive set of strategies that will encourage economic growth while maintaining the small town charm and quality of life that makes Davis' Core Area so desirable.

