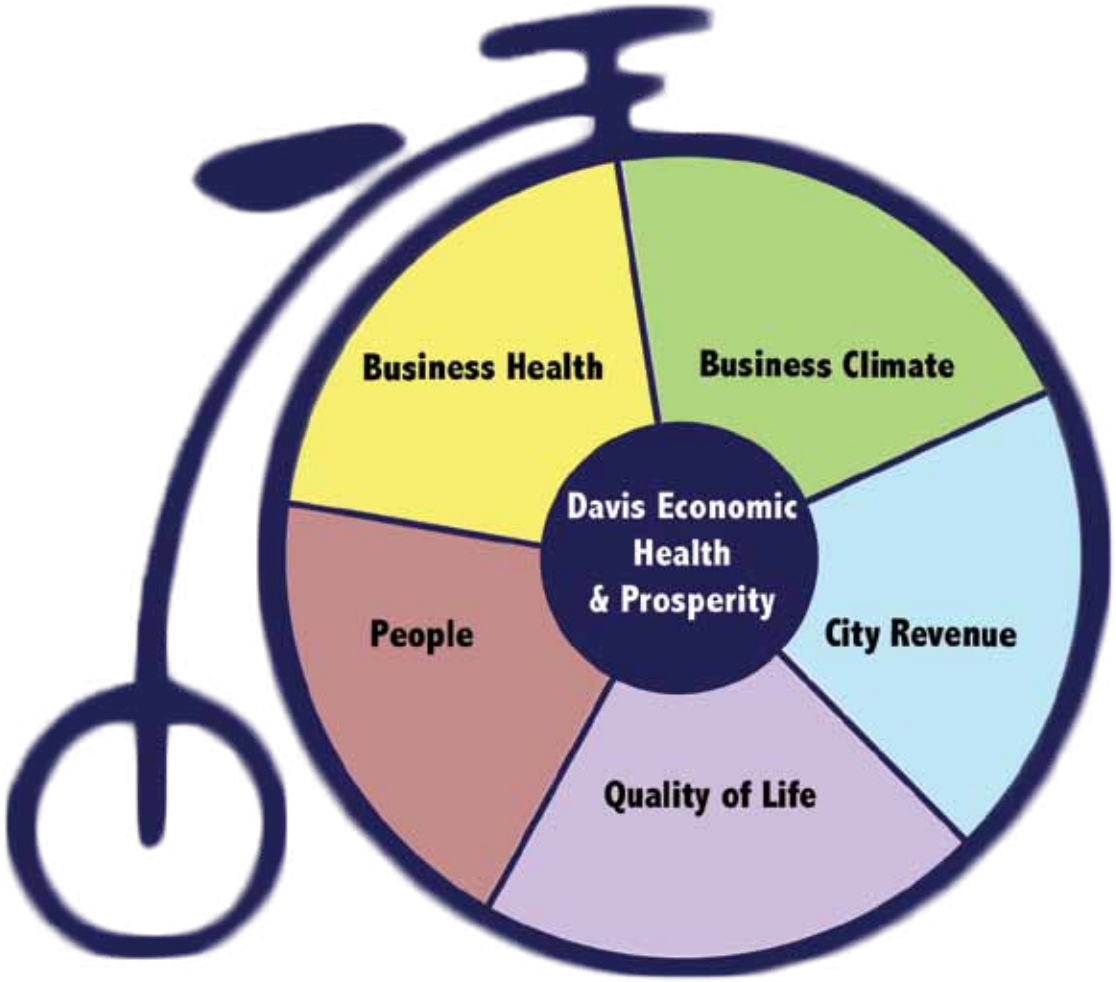
2009 Davis Economic Health & Prosperity Report



DAVIS BUSINESS & ECONOMIC DEVELOPMENT COMMISSION

Acknowledgements

The following people gave their time, energy, and expertise in developing this report.

Steering Committee

- Bob Agee, Chair of Business & Economic Development Commission
- Jim Smith, Business & Economic Development Commission
- Michael Faust, Business & Economic Development Commission
- Martin Kenney, UC Davis, Department of Community & Regional Development
- Anthony Costello, Former Chair of Business & Economic Development Commission
- Paul Navazio, Finance Director City of Davis
- Don Palm, Dean, Sacramento City College, Davis Outreach Center
- Karl Mohr, UC Davis, Administrative and Resource Management
- Bill Alger, President, Chamber of Commerce, Woodland Health Care
- Ryan Sharp, Director, Center for Strategic Economic Research
- Chuck Roe, Pyramid Construction, Davis Downtown Business Association
- James Morante, Corporate Affairs Manager, PG&E
- Jim Gray, Partner, CTBT
- John Whitcomb, Tandem Properties
- Lynn Yackzan, Yackzan Group
- Debbie Davis, Editor, Davis Enterprise
- Juelie Roggli, Facilities & Administrative Manager, Novozymes
- Dave Taormino, Brix and Mortar Partners
- Jonathan London, UC Davis, Department of Community & Regional Development
- Ruth Asmundson, Mayor, City of Davis 2008-2010
- Don Saylor, Mayor, City of Davis

The BEDC would like to recognize Brix & Mortar Partners for their generous donation to this project.

The BEDC would also like to recognize the Center for Strategic Economic Research for donating professional advisory services as well as developing a model economic indicator report to emulate.

City Staff:

- Brian Abbanat, Economic Development Specialist
- Sarah Worley, Economic Development Coordinator
- Bob Blyth, Financial Planning Specialist
- Kelly Bruton, Financial Supervisor
- Benjamin Bidwell, Economic Development Intern
- Betsy Raymond, Report Layout Intern
- Sonia Pulido, Economic Development Intern
- Annie Jensen, Economic Development Intern
- Sara Mitchell, Program Aide/Courier
- Community Development & Sustainability Department Staff

Table of Contents

Introduction. . . . . Pg 4

Overall Conclusions. . . . . Pg 8

Indicators. . . . . Pg 10

Business Health . . . . . Pg 10

Business Climate . . . . . Pg 16

City Revenue . . . . . Pg 21

Quality of Life . . . . . Pg 27

People . . . . . Pg 31

Summary of Conclusions for all Indicators. . . . . Pg 35

Summary of Charts for each Indicator. . . . . Pg 36

Introduction

Why This Project?

How is Davis doing? This question often surfaces in one form or another at City Council meetings, city commission meetings, and in countless conversations among Davis business people and community members. The answer to this question depends on many factors, including how "doing well" and "doing poorly" are defined and the data used to measure change. Recently, the **Business and Economic Development Commission (BEDC)** concluded that developing and publishing an annual report that examines and measures some of the key factors defining economic development and community well-being would help policymakers and the community grapple with this important question.

Business & Economic Development Commission (BEDC) Function & Purpose:

- Advise Davis' City Council & staff on issues & concerns relating to business & economic development.
- Work within the Economic Development Strategic Plan.
- Provide focal point for the community and city government on economic development projects and issues.

Davis Today

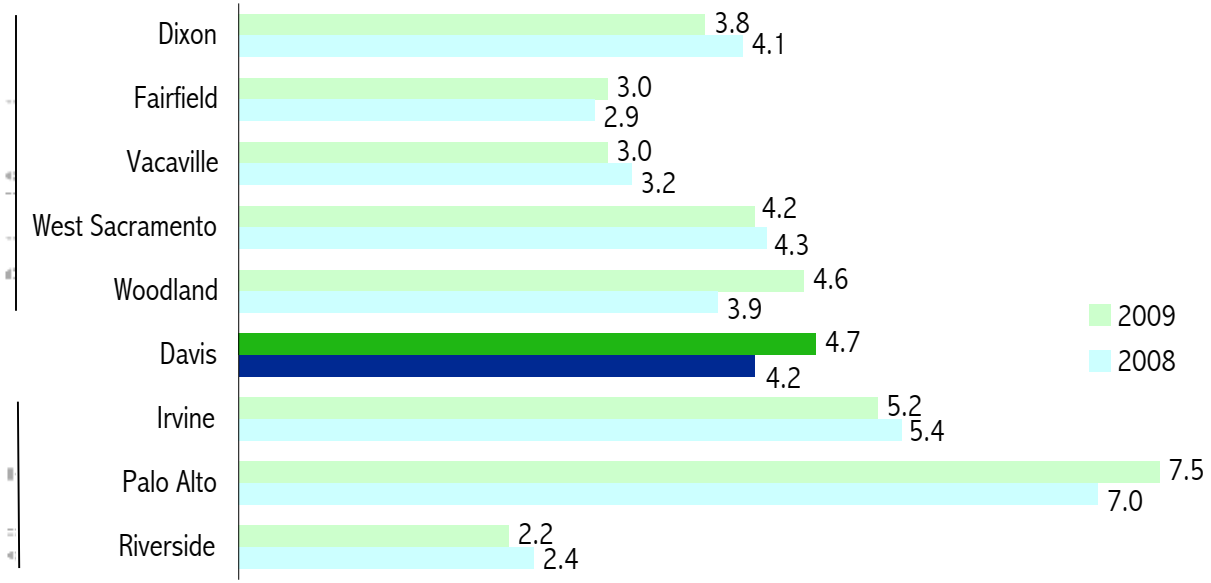
Like many communities in the Sacramento region, over the past 10 years Davis has experienced considerable change. These changes have influenced the profile of our local economy and community in general. Awareness of some of these broad changes provide context for a more thorough examination of Davis' economic health and well-being.

Category	2000	Most Recent	Change
Population (2009)	60,308	65,814	9%
Housing Units (2010)	23,617	26,056	10%
Jobs (2008)	15,535	18,249	17%
Business Establishments (2008)	2,035	2,938	44%
Acreage (2010)	6,342	6,396	0.10%

In the first part of the last decade, Davis experienced considerable housing and population growth followed by an economic decline. Between 2000 and 2009, Davis' population increased by approximately 5,500 new residents and over 2,400 housing units were added. While the housing market declined in the second half of the decade and the local economy went into recession, Davis experienced sustained job growth between 2000 and 2008 adding over 2,700 new jobs with almost 1000 new jobs in the Education & Health sectors and over 960 jobs in knowledge-based industries. During this period the total number of business establishments increased by almost 1,000 (Note: this figure includes home offices and businesses). Local job and business growth occurred even during the recession years for which data is available. Nearly all of this growth is attributable to development that occurred on vacant land within the city as the city boundary changed minimally during the past ten years. Between 2000 and 2010, 54 acres were added to the local footprint.

Debbie Aldridge/UC Davis

Total Index Scores



What is the Davis Economic Health and Prosperity Report?

Measuring the economic health and prosperity of a county, a region, or other jurisdiction is not a new idea. Several neighboring cities and counties use some type of annual report to help their constituencies make judgments about their performance and their plans for economic development. Most reports contain a combination of economic measures (e.g., job growth, unemployment rates, and income growth) and other factors (e.g. education, investment, and quality of life measures). Though no two reports are alike, they all share an important characteristic: the factors chosen to measure progress are important to the community. The Davis Economic Health and Prosperity Report is built around a similar viewpoint. Further, it is important to understand that this report is not intended to be a definitive analysis of any particular issue. Instead, it focuses on identifying higher level trends and the important relationships that exist between the variables used to measure progress, development and community well-being.

Compared to the eight cities used to gauge our performance, Davis ranks 3rd in 2009 and 4th in 2008. Is this where we want to be? How did we reach this conclusion? This report provides the details behind these rankings as well as additional information about our economic well-being that will help us answer the question: "How is Davis doing?"

Measuring Economic Health and Prosperity

This report measures Davis' economic performance across five indicators:

- **Business Health** focuses on existing businesses and employs the city's commercial vacancy rates, the unemployment rate, payroll, and other measures.
- **Business Climate** emphasizes factors important to attracting new businesses such as commercial lease rates, development impact fees, and construction permit revenue.
- **City Revenue** measures include tax proceeds from sales and transportation, property, and transient occupancy taxes (TOT).
- **Quality of Life** defines community performance such as school quality, expenditures toward cultural amenities, and crime.
- **People** captures workforce education, household income, age demographics, and other people-oriented measures

Performance on each indicator is measured with two types of variables:

Comparable variables are used to create index scores that allow Davis' performance to be compared with other jurisdictions. Data in this group must be accurate and consistently available on a timely basis for all comparison jurisdictions. To make performance comparisons on a level playing field, each jurisdiction's per capita or percentage value for each comparable variable is computed. The city with the highest value is then assigned a score of 10, and the city with the lowest value receives a score of 0. The remaining cities are assigned index scores based on their position within the range of per capita or percentage values. After determining the index scores for each city for each variable in an indicator, a simple average of all of the indices is computed to determine each city's overall score. All index scores for each city are then averaged with equal weight to produce an overall Economic Health & Prosperity score for each jurisdiction. It is important to note, that each indicator and variable used to develop index scores is weighted equally. If arithmetic weights are used to express differentiated priorities and values, the results can change dramatically.

There are a total of 15 comparable variables, three for each of the five indicators. The comparable variables for each indicator are separately measured for Davis and the following eight jurisdictions:

- Dixon
- Fairfield
- Vacaville
- West Sacramento
- Woodland
- Irvine
- Palo Alto
- Riverside

Five of these jurisdictions are neighboring cities along the I-80 corridor. They were selected because they compete directly with Davis for economic development opportunities within the region. The other three jurisdictions are college towns like Davis and as a result share some of the same characteristics as Davis in

terms of economic and community interests. UC Irvine is frequently grouped with UC Davis and UC San Diego in terms of stature in the UC system and overall growth rate. UC Riverside shares an agricultural heritage with UC Davis and as a result some of its research interests are similar to UC Davis. Finally, Stanford University in Palo Alto is one of the preeminent research universities in the country and sets the standard in many ways for successful economic development.

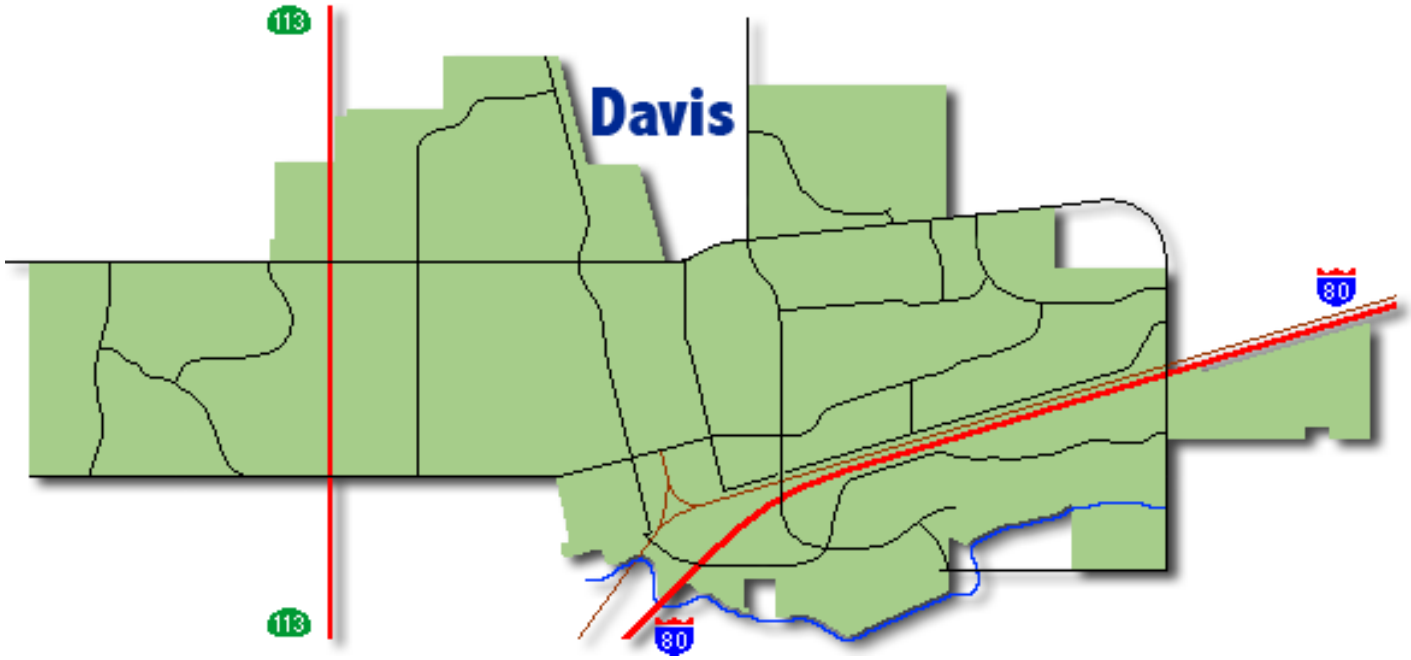
Davis-only variables measure our performance on variables that are of special importance to our community, or that help explain our performance on other variables. There are also 15 Davis-only variables, three each for the five indicators. Index scores are not used to measure performance for Davis-only variables. Data for Davis-only variables generally focus on the significance of changes over time. Some of these variables are also compared to state or regional statistics when the data are available. Because of these differences, measuring results on Davis-only variables is more subjective than the comparable variables. If a trend is judged to be significant, it is highlighted in the Conclusions section of the report.

How to Use this Report

The Davis Economic Health & Prosperity Report is intended to be used as a tool for policy makers and the community. There are many additional or substitute metrics that could be employed to assess Davis' economic health. However, those used in this study were selected based on the following considerations (in no particular order):

- Meaningfulness
- Accuracy and reliability of data
- Cost of data
- Ease of data collection
- Likelihood of change over time
- Frequency of data updates
- Ability to compare with comparable cities

The following pages display the data and analysis for the five indicators. The next section is the heart of the report. The results for the Comparable variables are displayed graphically and the most significant findings from the Davis-only variables. The appendix contains additional details on each of the variables.



CONCLUSIONS

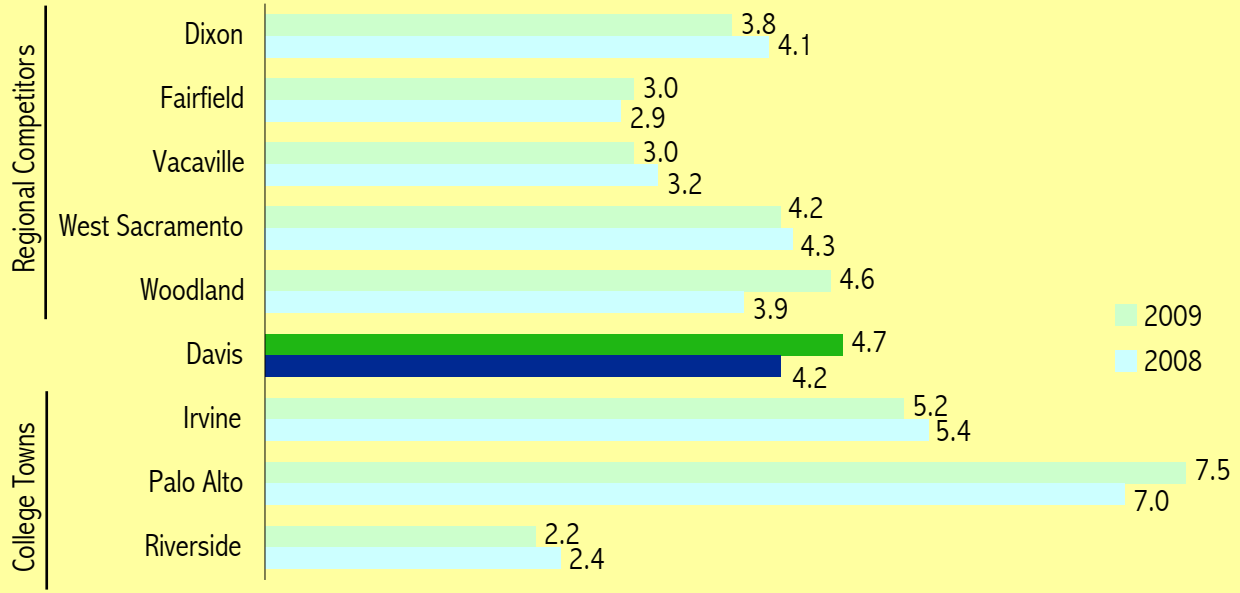
Davis Economic Health and Prosperity Report for 2009

OVERALL INDEX SCORES

Davis ranks 3rd among the nine jurisdictions in 2009 with a score of 4.7 out of a possible 10 and 4th in 2008. The indicators that raised Davis' overall score above some of the other jurisdictions are Business Health, Quality of Life, and People. Pulling our overall score down were our results on the City Revenue and Business Climate indicators. Note: if the overall index score is determined using only the economic indicators i.e., Business Health, Business Climate, and City Revenue, Davis drops to 6th place and Dixon (4th), West Sacramento (2nd), and Woodland (3rd) move ahead. This shift is significant and points to the impact that differential indicator and variable weighting would have on measurement going forward.

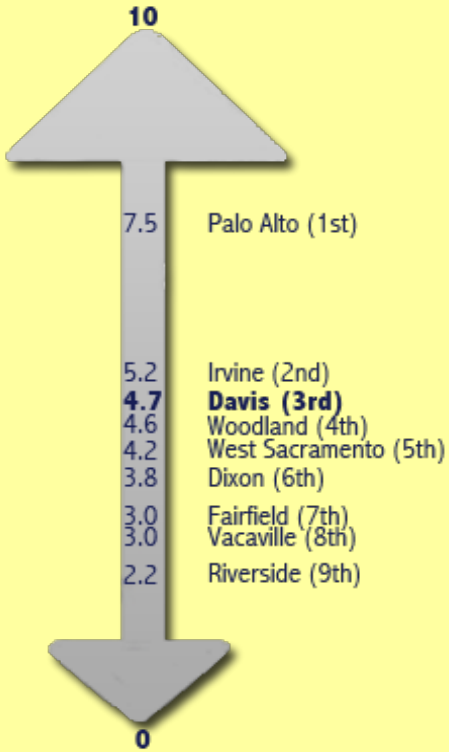
Using the five indicators, equally weighted, Palo Alto was top ranked for both years measured and significantly outpaced the other eight jurisdictions. Irvine ranked 2nd; and the scores for Davis, Woodland, Dixon, and West Sacramento scores are tightly grouped for both years. Only 0.4 points separate the high and low scores for this group in 2009. 2008 scores are generally clustered similarly with a range in overall scores of 0.8 points. Fairfield, Vacaville, and Riverside consistently rank in the bottom third of all jurisdictions.

Total Index Score



Note: This graph also appears in the introduction

2009 Total Index Scores



What Do the Index Scores Tell Us? The index score ranks suggest that Davis is a lot like a number of its regional competitors and that it lags well behind two of the three college town comparables. Of course, the results might have been different if other measures (i.e., indicators) of performance had been used or if the indicators had been assigned different weights, but the range and types of indicators and data supporting these findings make them worth considering. On the plus side, Davis is in the top half of the distribution; on the negative side, it did not really distinguish itself among its regional competitors. Davis' performance, particularly in areas where

it performed poorly, may warrant more analysis and consideration of the ways in which our performance could be improved.

SIGNIFICANT DAVIS-ONLY VARIABLES

In addition to the comparable variables, 15 Davis-only variables were examined, three for each of the five indicators. The following four are noteworthy, and should be considered in future economic development planning.

Sales Tax Revenue by Business Category
(City Revenue Indicator)

This variable helps us understand the contribution each sector of the Davis economy makes to our overall sales tax revenues. Analysis reveals that sector shares deviate in several categories from regional averages, which offer one of many points of reference. This distribution may represent added risk for the Davis economy beyond the normal ebb and flow of state and regional economic cycles. Business downturns in sectors that make unusually high contributions to city revenues could expose the city to significantly larger losses in total sales tax revenues than otherwise would occur.

Further Analysis

What is the distribution of sales tax receipts across business categories that balance Davis' willingness to accept risk with the need to generate revenue?

Sales Tax Capture Rate by Business Category
(City Revenue Indicator)

Sales tax capture rates measure the amount of sales tax revenues collected with estimates of the amounts that Davis residents pay. When sales tax collected by Davis businesses is less than sales taxes paid by residents, the resulting gap is called "leakage." Leakage in Davis is low for some categories (e.g. clothing, furniture, business-to-business) and high in others (e.g. drug stores, auto sales, food products) particularly compared to our neighboring cities. Significant leakage represents lost income to the city.

Policy Question

To what extent should Davis address the most significant sales tax capture deficiencies?

Davis Residents – Highly Skilled Workers Who are Employed Outside of Davis
(People Indicator)

Davis is fortunate in that many of its residents possess the skills needed by the types of businesses that Davis would like to attract (See Appendix, Section III, People Indicator). Unfortunately, many of them do not work in Davis. The positive side of this finding is that Davis should have an advantage over other jurisdictions because potential employees for new businesses already live here.

Further Analysis

What can the city do to bring together the highly skilled workers who live here but currently work outside of Davis and the knowledge based businesses it hopes to attract?

UC Davis Start-Ups
(Business Climate Indicator)

Davis places a high priority on taking advantage of its unique relationship with UC Davis. In recent years, UCD research has grown significantly, with awards totaling $622 million in 2008-09. Spinoff or start-up companies are an important product of this effort to UCD and the city of Davis. Unfortunately, however, the city has been able to retain only a very small share of these emerging businesses.

Further Analysis

What can the city do to bring together the highly skilled workers who live here but currently work outside of Davis and the knowledge based businesses it hopes to attract?

In the sections that follow, the results for each of the five indicators are described in detail.

Business Health Indicator

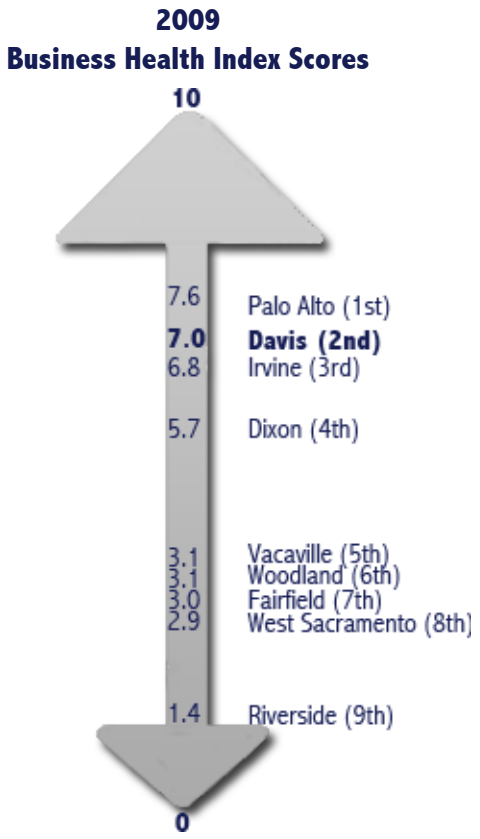
(Emphasis on Existing Businesses)

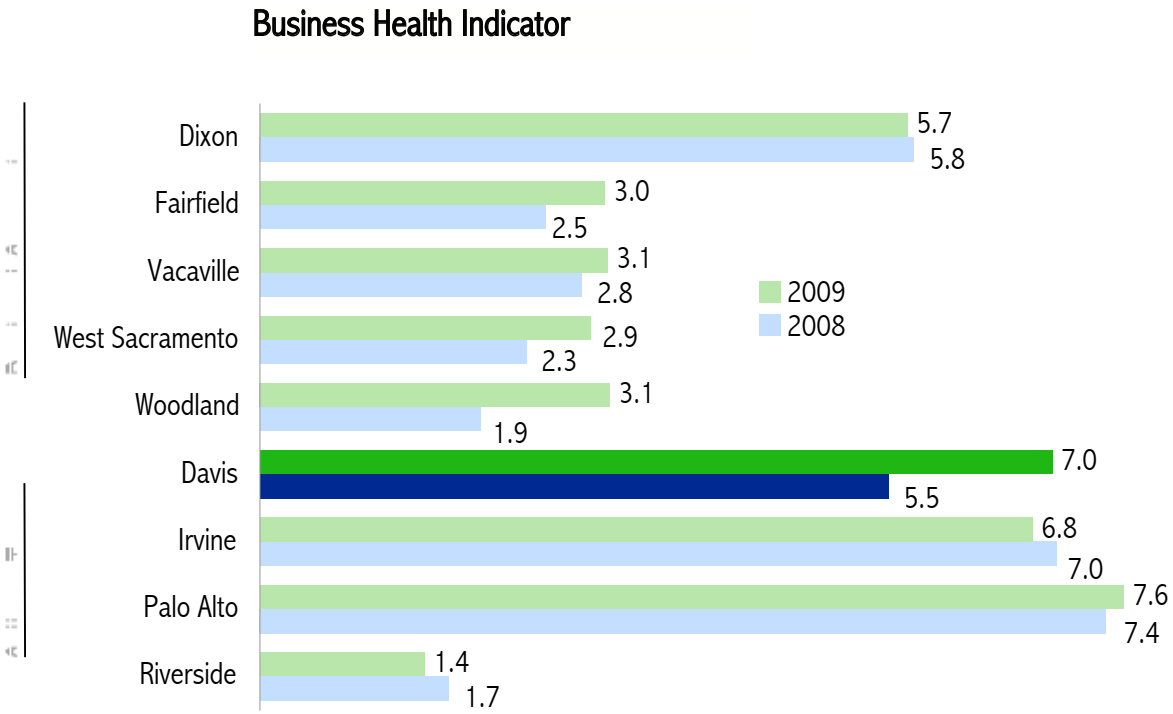
Why Are We Measuring This?

Sound business health is vitally important to the daily life of our community. Without it, the community will struggle to maintain its current economic well-being and will be at a major disadvantage for future economic development.

What Do The Index Scores Tell Us?

Davis is ranked 2nd on the Business Health Indicator among the nine jurisdictions. Palo Alto ranked highest while Riverside lagged behind the others. Comparing the change over 2008 scores, Davis is one of six jurisdictions that increased its score in 2009.





What Influenced Davis' Performance?

BH-1. Average Commercial Vacancy Rates

1st in Indicator

This variable measures the average of the commercial vacancy rates for retail and industrial sites for each jurisdiction. Vacancy rates tell us about the overall state of the commercial real estate market in a local economy; however, they must be interpreted carefully, because they reflect many different conflicting pressures. In general, modest vacancy rates in both retail and industrial categories are considered healthy. Higher rates are generally viewed as having a negative effect on business climate because this is likely to be the result of over-building, a net migration of commercial activity out of a community, or business closures. Interpreting very low or non-existent vacancy rates can be more difficult. For example, this circumstance may reflect an inability to provide adequate building space, and as a result a loss of business growth opportunity, or a business community that has accurately predicted its space needs and has perfectly balanced supply and demand for commercial space. For purposes of the report, low commercial vacancy rates are considered healthy, and high rates are viewed as unhealthy (NOTE: this variable should be more thoroughly examined and refined in future editions of this report).

Davis' average commercial vacancy rate is just over 4% and is generated by averaging the vacancy rate of three building types: office, retail, and industrial).[1] It is ranked 1st among our comparables. Vacancy rates based on the square footage of building types likely would result in a different average vacancy rate for Davis and comparable cities.

BH-2. Unemployment Rates

6th in Indicator

This statistic represents the proportion of people living in Davis who are unemployed, and looking for work. Davis ranks 6th on this variable.

BH-3. Average Salaries

3rd in Indicator

This variable measures the wages derived from averaging the payrolls of all commercial enterprises in each jurisdiction. While Davis significantly lags behind the two leaders on this variable, namely Palo Alto and Irvine, it is ranked 3rd and leads the other comparable jurisdictions. It should be noted that "average salaries" in different metropolitan regions also can reflect different "costs of living" that should be considered when making comparisons.

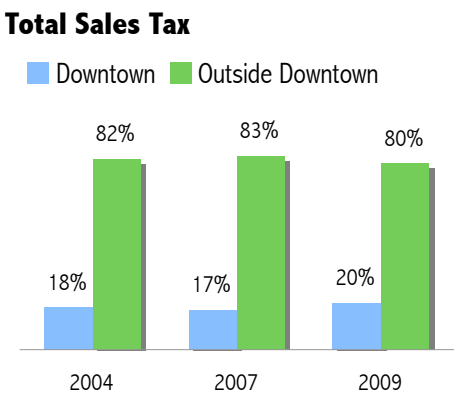
[1] For example: 5% retail vacancy rate + 10% office vacancy rate + 20% industrial vacancy rate = 11.6% [(.05 +.10 + .20)/3 = .116]. This method was necessary because data sources for comparables varied and frequently did not include total square footage for each building type within comparable cities.

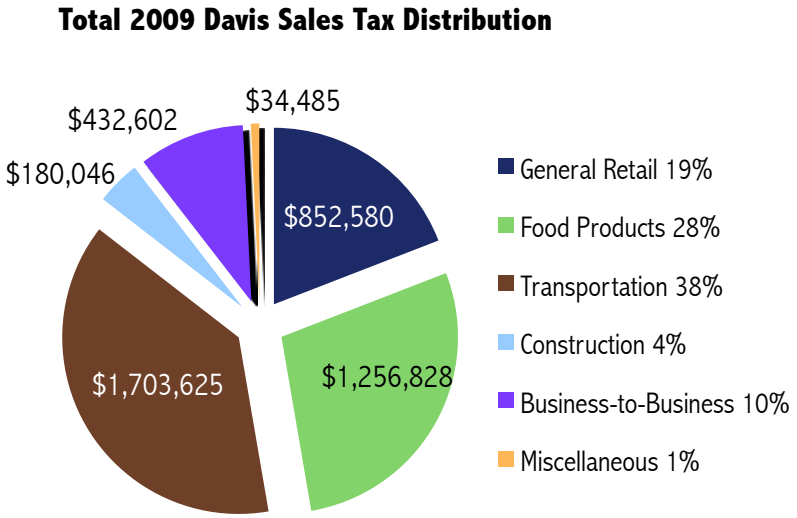
DAVIS-ONLY VARIABLES

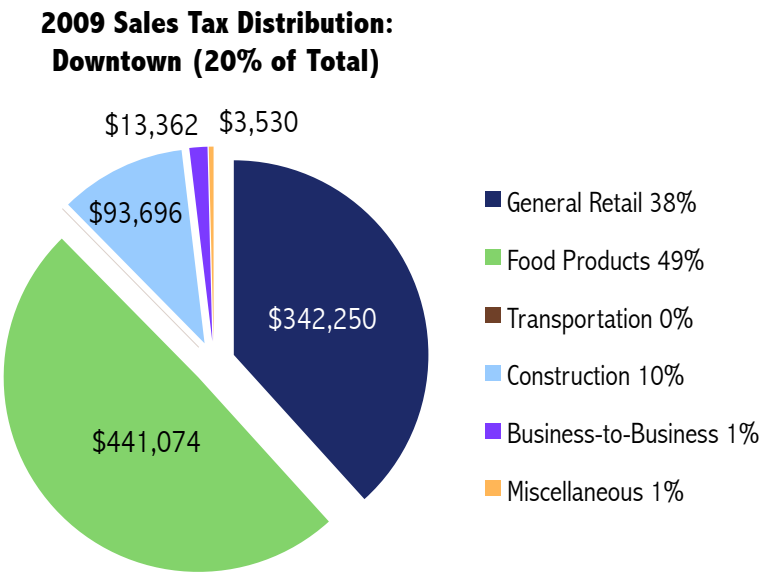
BH-4. Sales Tax Distribution Downtown vs. Outside Downtown

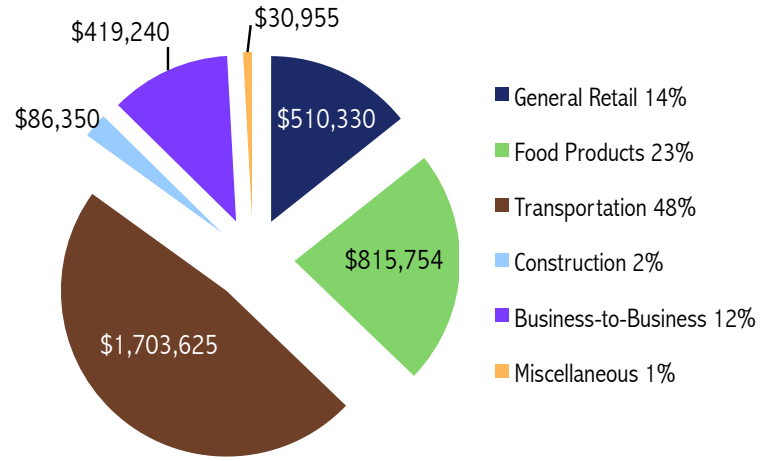
Maintaining the health and vitality of the downtown area is a priority for the city. The bar graph to the right suggests that for the five-year period ending 2009, the proportion of total sales tax revenues generated by the downtown remained very stable, within the 17% to 20% range. Coincidentally, the downtown currently has 20.5% of total the commercial square footage in Davis.

The pie charts indicate downtown revenues are predominantly from General Retail and Food Products (a total of 87% in 2009) while these same categories account for 47% of city totals.









*Percents may not sum to 100 due to rounding

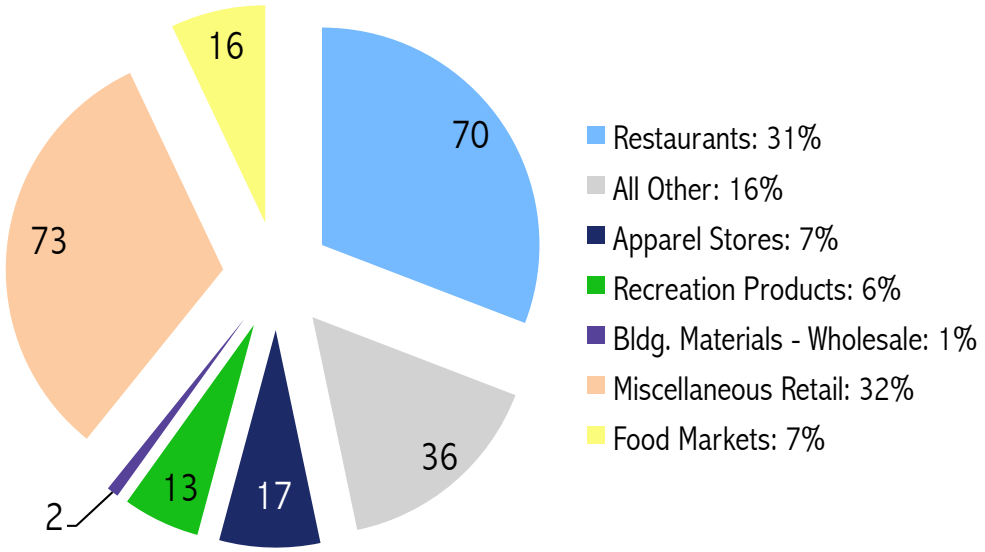
BH-5. Number and Types of Businesses Downtown

The number of businesses downtown has remained relatively stable between 2004 and 2009. The most notable shifts in composition have occurred in the individual business, service, and branch establishment categories.

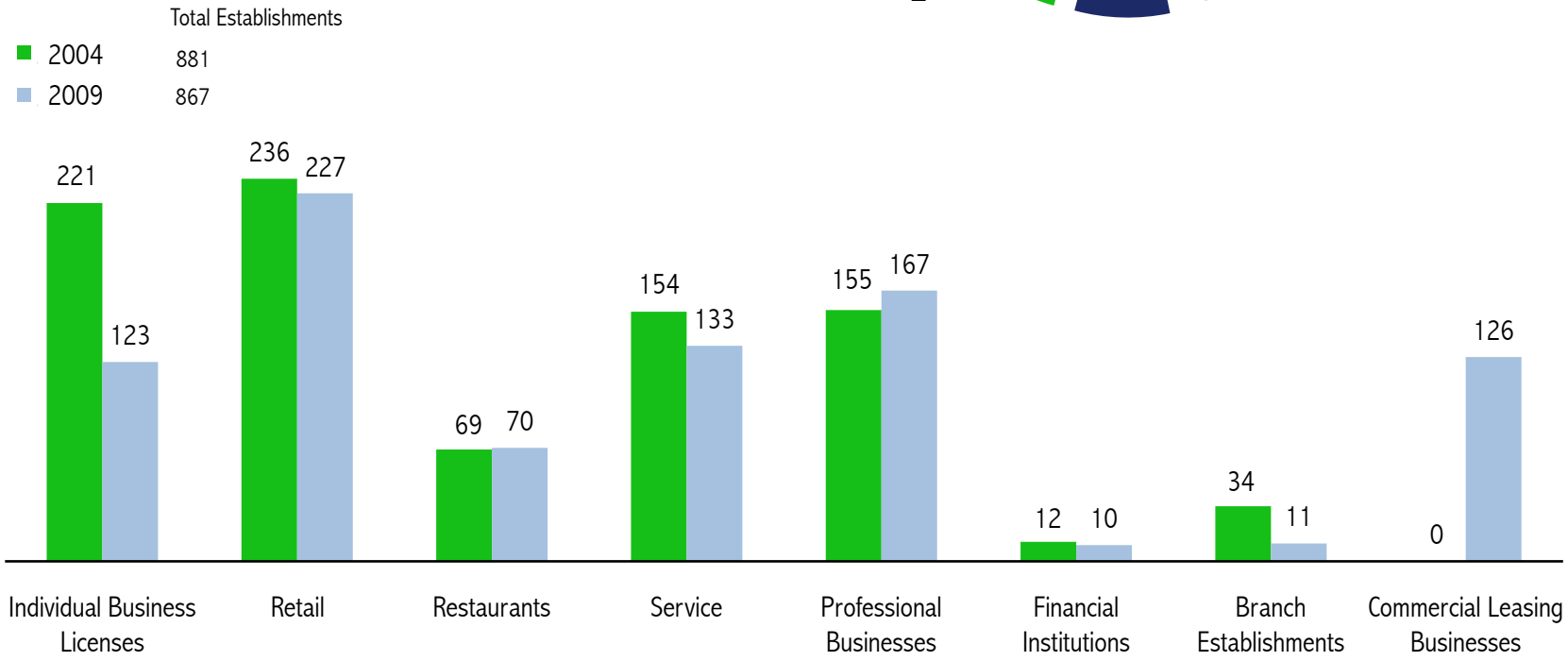
The total number of retail enterprises also has remained stable during the period. The shifts in categories with the largest shares of the total, such as restaurants and apparel, are small. Most notably, the sectors with the smallest number of businesses have changed the most. All of the auto parts, electronic equipment, and service stations have disappeared.

Retail Only Downtown: 2009

Total Establishments: 227

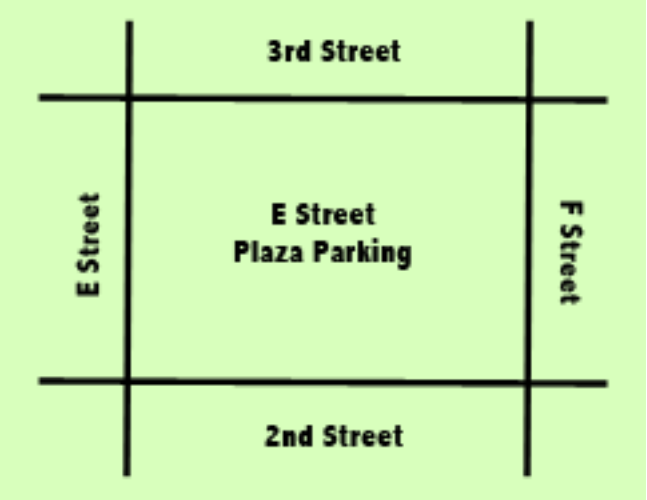


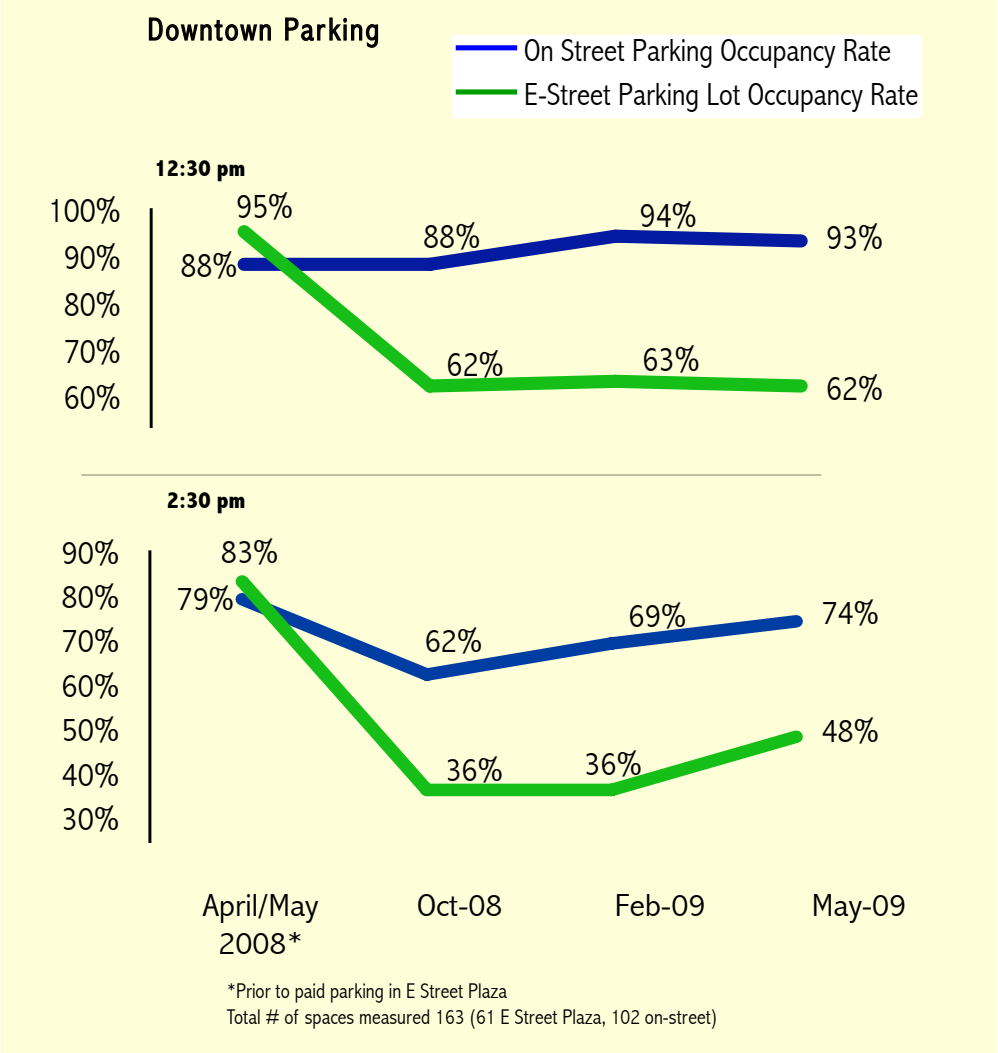
Number and Types of Businesses Downtown



BH-6. Downtown Parking

Many downtown businesses are heavily dependent on foot traffic to be successful, and for many Davis residents, reaching downtown means driving and parking in the downtown area. The adequacy of downtown parking continues to be a controversial issue. This variable measures the occupancy rate of a small but important portion of parking available in the core of downtown, the E Street parking lot, and on-street parking bordering the block between 2nd and 3rd, and E and F Streets. The table above indicates the noon hour on-street parking is almost always difficult, but it improves somewhat in the afternoon. In contrast, parking in the E Street Plaza paid parking lot generally has significant levels of unused capacity during both time periods measured. (NOTE: this variable should be more thoroughly examined and refined in future editions of this report).





Conclusions

Against comparable jurisdictions, Davis ranks 3rd in Business Health and is one of six jurisdictions that increased its score in 2009 over the prior year. This suggests that Davis is doing comparatively well in this recession. At the heart of the variables used to measure this indicator is the capacity of business to expand as recovery momentum increases, particularly in the downtown area. Space planning is critical to making the most of economic recovery.

Davis has placed a high priority on both growing certain types of knowledge-based businesses and maintaining a vibrant downtown. To some extent, these goals overlap, and it may be beneficial for city policymakers to look more closely at the role downtown will play in terms of economic expansion. To this end, some of the issues that should be more carefully explored are the following:

Further Analysis:
What can Davis do to increase the likelihood that the space inventory reflects the types of businesses it wants to attract?

Further Analysis:
Should the city develop a more quantifiable set of measures for judging the health of downtown relative to the overall city economy?

Further Analysis:
What is the capacity of downtown to participate in the expansion of knowledge-based businesses that Davis would like to attract?

Further Analysis:
What is the relationship between parking supply and the economic health of the downtown?

Business Climate Indicator

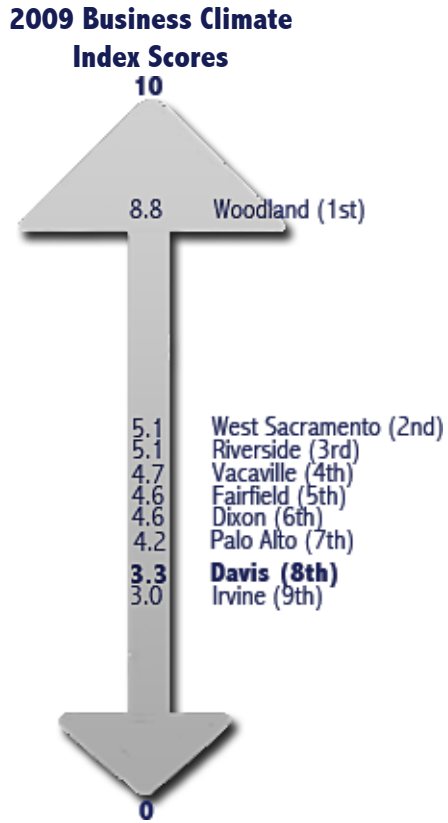
(Empahsis on New Businesses)

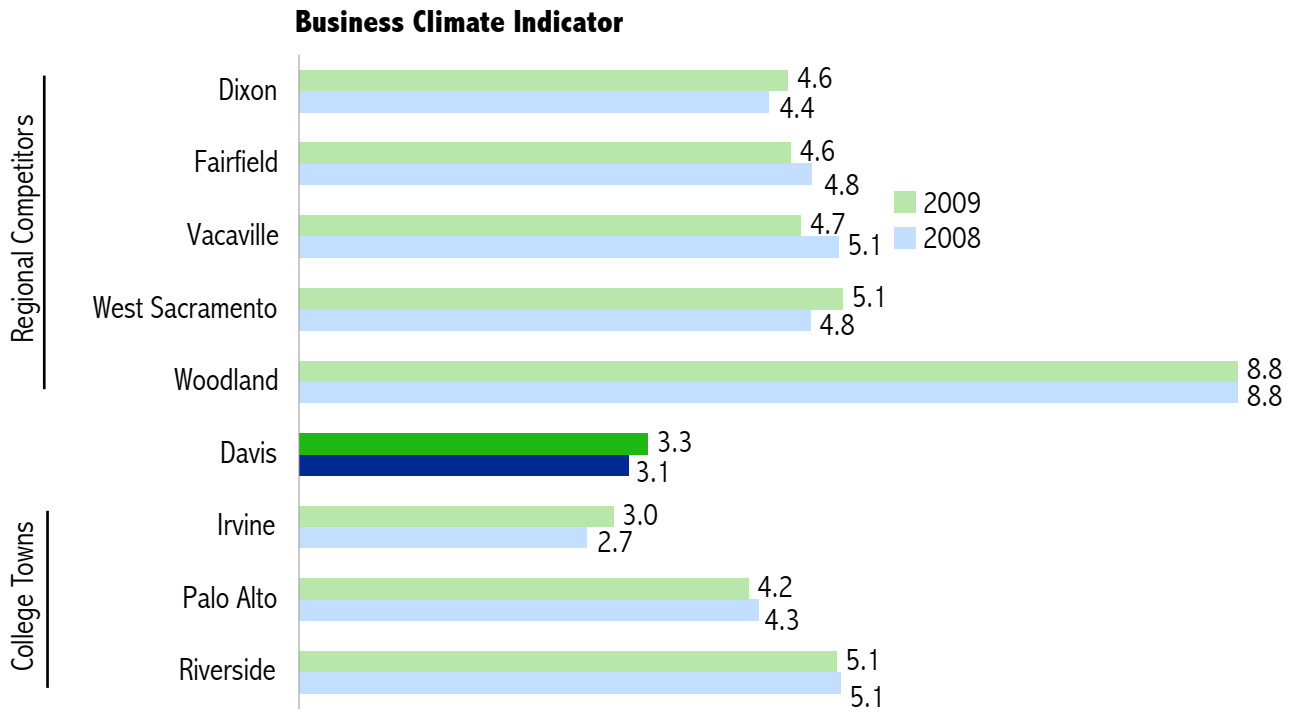
Why Are We Measuring This?

A healthy business climate is essential for economic growth. To expand existing businesses and attract new ones, Davis must provide an economic environment that addresses the needs of a wide range of businesses, from startups with a handful of employees, to those with more than 100.

What Do The Index Scores Tell Us?

Davis ranks 8th among regional and university-town peers in 2008 and 2009. While Davis is one of four jurisdictions that increased its 2009 score over 2008, it is significantly behind all other jurisdictions. Woodland's scores reflect its top rank on two of the three variables (i.e., low commercial lease rates and high construction permit revenue) used to measure the Business Climate Indicator.





What Influenced Davis' Performance?

BC-1. Commercial Lease Rates

7th in Indicator

This measure is the average commercial lease rates for office, industrial, and retail space listings for each jurisdiction. For the purpose of this analysis, lower lease rates equate with higher index scores. Davis ranks 7th among the comparables on this measure. Among this group, Davis' relatively higher lease rates make it less attractive to new businesses considering locating in our region or in a college town. For example, technology startups are often cost-sensitive and may find lower lease rates in neighboring communities more attractive. Retail establishments operating on lower profit margins also benefit from low lease rates. However, location decisions and lease rates are also based on market strengths provided, such as volume of foot traffic and ability to leverage proximity of other retail sales anchors, or quality of space and amenities provided. Woodland's average lease rate was half of Davis' average in 2009.

BC-2. Construction Permit Revenue

6th in Indicator

This variable is the per capita revenue for each jurisdiction. Construction permit fees are a portion of building permit fees based on the estimated value of new construction or building improvements and provide a measure of capital investment in commercial building space. The data used to measure this variable include development fees, along with other permit revenue. Woodland's top ranked performance on this measure is largely due to this factor. During the two years measured, Woodland had major development fee income from its Spring Lake housing development and the Gateway commercial development that includes Costco and other large stores along I-5 north of Spring Lake. In contrast, Davis ranks 6th in 2009, which is one rank lower than the prior year.

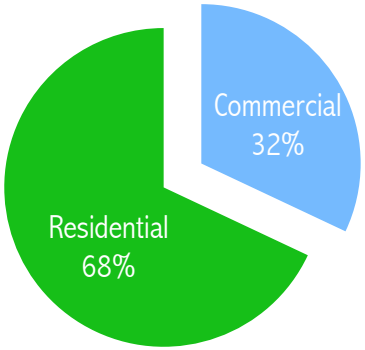
BC-3. Cost of Business

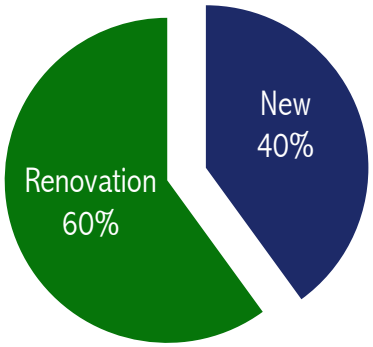
9th in Indicator

This statistic is the average of two related variables: development costs for a "sample" new office building of moderate size designed for a professional business, and the annual cost of operating a professional business within this structure. Annual operating costs include business license tax, utility user tax, utility costs, and any special fees unique to a jurisdiction. Development costs include building permit and plan check fees, infrastructure fees, and impact mitigation fees. Davis ranks 9th on this measure in 2009 because it has the highest average operating fees and second highest development fees. Davis' total fees are 73% more than Palo Alto's, the top ranked jurisdiction.

DAVIS-ONLY VARIABLES

2009
Construction $23.8 million

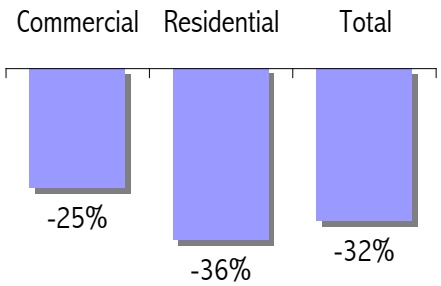


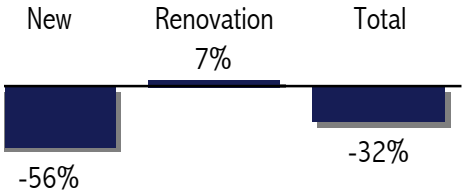


BC-4. Overall Construction Investment in Davis

Commercial construction permit valuation is an important marker for measuring economic growth. Generally, growing permit valuations reflect an expansion or improvement of commercial building inventories that are critical to attracting a variety of new businesses to the city and to support expansion and/or relocation of existing businesses. Over the five-year period covered by the graphs below, total permit revenues for both commercial and residential building in Davis have declined by a total 32%. Commercial property development alone has fallen by 25% over the period. The impetus for this decline is likely due to a number of factors, including the current economic recession. However, while new construction has fallen over 56% since 2004, renovations have increased by 7% in the same timeframe. In addition, it is important to keep in mind the employees of new businesses need access to a range of housing options. Without more analysis we cannot determine whether some portion of the commercial decline is due to declining demand from new businesses because of a real or perceived competitive disadvantage.

Percent Change in Construction Permit Revenue 2004 - 2009





BC-5. UC Davis Start-ups 2003 - 2009[2]

Davis places a high priority on taking advantage of its unique relationship with the University of California, Davis. Over recent years, the campus has systematically increased research efforts in a number of fields that align with the city's interests in new business. For 2008-09, research awards from both public and private entities totaled $622 million. Spinoff, or start-up companies, emerging from UCD are therefore of great importance. The table above reflects both positive and negative news for the city. The good news is UCD start-ups are almost all in fields that reflect the knowledge-based businesses that Davis wants to attract (e.g., bio tech, clean tech). The bad news is that only slightly more than one-quarter of those created in the past six years have chosen to locate in Davis. (Note: more work is needed on this variable in future editions that will account for technology firms locating in Davis that are not UC Davis spinoffs.)

Business Type	Current Location				
	Davis	Other	Unknown	Total	Percent
Bio Tech	4	5	1	10	40%
High Tech	1	6	1	8	32%
Clean Tech	2	4	0	6	24%
Other	0	0	1	1	4%
Total	7	15	3	25	100%
Percent	28%	60%	12%	100%	

[2] Complete list of 2003 – 2009 UC Davis startup companies are available in the Appendix.

BC-6. Time to Approve Commercial Development Projects

Davis has a reputation among many local and regional developers and contractors as being excessively bureaucratic and slow in the plan review and entitlement process for commercial development. Whether real or perceived, this image is likely to deter some businesses from locating in Davis. While many factors influence the amount of time it takes to move from a developer's initial contact with the city to the day the door opens for business, understanding the trends may help the city identify the severity of the problem or refute the perception. The chart below summarizes project completion time for a sample of commercial projects. On average, application review took 60 days and building permit review 83 days, representing 54% of total project completion time in seven out of eight examples (see appendix for data used to compute these averages).

How to Read the Graph:

The line graph below identifies four discrete review processes for commercial development occurring since 2006. Within each process, three main phases are required from the date a development application is submitted until the doors can open for business:

Application Review: During this phase, the City reviews the development application for design review, land use, environmental impacts, and site layout, among others. The final product is an entitlement to develop.

Building Permit Review: During this phase, the City reviews building plans for completeness and issues building permits. Completion of this phase represents the end of the City review process typically requiring the most time.

Construction: Once building permits are issued, the developer may begin construction. The time between issuance of building permits and project completion is construction time. Building inspections and sign review also occur during this phase.

The time represented on the graph is cumulative.

AR is the average time spent in the Application Review phase.

BP is the average cumulative time in the total process until a building permit is issued.

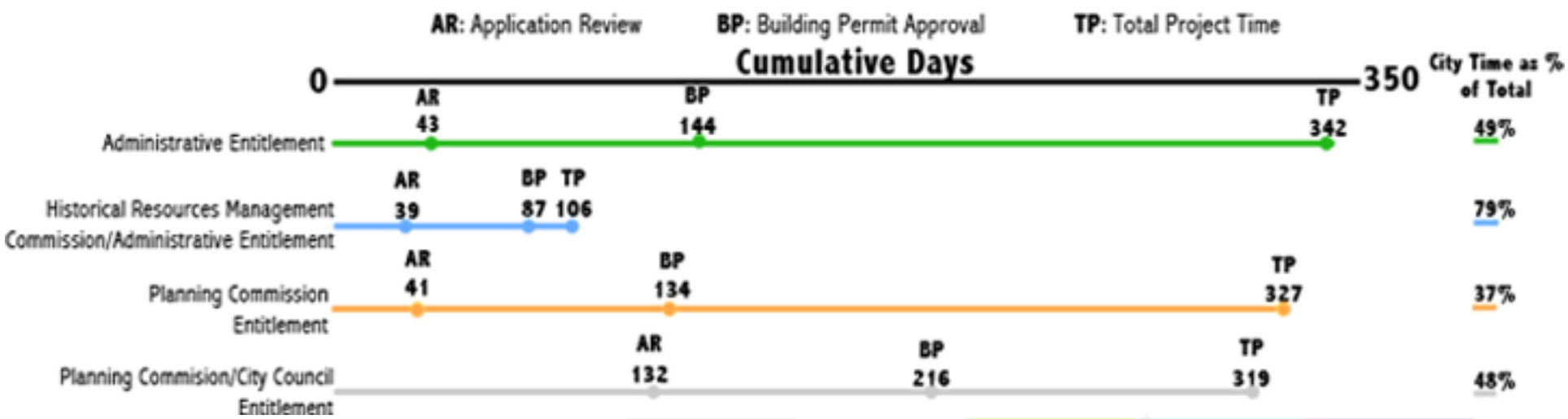
(Note: Time delay factors outside City control such as applicant and/or consultant responses to staff comments, requests for information, and plan changes are included in this phase).

TP is the total project time from the date a development application was submitted to the date the doors are open for business.

Summary of Time to Approve Commercial Development Projects

The nature of development entitlements required can have a significant impact on project approval time. Some projects may involve two processes e.g., Historical Review, Planning Commission, and/or City Council among other possibilities. These projects may have longer approval times depending on whether progress occurs simultaneously in both processes.

Commercial Development Project Approval Timeline



Conclusions

Davis performs poorly in the Business Climate indicator relative to the other jurisdictions. It ranks at the bottom for both years included in the report. Its index scores for commercial lease rates and the Cost of Development and Business Operation significantly affected Davis' poor performance.

Commercial Lease Rates are affected by many factors, and understanding more about why Davis is not competitive on this variable is important to future development.

Further Analysis:
What steps should be taken to learn more about Davis' competitive disadvantage, and what is the relationship between the size of Davis' commercial inventory and lease rates?

The index score for the Cost of Development variable (cost of development and business operation) also dragged Davis' index score down relative to its regional and college-town competitors. The components of the business operations expenses for each jurisdiction are displayed in the Appendix. Business operations expenses are not critical to every business that Davis is interested in attracting, but most businesses beyond the first stages of organizational development are interested in the ongoing costs of locating in a given jurisdiction.

Policy Question:
Should the city examine its current fee structure, including the costs of utilities, to determine if changes are needed to make it more competitive?

Policy Question:
Should Davis lower fees to support business growth and business attraction given the need for cost recovery for services and infrastructure?

UC Davis, like the other UC campuses throughout the state, is working hard to plan its future around the likelihood that state support will continue to decline as a percent of total budget. One of its obvious responses to the state fiscal crisis is to move aggressively to grow its already robust research effort. This should increase Davis' opportunity to attract and retain start-up companies that will spin off from the campus in the future. Unfortunately, however, Davis has not captured many of these corporate spinoffs in the recent past.

Further Analysis:
How can the City, private sector, and UC Davis collaborate to keep more UCD spinoff businesses in Davis?

Further Analysis:
What specific research efforts at UCD are likely to produce spinoff companies, and how prepared is Davis to facilitate the migration of these emerging businesses to Davis commercial sites?

Davis has long been known for its highly regulated approach to business development. This has served the city well in terms of protecting its citizens from rapid and unregulated growth that could quickly destroy the quality of life that characterizes Davis. What is unknown, however, is whether the city takes an inordinate amount of time to perform basic plan approval and entitlement functions, and as a consequence actually discourages the development of the types of businesses that Davis wants. Data on this issue are not readily available, but may be very important in terms of future economic development planning.

Policy Question:
How can Davis accelerate the entitlements and approval processes without compromising important quality of life values?

City Revenue Indicator

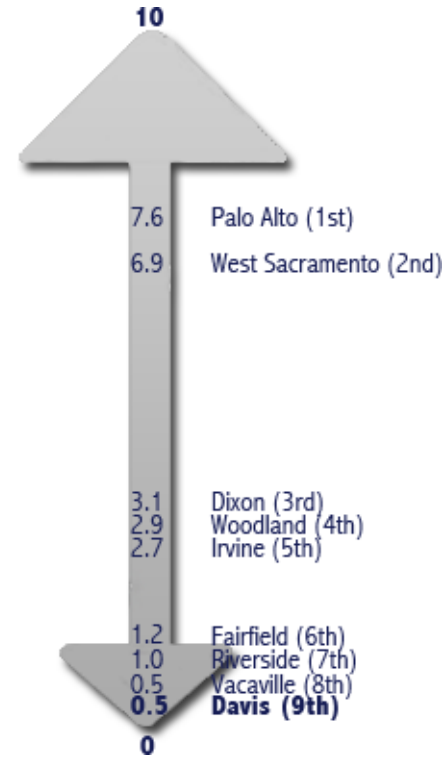
Why Are We Measuring This?

Adequate general city revenues for infrastructure improvements, essential city services, and quality of life enhancements are critical to the city's plans for economic growth. Without relatively stable and steady economic growth, Davis will have difficulty providing services; improving infrastructure; and attracting, growing, and retaining businesses.

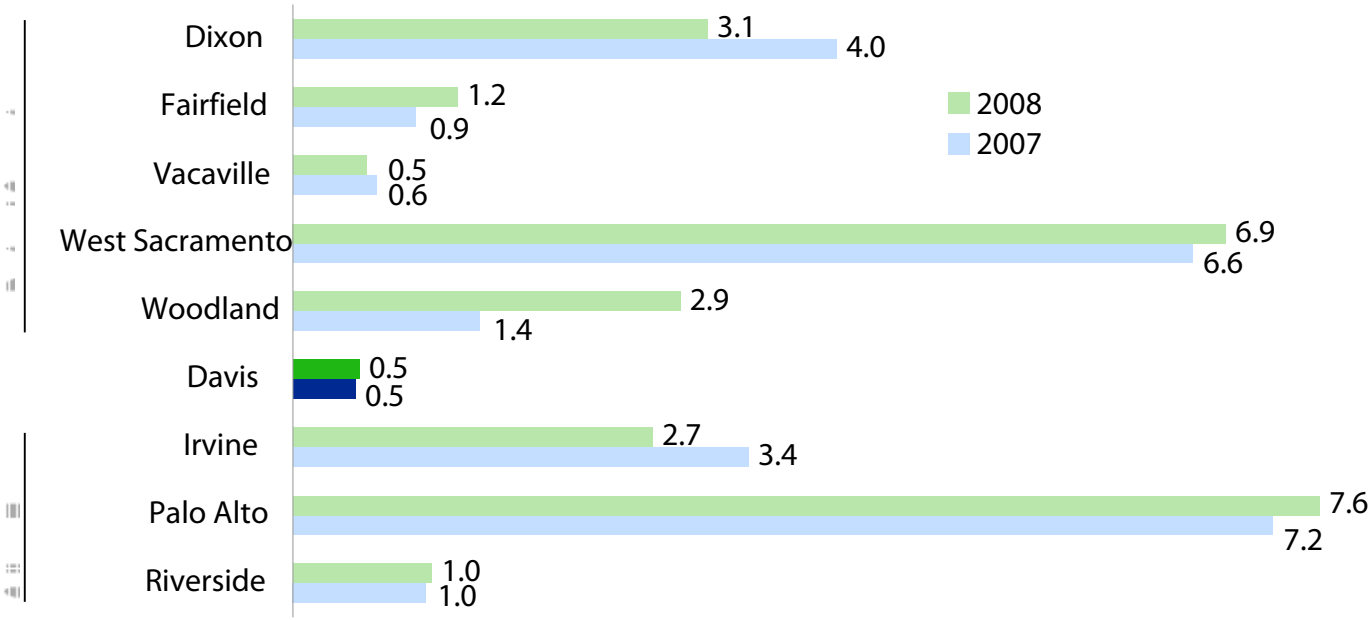
What Do The Index Scores Tell Us?

Davis' performance for this indicator is at or near the bottom of the comparable jurisdictions. The bar chart reflects three basic groups of scores: Palo Alto and West Sacramento are at the top; Dixon, Irvine, Woodland are in the middle; Fairfield, Riverside, Vacaville, and Davis are at the bottom.

2008
City Revenue Index Scores



City Revenue Indicator



What Influenced Davis' Performance?

CR-1. Sales and Transportation Tax

9th in Indicator

This measure is the basic city share of per capita sales tax revenue. For Davis, this measure includes the add-on sales tax increment Davis voters recently approved. West Sacramento has the top score on this variable due to its high degree of commercial development relative to its population. Davis' score in 2008 is zero (ranks 9th). However, it may increase in the future with the addition of new retail establishments (e.g.,Target, Trader Joe's, and Forever 21). Sales and Transportation Tax revenues account for approximately 26% of Davis' General Fund revenues.

CR-2. Property Tax

6th in Indicator

Property tax measures a city's basic share on a per capita basis of this revenue source that is dictated by state law. This amount can vary among the nine jurisdictions due to historic differences in the distribution of property tax revenues in each county (e.g., Davis gets 18% of property taxes vs. 39% for West Sacramento). Davis' relatively small commercial base pulls its index score down (it ranks 6th among the comparables), and once again West Sacramento's large commercial base and relatively smaller population pushes its score to the top on this measure. Property taxes represent about 37% of Davis' General Fund.

CR-3. Transient Occupancy Tax

4th in Indicator

This measure reflects the local tax paid per hotel stay, per capita. Although not a significant revenue source for the city (only 1%), it is important to Davis where increasing tourism is a priority. Palo Alto is top ranked on this variable due to several factors: It has 28 lodging establishments, high room rates, high volume occupancies during the week, and a recent increase in its transient occupancy tax. Davis ranks 4th among the comparable jurisdictions, its highest rank among the City Revenue comparable variables.

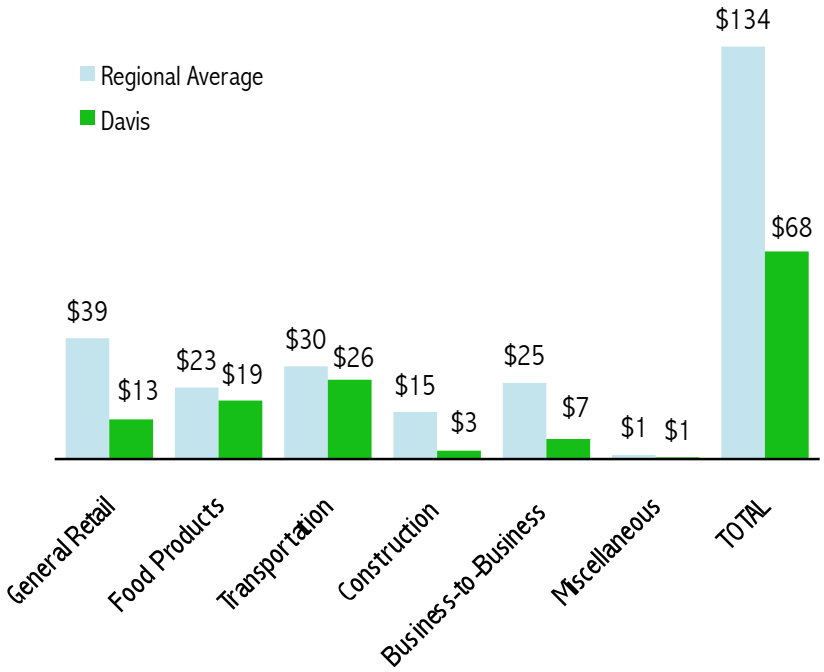
DAVIS-ONLY VARIABLES

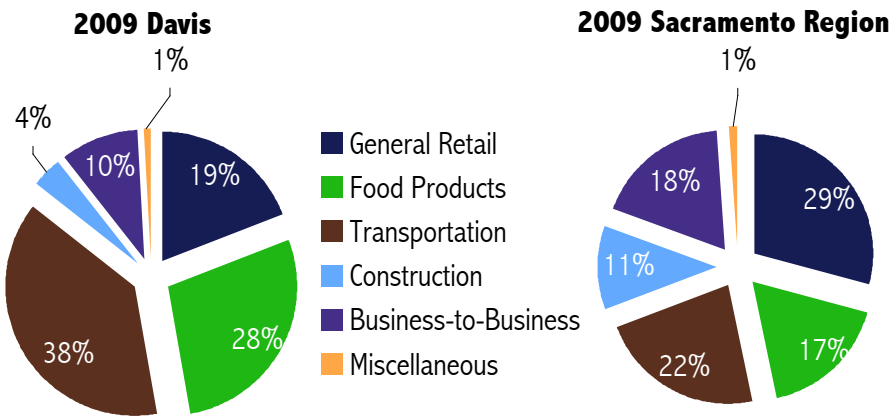
CR-4. Sales Tax Revenue Distribution by Business Category

Per capita sales tax revenue distribution by business category assists in understanding the contribution each sector of our economy makes to our overall sales tax revenues. Comparing Davis' distribution with regional averages highlights differences between the segments. Clearly, sales tax distribution is uneven compared to the average for the region. General Retail in Davis is approximately one-third of the regional average; construction proceeds are about six times less in Davis compared to the region. This lopsided distribution may increase the volatility of city revenues when economic downturns occur and hit certain sectors of the economy harder than others. An example of this risk can be seen in the transportation category. A sales tax distribution profile more closely resembling the region's pattern, in the long run, might reduce this risk.

Each segment of the economy will contribute different shares of total sales tax receipts. However, an unusually large share in one or more sectors may create a risk that is beyond the normal ebb and flow of the overall regional and state economies. Economic downturns sometimes disproportionately affect certain businesses more than others. When these businesses make the largest contributions to city revenues, the city will suffer more than it would have had the sales tax receipts been more evenly distributed across all business types. Conversely, when downturns hit segments that are underweighted (e.g., construction in Davis) the negative effects are muted. The issues, therefore, are: what added risk exists with Davis' current distribution; and should the city address this issue in its economic development planning? Clearly, the regional average does not represent an ideal distribution, but it does provide a reference point. Davis depends more on Food and Transportation and less on General Retail compared to the region.

Sales Tax Revenue Per Capita Distribution by Business Category: 2009





CR-5 Sales Tax Revenue Capture by Business Category

Sales tax capture rates are determined by comparing actual sales tax revenues from Davis businesses with the estimated sales tax paid by people living in Davis. Capture rates are subject to a number of forces, such as the supply of certain types of businesses and the number of people from outside Davis who choose to shop here. Consequently, these figures must be interpreted with care. Over the last six years, sales tax capture rates have grown in all business categories. But like the sales tax distribution variable, capture rates are very uneven across business types. For example, in 2009, sales in Davis retail stores accounted for only 28% of the estimated revenues generated by Davis residents. This means that approximately 72% of the sales made to Davis shoppers were made outside of Davis. Several locations in Davis have been approved for retail uses but have not been developed either due to difficulty securing an anchor tenant or lack of interest as a result of the economic recession.

However, this statistic should improve in the future somewhat as sales from the newly opened Target and other new retailers are factored into the total.

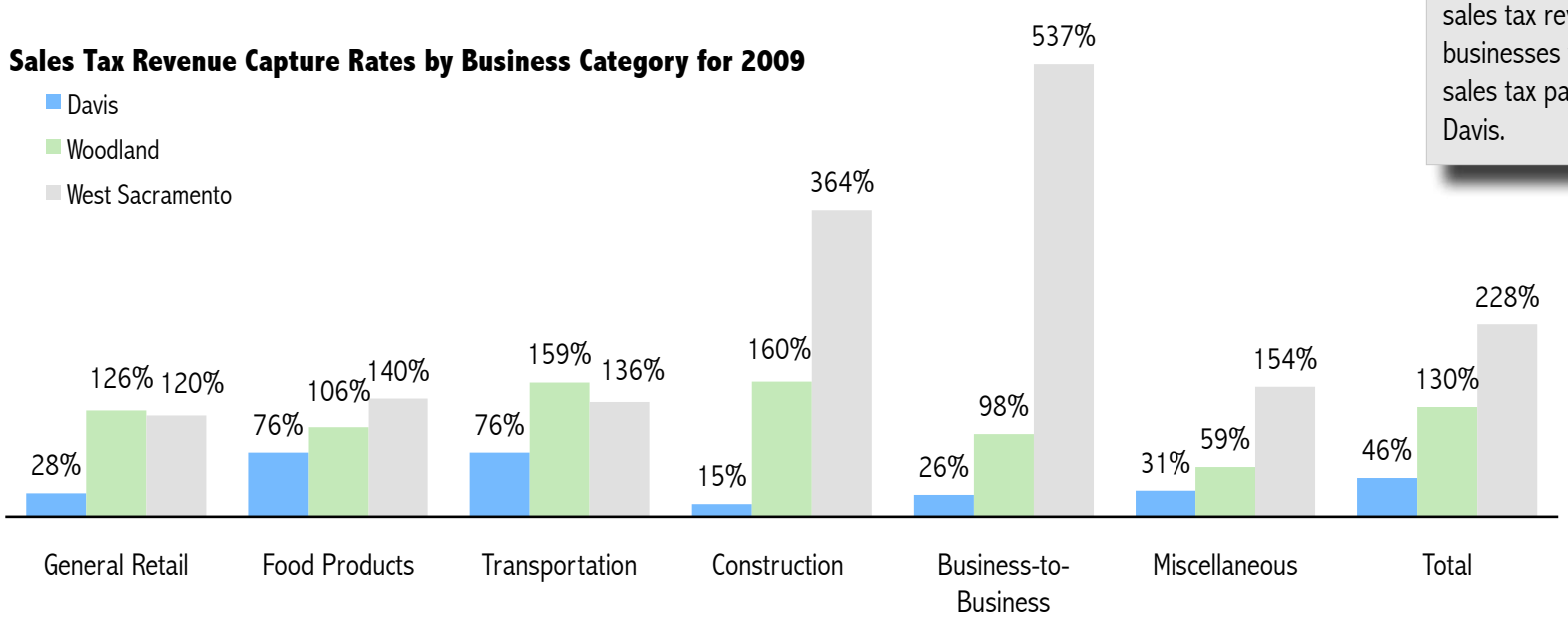
	Sales Tax Capture Rates: Biggest Category Changes		
	2006	2009	Change
Transportation	83%	76%	-7%
Business-to-Business	13%	26%	13%

Business-to-business capture rates increased significantly from its 2006 levels. In this category the Office Equipment subcategory rate increased from 9% to 18%; Electronic Equipment went from 2% to 159%; Chemical Products increased from 1% to 7%; and the Light Industry capture rate increased from 8% to 32%.

In contrast, neighboring communities, such as Woodland and West Sacramento, have exceptionally high sales tax capture rates compared to Davis. Given the contrast, Davis residents appear to be doing a substantial amount of shopping in other communities.

Sales tax capture rates are determined by comparing actual sales tax revenues from Davis businesses with the estimated sales tax paid by people living in Davis.

Sales Tax Revenue Capture Rates by Business Category for 2009



CR-6. Total Sales Tax Revenue by Business Category

Total sales tax revenues over the last several years tell a story similar to the other City Revenue Davis-only variables. Between 2004 and 2009, total revenues fell by 14%; the 35% drop in Transportation accounts for the largest portion of this decline. In contrast, however, like other variables, changes in Sales Tax Revenue must be interpreted with caution. Store closings and sales leakage to other jurisdictions may have played a role in these changes. Davis just passed Measure Q, which will extend the half-cent sales tax for six years, preserving an important community revenue source.

Davis Total Sales Tax Revenue	2004	% of Total 2004	2009	% of Total 2009	% Change (2004-2009)
General Retail	$933,554	18%	$852,580	19%	-9%
Food Products	$1,112,391	22%	$1,256,828	28%	13%
Transportation	$2,622,846	51%	$1,703,625	38%	-35%
Construction	$204,134	4%	$180,046	4%	-12%
Business-to-Business	$254,309	5%	$432,602	10%	70%
Miscellaneous	$38,874	1%	$34,485	1%	-11%
TOTAL	**$5,166,109**	**100%**	**$4,460,166**	**100%**	**-14%**

Conclusions

For the Comparable variables, Davis' overall index score for the City Revenue Indicator is at or near the bottom compared to both our regional competitors and the three university towns included in our comparison group.

Policy Question:
What quantifiable economic development goals should Davis establish in order to guide future economic development?

Davis has several approved retail developments including the Target site, Mace & Alhambra, and Interland locations that have not been built due both to an inability to attract anchor tenants and as a result of the economic recession.

The Davis-only variables raise similar questions about the adequacy of local economic development planning. There are budgetary risks associated with a lopsided sales tax revenue distribution by business category. Similarly, while the arrival of Target, and in the near future Trader Joe's and Forever 21, should improve city sales tax capture rates in two business categories, significant leakage to other jurisdictions is likely to continue.

Further Analysis:
What is the distribution of salestax receipts across business categories that balance Davis' willingness to accept risk with the need to generate revenue?

Policy Question:
To what extent should Davis address the most significant sales tax capture deficiencies?

Quality of Life Indicator

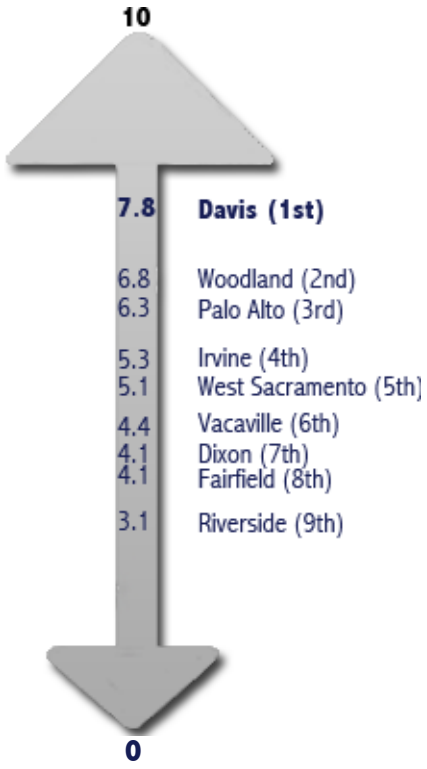
Why Are We Measuring This?

Davis has long prized its quality of life. The emphasis the city places on the environment is important for residents as well as businesses. Quality of life issues are typically important considerations for new businesses when selecting a location. Consequently, performing well on this measure is critical to Davis' economic development future.

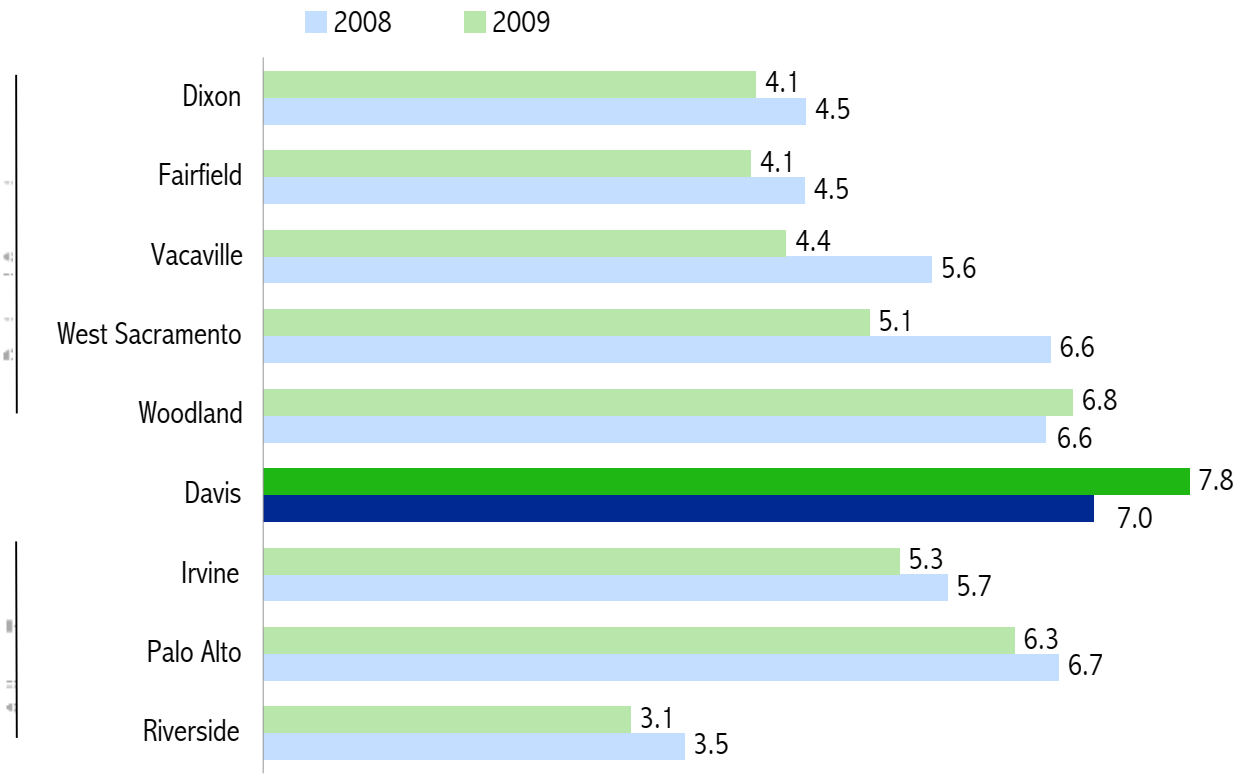
What Do The Index Scores Tell Us?

Davis performs very well on this indicator. In fact, it is the top-ranked in both 2008 and 2009. Of the three components supporting this indicator, Housing Affordability is the only variable where Davis falls to the bottom half of the rankings. Davis is one of only two cities with a 2009 Quality of Life index score improvement over the prior year.

2009
Quality of Life Index Scores



Quality of Life Indicator



What Influenced Davis' Performance?

QL-1. Housing Affordability

6th in Indicator

This variable measures the proximity of average household income to required income for purchasing the median home value (see the appendix for a full list of the assumptions used to make this calculation). Davis' housing costs traditionally have been higher than regional and neighboring communities and that is reflected in the index values for this component. Davis ranks 6th among all competitors and has the lowest ranking among regional competitors.

QL-2. Culture and Leisure

1st in Indicator

This statistic measures per capita culture and leisure expenditures for each jurisdiction. Davis' index score is ranked highest in both years for this component.

QL-3. Schools

3rd in Indicator

This measures the average school district Academic Performance Index (API) for each jurisdiction. Davis has traditionally performed well on the overall API and trails only Irvine and Palo Alto on this variable.

DAVIS-ONLY VARIABLES

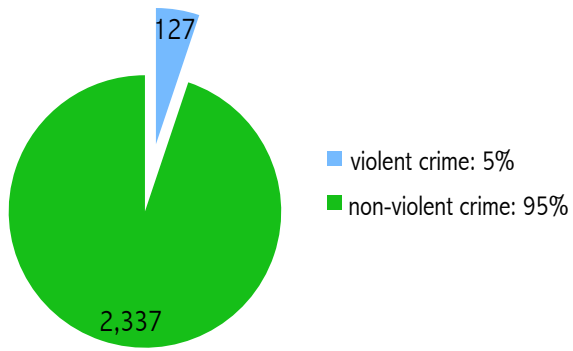
QL-4. Crime

Crime typically is one of the first issues people and businesses want to know about when they are moving to a new community. While any crime is undesirable, Davis' crime statistics appear to be low and are relatively constant in total over the four year period ending in 2008. Reported violent crime has decreased significantly while the increase in thefts account for most of the increase in non-violent crime.

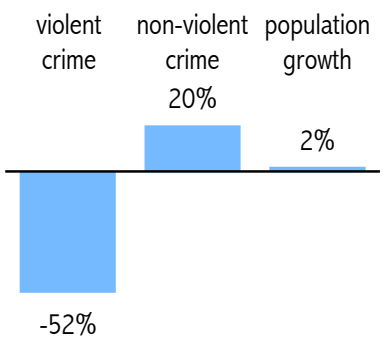
These factors appear to bolster Davis' top score on the quality of life indicator.

Type of Crime	2004	2008
Burglary	452	388
Theft/Laceny	1,281	1,803
Motor Vehicle Theft	218	146
Homicide	1	- 0
Forcible Rape	23	18
Robbery	45	29
Aggravated Assualt	196	80
Total Crime	2,216	2,464

Total Crime Composition for 2008



Percent Change in Types of Crime Between 2004 and 2008



QL-5 Commute Time

Commute time is an important consideration for people living in Davis as well as the employees of new business that are considering locating here. Davis has done well on this measure, both in absolute terms as well

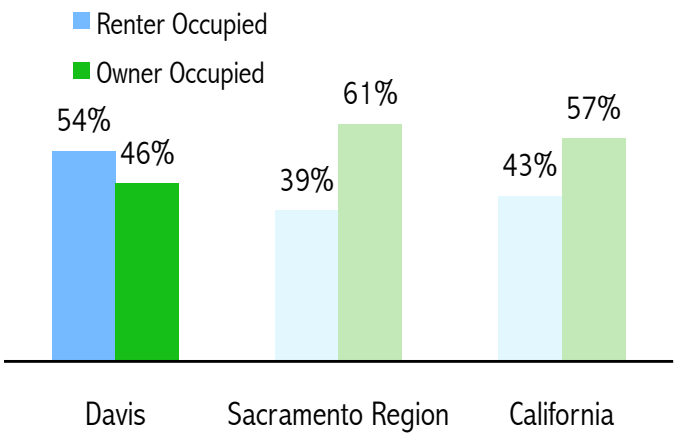
Location	2000 (minutes)	2009 (minutes)
Davis	22	22
Sacramento Region	26	27
California	28	29

as compared to regional and state statistics. Davis' comparatively low commute time is partially explained by the large number of local residents employed by UC Davis. The city's strong performance on this measure makes clear the important of the link between both employment opportunities and offering an adequate and affordable supply of housing.

QL-6. Renter and Owner Occupancy

Davis has historically had a high proportion of housing occupied by renters due to the large number of students attending UCD. This variable does not measure good or bad performance. Instead, it is an important factor for policymakers to keep in mind as they consider housing issues that affect renters and homeowners differently, some of whom will be employees of the new businesses the city wants to attract. Maintaining a balance of owner-occupied units can contribute to community stability as owner-occupants may have more "invested" in maintaining the quality of properties, neighborhoods and communities. Major shifts in either direction over time for this variable could reflect a need to re-evaluate housing land use policies to ensure housing needs for Davis residents are being met.

Renter and Owner Occupancy for 2009



Conclusions

Overall, Davis performed extremely well on this indicator. It is top ranked on the comparable variable index scores for both years. The only variable where its index score is comparatively low is Housing Affordability. Adequate, economically diverse ownership housing is a critical component of the city's plan to attract new businesses and their employees. The city's Housing Element Committee proposal has identified a number of housing sites that could be considered for in-fill development that would increase city housing capacity in accord with current city policies. However, a number of these sites are not currently zoned for housing (rental or residential) and as a result frustrate city efforts to move forward in either area.

Policy Question:
What steps should be taken to reconcile the space conflicts that currently exist between its housing interests and its economic development needs?

Davis has recently taken a major step forward in its successful completion of the bicycle museum and its selection as the home of the home of the U.S. Bicycling Hall of Fame. These are major achievements that enhance Davis as adestination for increased tourism and our overall quality of life. Davis' deep tradition with bicycles made this possible. Davis has other traditions and qualities that might offer similar levels of success if they receive the same kind of community and university support. Davis' strong affiliation with the arts may be one possibility.

Further Analysis:
Given our recent success with the California Bicycle Museum and the U.S. Bicycling Hall of Fame, what other aspects of city life could be developed to produce similar benefits for Davis citizens and our economic growth?

Debbie Aldridge/UC Davis

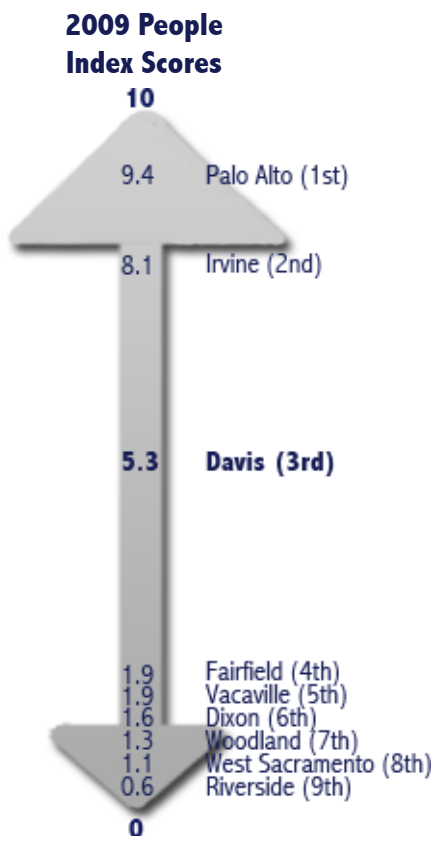
People Indicator

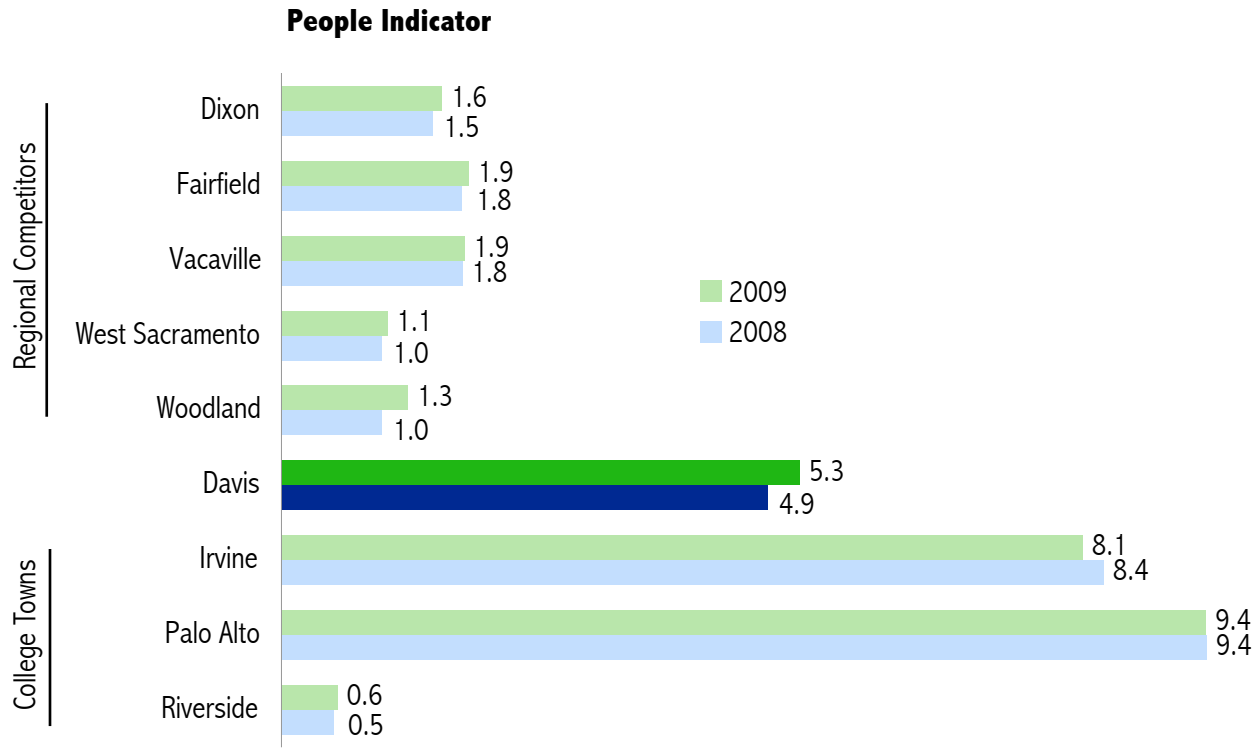
Why Are We Measuring This?

Davis' identity is defined by its people. The city's economic development efforts should reflect both the needs and desires of its citizens. The growth of knowledge-based businesses, in particular, creates a demand for certain types of employees and demand for places for them to live.

What Do The Index Scores Tell Us?

Davis performed well on this indicator. It ranks 3rd for both 2008 and 2009, behind Palo Alto and Irvine, and is top ranked among its regional competitors.





What Influenced Davis' Performance?

P-1. Education Level

1st in Indicator

This statistic measures the percentage of the workforce in each jurisdiction with at least a bachelor's degree. Davis is top ranked on this variable. College-educated employees are a major labor component, but not the only one, that knowledge-based businesses seek. Well-educated, skilled employees at all levels are needed by the Davis businesses.

P-2. Employment in professional, scientific, or technical work

5th in Indicator

This measures the percentage of total jobs in Davis comprised by the professional, scientific, and technical employment (PST) sector. Davis ranks 5th among its competitors on this measure; its lowest rank among the components that make up this index score. Palo Alto and Irvine both have much higher scores than the other seven competitors. However, UC Davis and its extensive internationally recognized research offer a substantial opportunity for the community to pursue improvement in this measurement.

P-3. Average Household Income

4th in Indicator

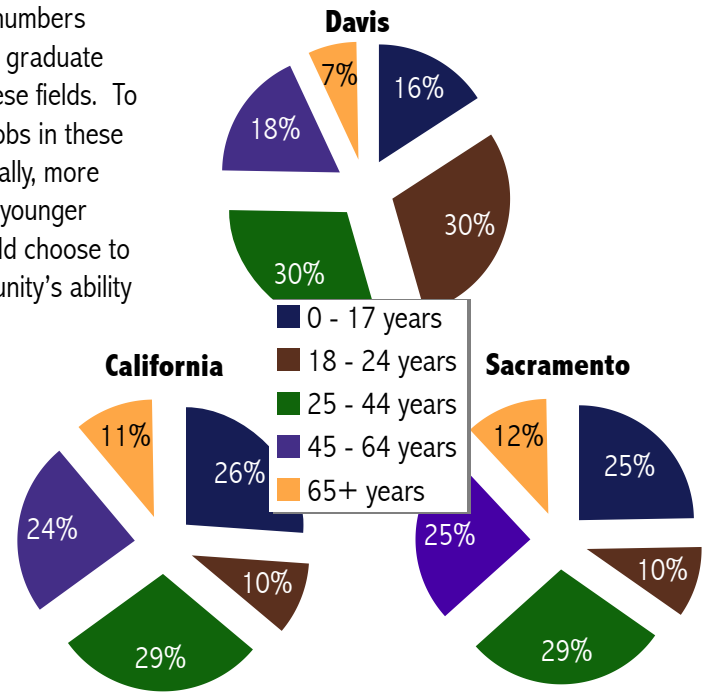
This measure is the average household income in each jurisdiction. Davis ranks 4th in 2008 and 3rd in 2009 on this measure. Once again, Palo Alto and Irvine have index scores that far exceed the other jurisdictions. The proportion of student households in Davis relative to that in Palo Alto and Irvine is unknown but could influence Davis' ranking in this variable.

DAVIS-ONLY VARIABLES

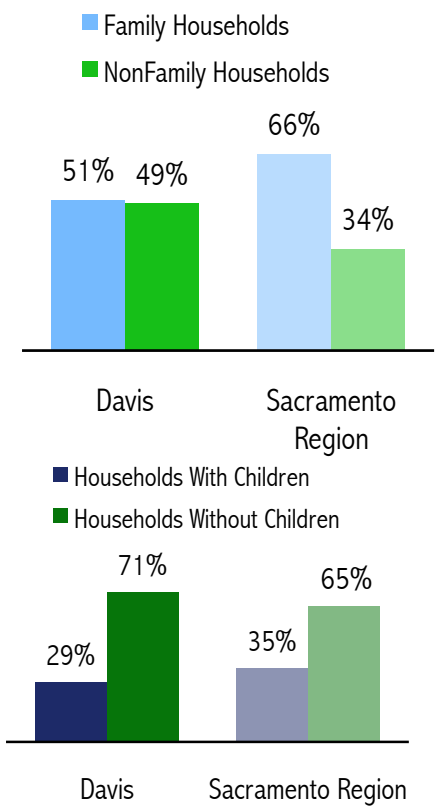
P-4. Age Distribution

Davis' age distribution has remained relatively stable over the last nine years with only small increases in the range 45 to 64 and 65 and over. Compared to the region and the state profiles, Davis has smaller proportions of its population who are young and old. The city's dominant age group is 18 to 44 years of age, and is heavily influenced by the student population at UCD. The proportion of residents in this category exceeds the regional and state proportions by almost 20%. This is also a primary employment age category for Davis businesses. Like the startup companies that the university spins off in biotechnology and clean technology, the university also graduates significant numbers of undergraduate and graduate degree students in these fields. To the extent that more jobs in these fields are available locally, more of these highly skilled younger workers probably would choose to stay in Davis. A community's ability to attract and retain such "knowledge" workers has been associated with economic success.

2009 Age Distribution



2009 Household Size and Composition



P-5. Household Size and Composition

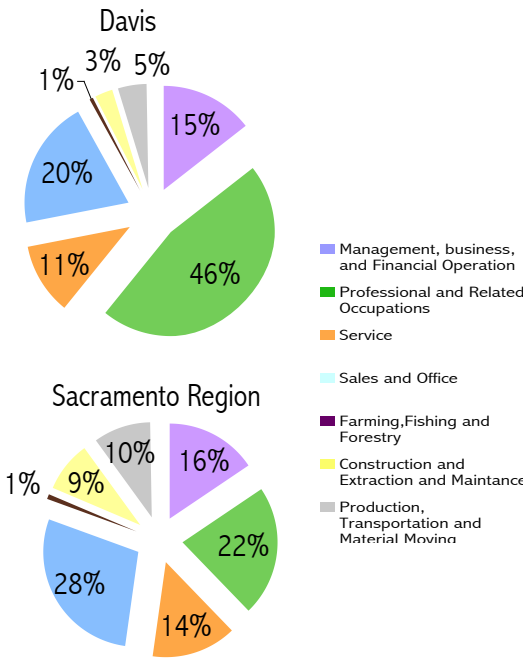
The number, size and composition of Davis households has remained very stable over the last nine years. Family households are defined as households maintained by a householder who is in a family (group of two or more people related by birth, marriage, or adoption), including any unrelated people who may be residing there. Nonfamily households and households with children have grown at a slightly faster pace than the total. UC Davis and its large student population account for the large proportion of households without children.

P-6. Occupation by Category

The distribution of Davis' workforce by occupation category also has remained very stable over the nine-year period. Knowledge-based businesses that Davis wants to attract are generally reflected in the management and professional categories.

The difference between Davis jobs in Professional, Scientific, and Technical (PST) sector and Davis residents' occupations is due to the fact that many residents holding these jobs work outside of Davis. Additionally, this category of employment within the Occupancy variable is broader than the PST employment sector and includes UC Davis research and faculty occupations, which are not included in the PST employment sector.[4]

2009 Occupation by Category



[4] While many UC Davis jobs can be considered "Professional, Scientific, and Technical" in nature, the California Employment Development Department categorizes all UC Davis employment, regardless of the nature of work performed, under "State Government".

Conclusions

Davis' population is very stable and is characterized by its high education levels, and large proportion of working-age adults. Maintaining diversity in terms of housing availability and households is important to Davis and needs to be considered as the city's economic development program moves forward.

The weakest component of this indicator is the city's average performance on the proportion of jobs in professional, scientific, and technical employment fields as a percentage of total jobs. The index score for this variable should improve if Davis is successful in attracting more knowledge-based businesses in the future.

Jobs, skilled employees, and housing are inextricably linked.

Further Analysis:
What can the city do to bring together the highly skilled workers who live here but currently work outside of Davis and the knowledge-based businesses it hopes to attract?

Debbie Aldridge/UC Davis

Summary of Conclusions

Business Health

- **Further Analysis:** What can Davis do to increase the likelihood that the space inventory reflects the types of businesses it wants to attract?
- **Further Analysis:** Should the city develop a more quantifiable set of measures for judging the health of downtown relative to the overall city economy?
- **Further Analysis:** What is the capacity of downtown to participate in the expansion of knowledge-based businesses that Davis would like to attract?
- **Further Analysis:** What is the relationship between parking supply and the economic health of the downtown?

Business Climate

- **Further Analysis:** What steps should be taken to learn more about Davis' competitive disadvantage, and what is the relationship between the size of Davis' commercial inventory and lease rates?
- **Policy Question:** Should the city examine its current fee structure, including the costs of utilities, to determine if changes are needed to make it more competitive?
- **Policy Question:** Should Davis lower fees to support business growth and business attraction given the need for cost recovery for services and infrastructure?
- **Further Analysis:** How can the City, private sector, and UC Davis collaborate to keep more UCD spinoff businesses in Davis?
- **Further Analysis:** What specific research efforts at UCD are likely to produce spinoff companies, and how prepared is Davis to facilitate the migration of these emerging businesses to Davis commercial sites?
- **Policy Question:** How can Davis accelerate the entitlements and approval processes without compromising important quality of life values?

City Revenue

- **Policy Question:** What quantifiable economic development goals should Davis establish in order to guide future economic development?
- **Further Analysis:** What is the distribution of sales tax receipts across business categories that balance Davis' willingness to accept risk with the need to generate revenue?
- **Policy Question:** To what extent should Davis address the most significant sales tax capture deficiencies?

Quality of Life

- **Policy Question:** What steps should be taken to reconcile the land supply conflicts that currently exist between the community's housing interests and its economic development needs?
- **Further Analysis:** Given our recent success with the California Bicycle Museum and U.S. Bicycle Hall of Fame, what other aspects of city life could be developed to produce similar benefits for Davis citizens and our economic growth?

People

- **Further Analysis:** What can the city do to bring together the highly skilled workers who live here but currently work outside of Davis and the knowledge-based businesses it hopes to attract?

SUMMARY OF VARIABLES AND RANKINGS FOR COMPARBLE VARIABLES

The table on the following page summarizes the findings for all of the variables used in this report. The legend to the right is an explanation of the various icons used to describe Davis' performance. The full report provides the details behind all of these variables and how they were used to compile the Davis Economic Development and Prosperity Report.

Jurisdiction Ranking Column (Comparable Variables)	Definition
	Davis is ranked in the top three among comparable cities.
	Davis is ranked in the middle third among comparable cities.
	Davis is ranked in the bottom third among comparable cities.

Summary of Variables Including Davis' Rank for Comparables

Indicator	Type	Variable Number	Variable	Jurisdiction Ranking
BUSINESS HEALTH Emphasis on Existing Businesses	Comparable Indexed	BH-1	Average Commercial Vacancy Rates	
		BH-2	Unemployment Rates	
		BH-3	Average Salaries	
	Davis-Only	BH-4	Sales Tax Distribution Downtown vs Not Downtown	
		BH-5	Number and Types of Businesses Downtown	
		BH-6	Downtown Parking	
BUSINESS CLIMATE Emphasis on New Businesses	Comparable Indexed	BC-1	Commercial Lease Rates	
		BC-2	Construction Permit Revenue	
		BC-3	Cost of Business	
	Davis-Only	BC-4	Overall Construction Investment in Davis	
		BC-5	UC Davis Startups	
		BC-6	Time to Approve Commercial Development Projects	
CITY REVENUE	Comparable Indexed	CR-1	Sales and Transportation Tax Revenue	
		CR-2	Property Tax Revenue	
		CR-3	Transient Occupancy Tax Revenue	
	Davis-Only	CR-4	Sales Tax Revenue Distribution by Business Category	
		CR-5	Sales Tax Revenue Capture Rate by Business Category	
		CR-6	Total Sales Tax Revenue by Business Category	
QUALITY OF LIFE	Comparable Indexed	QL-1	Housing Affordability	
		QL-2	Culture and Leisure	
		QL-3	Schools	
	Davis-Only	QL-4	Crime	
		QL-5	Commute Time	
		QL-6	Renter and Owner Occupancy	
PEOPLE	Comparable Indexed	P-1	Education Level	
		P-2	Employment	
		P-3	Average Household Income	
	Davis-Only	P-4	Age Distribution	
		P-5	Household Number, Size, and Composition	
		P-6	Occupation by Category	
OVERALL PERFORMANCE				

Indicator Summary Tables

2009 Davis Health and Prosperity Report Index Score

	Business Health	Business Climate	City Revenue	Quality of Life	People	Final Score	Rank
Dixon	5.7	4.6	3.1	4.1	1.6	3.8	6
Fairfield	3.0	4.6	1.2	4.1	1.9	3.0	7
Vacaville	3.3	4.7	0.5	4.4	1.8	3.0	8
West Sacramento	2.9	5.1	6.9	5.1	1.1	4.2	5
Woodland	3.1	8.8	2.0	6.8	1.2	4.6	4
Davis	**7.0 (+1.5)**	**3.3 (+.2)**	**.5 (+0)**	**7.7 (+.7)**	**5.3 (+.3)**	**4.7 (+.5)**	**3 (+1)**
Irvine	6.8	3.0	2.7	5.3	8.1	5.2	2
Palo Alto	7.6	4.2	10.0	6.3	9.4	7.5	1
Riverside	1.4	5.1	1.0	3.1	0.6	2.2	0

2009 Business Health Index Scores

	Average Commercial Vacancy Rates	Unemployment Rates	Average Salaries	Average Score	2009 Rank
Dixon	9.5	7.5	0.0	5.7	4
Fairfield	2.8	4.7	1.6	3.0	7
Vacaville	0.0	8.1	1.8	3.3	5
West Sacramento	6.9	0.0	1.8	2.9	8
Woodland	4.8	3.6	0.8	3.1	6
Davis	**10.0 (+3.0)**	**8.9 (+.7)**	**2.0 (+.7)**	**7.0 (+1.5)**	**2**
Irvine	4.0	9.2	7.2	6.8	3
Palo Alto	2.8	10.0	10.0	7.6	1
Riverside	0.1	3.2	1.1	1.4	9

2009 Business Climate Index Scores

	Commercial Lease Rates	Construction Permit Revenue	Cost of Business	Average Score	Rank
Dixon	7.2	0.5	6.1	4.6	6
Fairfield	8.1	0.1	5.7	4.6	5
Vacaville	6.7	0.5	7.0	4.7	4
West Sacramento	8.7	0.8	5.9	5.1	2
Woodland	10.0	10.0	4.2	8.8	1
Davis	**6.0 (+.4)**	**.4 (+.2)**	**3.4 (+0)**	**3.3 (+.2)**	**8**
Irvine	4.3	0.3	4.3	3.0	9
Palo Alto	0.0	2.7	10.0	4.2	7
Riverside	7.9	0.0	7.2	5.1	3

2008 City Revenue Index Scores

	Sales and Transportation Tax	Property Tax	Transient Occupancy Tax	Average Score	2008 Rank
Dixon	6.9	2.3	0.0	3.1	3
Fairfield	3.3	0.0	0.4	1.2	6
Vacaville	0.4	1.1	0.1	0.5	8
West Sacramento	10.0	10.0	0.6	6.9	2
Woodland	6.3	2.1	0.1	2.9	4
Davis	**0 (+0)**	**1.0 (+.1)**	**0.4 (-.1)**	**0.5 (+0)**	**9**
Irvine	4.8	0.5	2.7	2.7	5
Palo Alto	6.7	6.0	10.0	7.6	1
Riverside	2.1	1.0	0.0	1.0	7

Quality of Life Index Scores 2009

	Housing Affordability	Culture and Leisure	Schools	Average Score	2009 Rank
Dixon	6.8	0.3	5.2	4.1	7
Fairfield	6.1	1.2	4.8	4.1	8
Vacaville	7.5	0.0	5.7	4.4	6
West Sacramento	9.3	1.6	4.4	5.1	5
Woodland	10.0	5.7	4.7	6.8	2
Davis	**4.5 (+2.2)**	**10 (+.2)**	**8.7 (+0)**	**7.7 (+.7)**	**1**
Irvine	3.9	2.3	9.7	5.3	4
Palo Alto	0.0	8.9	10.0	6.3	3
Riverside	6.4	2.9	0.0	3.1	9

People Indicator Index Scores 2009

	Education Level	Employment in PST	Average Household Income	Average Score	2009 Rank
Dixon	0.9	0.4	3.6	1.6	6
Fairfield	1.5	0.6	3.5	1.9	4
Vacaville	1.2	0.0	4.3	1.8	5
West Sacramento	0.1	1.8	1.3	1.1	8
Woodland	0.8	0.6	2.3	1.2	7
Davis	**10 (+0)**	**0.9 (-.1)**	**4.8 (+.8)**	**5.3 (+.3)**	**3**
Irvine	8.2	8.0	8.2	8.1	2
Palo Alto	8.1	10.0	10.0	9.4	1
Riverside	0.0	1.7	0.0	0.6	9