



BUSINESS AND ECONOMIC DEVELOPMENT COMMISSION
Davis Joint Unified School District Administration Building
East Conference Room, 526 B Street
Monday June 22, 2009
MINUTES

Commission Members: Anthony Costello, Chair, Greg Phister, Robert Agee, Sydney Vergis, Tobin Richardson, Joe Hruban, Michael Faust, Dave Robert (Alternate),
(Finance and Budget Commission Liaison Donald Palm)

City Council Liaisons: Ruth Asmundson, Don Saylor (Alternate)

City Staff: Sarah Worley, Economic Development Coordinator
Brian Abbanat, Economic Development Specialist
Katherine Hess, Community Development Director

Amount of time for each item is approximate and subject to change.

1. **Determination of Quorum and Seating of Alternates**
Quorum determined, 7:02 p.m.
Absent: Commissioner Agee
2. **Approval of Agenda - 7:03 PM**
3. **Public Comment - No public comment**
4. **Approval of April 27, 2009 Minutes, 7:04 p.m.,**
5. **Staff Communication/Updates**

City staff shared that Council directed staff analysis on two scenarios for 5th Street Corridor project plus a trial run. No funds are committed for reconfiguration at this point. Doing working on some modeling and traffic counts with the University. Will go to Bicycle Commission & Parking & Safety Advisory Commission for their input. May apply for SACOG grants. Approach is to looking at the questions first then consider what the answers may be.

Commissioner requested that due to the number of businesses that could be impacted the BEDC be kept apprised of research developments on the project.

6. Davis Downtown Business Association Quarterly Report

DDBA provided an update of activities from the last quarter. Highlights included a recent board retreat, financial health of the organization, July sidewalk sale, continued evaluation of the E Street Plaza parking lot, and brown bag lunch outreach meetings.

DDBA expressed concern regarding the business park land study and how perimeter office space affects office vacancies downtown. University will be making shifts away from downtown that will also affect downtown vacancy rates.

Downtown businesses are feeling effects of economy and operating in a cautionary mode. No significant changes are expected from in the near term from downtown business owners.

Focus is on making downtown Davis a destination. DDBA will submit a plan to the City Council to use Target mitigation money to market downtown Davis. Goal is to reach out to the gap between local marketing and Yolo County Visitor's Bureau marketing efforts (50 miles and beyond).

Commission discussion followed regarding downtown vacancy rate.

DDBA added Friday night music series is in full swing in the E Street Plaza.

Commissioner question regarding DDBA and 5th Street corridor. DDBA responded they have had a position statement against the road diet for a long time. DDBA has concerns about its effect on access to downtown and does not support it. They are sensitive to safety issues, but are strongly opposed.

Brief discussion followed regarding traffic simulations.

7. UCD Student Business Survey

City intern, Benjamin Bidwell gave a presentation on a class project regarding the Davis "creative class".

Discussion followed and questions were raised regarding how many surveys were conducted, who was surveyed, what the creative class looks for, if Davis has the right creative mix to be a "hot spot", why people opened their business in Davis, and characteristics of businesses that leave.

8. Business Park Lands Strategy Update

Staff gave presentation and update of the Business Park Lands Strategy (BPLS).

Presentation focused on project purpose, the study's process, background information, policy context, how basis of need is defined, demand for business park-type land, existing inventory status, findings of business community outreach, key questions the study intends to address, and preliminary findings to date based on business community outreach and preliminary analysis.

Discussion followed regarding analysis methodology, types of businesses Davis should be chasing, Davis lease rates, etc.

9. Discussion of Measure J Renewal Options (20 min) **Recommendation**

- Provide input to the City Council on the possibility of including an exemption for a business park in the next renewal of Measure J.

Staff explained Measure J process & Council action regarding renewal & placement of Measure J on the June 2010 ballot. Described basis for Council request for recommendation on Measure J exemption for business park and under what circumstances it might be appropriate.

Public Comment regarding Measure J:

Steve Hayes: Anytime you create an exception, you open up potential for lawsuit.

Pam Nieberg: Don't fool around with Measure J language. As part of original group that drafted Measure J language, we wanted Measure J to be able to withstand legal challenges. If you include exemptions, you're setting yourself up for lawsuits. J was not just about preservation. It was about preserving ag land. Converting to a business park does the same thing as residential. People are more likely to vote for a good business park proposal than they are for residential sprawl.

Staff explained the logic behind possibly exempting business parks from Measure J in that the unpredictability of getting through the Davis process is sometimes a barrier to businesses coming to Davis.

Eileen Samitz: Concerned about staff report attempting to put a business park (BP) on Cannery Park site. A 100 acre business park does not belong at that site. Traffic impacts, especially truck, would be significant. Strong opposition to BP on the site, vs, strong support for mixed use development. Staff report identifies 215 net acres. Given our economy, this is huge, overreaching. ESG study concluded business park site was infeasible. Historically high-tech zoning was there, and nothing happened. If anywhere, it should go closer to I-80. There would be more visibility.

Bill Powell: We need to take a hard look at putting a business park in an area that has a lot of potential for residential. I have a lot of concern about trying to put a business park there.

David Lachlan: Study is based on faulty suppositions. Lots of things will change, not only because of the economy. It is ironic that the student presentation focused on quality of life, whereas what was being proposed was in direct contrast to that. We have wonderful opportunity to build low cost housing, mixed-use commercial. We do not have homes that people can move into unless they have extremely high income.

Kris Dodson: People want to have businesses here because people love the town. You'll be pulling people in from other communities. Why bring people in from other communities? Davis is unique. We love it exactly the way it is. Put it (business park) down at the freeway don't put it in the middle of the city.

Barry Markman: Anytime I hear about exceptions. I start thinking about hidden agendas. I see things driven by ways to get Covell Village developed. There is a need to think about other mitigating factors. Putting an exception to Measure J is a setup for disaster.

Jeanne Jones: Data developed by ESG is now 12 months old. Data included occupancy rate of UC Davis. Would like to see new data presented in final study. There was a three year inventory of built-approved space. How does that affect inventory getting built to years 2035. Can't exclude approved sites yet to be built. It needs to be very clear what is included or not.

Roy Temple: We are so lucky to have Measure J. We should not mess with it. Measure J answers the question, what is our vision? Three Council members that support changing

Measure J also support this most recent revision. Don't mess with it. It's working just great. If we get something people want, Measure J will pass it.

(unidentified speaker): There was a Council vote to put Measure J on the ballot as is. That's extremely important. With regard to exception of a business park – we have no sense as to what is going to come back for the exception. We're talking about something very general. Those interested in a BP should be stepping up with a proposal. Don't give up something and not get something back. If we don't have something concrete, we are giving away something for nothing.

Steve Hayes: Right now there is a level of distrust at the highest level I've ever seen. We're here resulting from the dysfunction of the Council. We're still talking about Measure J. It's a serious concern.

Commissioner asked what was expected from the BEDC regarding this issue. Staff responded that ideally, a recommendation regarding a Measure J exemption for a business park.

Councilmember clarified that Stephen Souza wanted to ask three Commissions, should we exempt a business park? There was a unanimous vote to move forward with Measure J as is.

Commissioner stated we need much more specifics regarding what this would look like. It's premature.

Commissioner stated Council is looking for feedback before August. We have one more meeting until then in July. There is a clarity issue. Is it Measure J up and down, or Measure J with amendment? I'd hate to pass a recommendation based upon soft information.

Commissioner stated Council is asking us to comment based on our perspective in the eventuality that a study may conclude a business park is needed. It's questionable whether this Commission would ever want to make a recommendation regarding Measure J, period, especially not in the infant stages of a business park study. I'm not convinced we need a business park of any size, yet. I'm looking for the study to provide some clarity on that.

Councilmember stated it would be sufficient to respond that more study is needed before a recommendation can be given.

Discussion regarding what motion should be made.

Councilmember clarified that Council wanted to ensure the Commission had a chance to weigh in as a courtesy. If you cannot take a position, that is okay. Measure J is a long process.

Commissioner stated it's appropriate to at least get the study back. Commission should get clarification on legal issue an exemption raises. Would like for discussion to continue as to the added value of the business park. What is the benefit? Location is a huge part of this. We've heard commentary regarding what locations are not appropriate.

Motion by Chair Costello: BEDC does not at this point recommend any exemptions to Measure J.

Seconded by Commissioner Vergis.

Passes: 6-1, Commissioner Richardson opposed

10. Subcommittee Assignments/Reports

- Business Retention

Commissioner shared one outreach visit to Hanlees was conducted in the last month and was a very productive meeting. They asked a lot of the city. Dialogue opened up a lot of things of importance to them. In the past there was a city/dealership partnership for some tax-share arrangement for other dealers that they were interested in.

Staff added they proposed shared benefits of the service component of business. Hanlees proposed servicing City fleet; they can do it faster and cheaper. Owner had a lot of ideas of how they can increase their revenue.

Councilmember stated Dealer is interested in more visibility and requested trimming of trees and oleanders that block visibility.

- Business Attraction

Commissioner stated there is not much to update. Still working with Golden Capital people to start Yolo County's fund. Hopeful we will find our two lead investors. Not a lot going on with the bike museum. All Bicycle Hall of Fame belongings are being moved to Davis in July. Shooting for Bicycle Hall of Fame ceremony and opening of Hall of Fame at 3rd & B location first Saturday in November.

- Community Enhancement

Staff shared a need to reestablish the Community Enhancement subcommittee. Subcommittee chair is now vacant. The Bike Museum was falling under that subcommittee.

Commissioner requested to place subcommittee chair appointment next agenda.

- Work Plan and Data
 - Economic Indicators Project

Commissioner requested to agendize this subject at the next meeting.

Subcommittee and staff have done a ton of work. It's worth walking the Commission through progress. We met with Council liaisons and staff and presented our work so far and got their input on the direction we should go in. There is approval, energy, excitement to continue project. However, we're in a tight budget and high quality data points are not free. The subcommittee is trying to reach a balance between getting a little bit of money to buy data while leveraging university resources that are interested in the topic as a way to save money.

11. Future Agenda Items

Finance Commission liaison stated the Finance Commission is interested in having a joint meeting with BEDC.

12. **Adjourn** - *9:59 p.m. passes unanimously*

Future Meetings: July 27, 2009 and August 24, 2009