



MINUTES
BUSINESS AND ECONOMIC DEVELOPMENT COMMISSION
Monday May 24, 2010

Commission Members: Chair Robert Agee, Vice-Chair Michael Faust, Greg Phister, Sydney Vergis, Dave Robert, Alternate – (vacant),
Ex-Officio Members: Jeremy Brooks - Chamber of Commerce, Mark Rutheiser -DDBA, Reed Youmans -YCVB
Finance and Budget Commission Liaison -Donald Palm
City Council Liaisons: Ruth Asmundson, Don Saylor (Alternate)
City Staff: Katherine Hess, Community Development Administrator
Sarah Worley, Economic Development Coordinator
Brian Abbanat, Economic Development Specialist

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

1. Determination of Quorum and Seating of Alternates –

Quorum established @ 7:03 p.m.
Absent: Ex-Officio Brooks

2. Approval of Agenda

Approved unanimously @ 7:04 p.m.

3. Public Comment

This is the time for the public to address the Commission on matters not listed on the agenda. Presentation time will be at the discretion of the Chairperson.

4. Approval of Minutes– April 26, 2010

Approved unanimously @ 7:06 p.m.

5. Davis Chamber of Commerce Quarterly Update

Bill Alger, Chamber of Commerce provided an overview of three Chamber items:

1. The Chamber is settling down in their new location on 3rd Street.
2. The Chamber recently completed Celebrate Davis! This was one of the Chamber's better events, primarily due to weather. There was a good crowd and good fireworks.
3. The Government Relations subcommittee is creating a workshop on economic development regarding what Davis should look like as it comes out of this recession. If some thought is given now, initiatives can be in place as Davis comes out of the recession. The Chamber will be partnering with the BEDC, DDBA, and YCVB. This Wednesday there will be a planning meeting on what that workshop will look like and what it should accomplish. The meeting is being planned for late summer, early fall. The Chamber is trying to develop a consensus answer to what Davis should be. Participants will include a broad range of participants. There are complimentary efforts that the

Chamber and BEDC are working on. The Chamber wants to be in a position to support key initiatives.

A commissioner asked what are issues are before the GRC currently. Bill Alger cited wood burning, Picnic Day, and the “piling on” issue for Davis development.

6. Presentation on City Redevelopment Program

Staff gave a presentation on the purpose, objectives, and structure of the Redevelopment Agency. Handouts were provided to commissioners. Presentation focused on:

- Definition of Redevelopment Agency and tax increment
- Purpose of a redevelopment agency
- Focus on physical improvements
- What RDA funds can be used for
- How RDA funding triggers prevailing wage requirements
- What RDA funds cannot be used for
- Pass through agreement
- Completed RDA projects in Davis
- RDA funding and affordable housing
- 5-year Redevelopment Plan and implementation
- RDA revenues and expenditures
- Current capital projects
- Future RDA review process.

Discussion and questions from commissioners followed:

2.8 million in pass-through agreements, the bulk going to Yolo County.

A commissioner asked how much RDA funding remained after the state take-away. Staff responded that \$6-\$8 million remained.

Ex-officio member inquired about advantages/disadvantages of RDA Board of Directors and City Council being comprised of the same members. Staff responded the same five people are making land use and financial decisions, which can be a disadvantage. With separate agencies, there may be duplicated staff efforts which are avoided in Davis. If you want clearer direction, there could be advantages to having a separate board. Some communities have separate Redevelopment Agency boards, such as Sacramento.

A commissioner inquired about how projects are added to the list. Staff responded there is no formal application process. Sometimes an RFP is issued. It depends on the project.

A commissioner inquired about allowable expenses for economic development operations. Staff responded this is part of what the economic development team works on. The RDA provided funds for the B & 3rd Visioning Process. RDA fronted that money, some of which will be repaid when redevelopment occurs through a per unit charge.

A commissioner inquired about low interest loans. Staff responded that could be possible for a physical structure, but RDA funds cannot be used to provide business start-up funds.

A commissioner inquired about the lifespan of the RDA. Staff responded the Davis RDA

is in effect until about 2037. Because of the cap, it is anticipated the City will reach its limit within the next 10-12 years. The agency can last forever, but the project area has an end date.

An ex-officio member inquired about how whether a process exists for redirecting funds and changing the board of directors. Staff responded there is a process for taking land out of the project area. Adding people to the board has been done, but not in Davis.

An ex-officio member stated concern about the lack of tension between the RDA and City Council.

An ex-officio member commented about land not really available and not developable due to ownership desires and the risk of a reoccurrence with additional land.

Jeanne Jones inquired what communication has been received from property owners PG&E and ConAgra. Staff responded PG&E was sent a letter two weeks ago and haven't heard back. ConAgra has asked to be kept informed.

7. Finance and Budget Commission Action on BEDC's BPLS Analysis Request

Staff provided an overview from an item raised at the April BEDC meeting regarding a commissioner's interested in asking the Finance and Budget Commission (FBC) to review whether development of remaining vacant commercial land would cover long term city costs. Staff stated the FBC didn't feel they could take it on. FBC liaison stated they saw too many variables. It's too big a task to do within the amount of time the FBC thought it would be needed.

A commissioner asked whether the City does 5-year financial planning. FBC liaison stated they do and the 5-year plans are pretty good. Commissioner responded that Davis needs to think about how to pay for the community it wants and the kinds of businesses Davis should target attracting.

8. Discussion of Draft Business Park Land Strategy (BPLS)

Staff Recommendation:

- a) Review draft Business Park Land Strategy and Technical Report
- b) Begin to discuss key policy questions raised by draft Business Park Land Strategy
- c) Provide clarifying questions of draft Business Park Land Strategy Technical Report to staff by June 7th.

Commission chair began the discussion by asking if a vision should be created for Davis. It seems like there's always a hurry to discuss the land use questions. Maybe a business park is needed, but maybe it doesn't need to be ConAgra. But a decision on whether it is needed should be made first. It's not something to back into simply because it's available.

Staff confirmed these questions are exactly what the BEDC should be discussing. One of the intents was to look at what do we have and how long it will last. The study's "Alternative Futures" include broader questions such as, "Does Davis want to pursue status quo" or does Davis want to be much more assertive and target certain industries? The study revisits preexisting policies and determines if they're still appropriate. What happens on specific parcels needs to have a broader dialogue.

City Council liaison stated these policy questions are being asked. Maybe a joint meeting between planning commission, BEDC, and City Council would be beneficial. Liaison's last meeting is July 6th and is very interested to be involved in this discussion.

Ex-officio member agreed with the comment regarding the bee line for ConAgra. You have to make sure there's enough space to be competitive.

The commission chair inquired what kind of recommendation could be made that could be useful. The study paints some of the possible scenarios.

Staff stated the Housing Steering Committee looked at a narrower view. This study is a companion effort looking at business growth. The BEDC appears to be asking, how bold a move should be made and is there political will and community consensus? There is also a timeframe component in effect. The recession has bought the city some time. If that is the desire, there is some work that needs to occur to prepare to be ready to take advantage of opportunities. Key issues include:

- Is there enough land?
- Is it appropriate zoned?
- Do we want a business park?
- Is the process easy?

Staff noted that if somebody wants a large parcel, there is a very limited supply. Ex-officio member commented it's a crapshoot if the project is subject to Measure J/R. Developers and businesses will go to Woodland or Dixon.

A commissioner inquired about the Sacramento Area Commerce and Trade Organization (SACTO's) opinion on this issue. Staff responded that the Center for Strategic Economic Research (CSER), the research branch of SACTO, was contracted for employment projections. Also, they've said there is interest in Davis due to proximity to UCD, state capitol, etc. Davis is unique. What is big for Davis isn't that big. SACTO: Davis needs something to offer either for business attraction or internal growth: shovel ready, space to move into, and something larger if the opportunity presents itself.

The commission chair stated it would be bothersome if the BEDC recommendation were no more specific than is already in print. We would have added nothing if did no more than that. But how far down that line you go is a critical question.

An ex-officio member inquired how much of land supply is due to idle vacant supply? If we move forward how do we prevent the same thing from happening?

Public Comment:

Jeanne Jones: Followed up on ex-officio question by inquiring what communication has been received from property owners, specifically PG&E and ConAgra. Staff responded a letter was sent to PG&E two weeks ago and haven't heard back. ConAgra has asked to be kept informed.

Lucas Frerichs: I think there is a need for land for new businesses. The ConAgra site is not appropriate for a business park. It's close to schools, parks, housing. It provides opportunity for workforce housing types. It's an infill site within the city limits, does not need a measure J/R vote. Access to ConAgra is not good. Housing Element Steering Committee did not look

narrowly at this site. Group felt strongly that it should not be developed for business uses. It should be mixed use, not 100% business.

Eileen Samitz: What Lucas said is true. There was consensus on use of Hunt-Wesson site. We definitely talked about the idea of commercial. The Cannery Park site has a history of giving meetings through the community. The project was broad-sided by a requirement for a separate EIR analysis for a business park. One of the biggest issues that came out is that the neighborhoods are opposed to a business park at the site. If we're going to put something this big in the City, we need to put it closer to I-80.

Jeanne Jones: Jeremy Brooks asked me to ask "why the rush?" Not sure about sequence of process.

Chuck Cunningham: We didn't just build our building; we had to create the site so I could create a small parcel. At that time there was really nothing available. There is very little left. You've got this world-class university and we're reduced to a small array of parcels.

Liz Reyes: I lived next to ConAgra for 15 years. A neighbor worked there and said getting in and out of the site was a nightmare. We need to think about who and what we want to bring into Davis. I think it hasn't come to fruition due to access.

Ex-officio member commented that the number one reason people want to be here is because people like the experience being here. They don't need to be recruited, there just needs to be a place for them to land. They will grow into Davis space if the space for them is available.

9. Staff Communication/Updates

Staff mentioned ethics training on 6/11. All city staff is required to attend and is highly recommended for commissioners. Staff mentioned the Big Bang competition that partners UC Davis business students with scientists.

10. Subcommittee Updates and Organization

- Work Plan Assignments
- Economic Indicators

Commission Chair stated a subcommittee meeting was held this morning. The data has been collected and the project is in a position to sketch the first bullet line narrative. It was a good meeting.

- Business Retention

Staff stated they are waiting to get approval of contract from County. The contract approval will allow Davis to subscribe to MetroPulse.

Commission chair inquired about the first concrete action resulting from that project. Staff responded the City will get together with partners to define a process for Davis. Staff is looking for input from business organizations and to understand to what degree do they want to participate? Who should be visited and how is the City of Davis prepared to follow-through with their needs?

11. Future Agenda Items

Staff noted Economic Indicators report may be ready for presentation at the next meeting.

Councilmember Asmundson stated the Council is looking at commission assignments. This is her last Council meeting as BEDC liaison. Stated she and Ted Puntillo pushed for establishment of this commission. The commission has really come to maturity now. Councilmember wished the BEDC well and to continue its active involvement. Expressed a desire for the BEDC to keep pushing for economic development and be bolder in making recommendations to Council, to help Council make decisions. Economic development is needed in Davis.

12. Adjourn

Approved unanimously @ 9:16 p.m.

Future Meetings: June 28, 2010 and July 26, 2010