



MINUTES

BUSINESS AND ECONOMIC DEVELOPMENT COMMISSION
Davis Joint Unified School District Administration Building
East Conference Room, 526 B Street
Monday July 27, 2009

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

Commission Members Absent: Sydney Vergis and Tobin Richardson

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

City Staff: Sarah Worley, Economic Development Coordinator
Brian Abbanat, Economic Development Specialist

1. **Determination of Quorum and Seating of Alternates** -Quorum determined 7:03 p.m.
2. **Approval of Agenda** - Approved 7:03 p.m.
3. **Public Comment** -No public comment
4. **Approval of Minutes** - June 22, 2009, Correction needed: Bob Agee absent. Minutes approved 7:05 p.m. as corrected.

5. **Staff Communication/Updates**

Information from Sacramento Business Journal showing that business permits region wide had declined, except in Davis. Yolo County property tax rolls dip slightly, however, City of Davis increased by 2.8%; Yolo County crops rise 16% in value.

Ritz Camera company in bankruptcy. Original owner purchased the company. Don't know if University Mall location is one that will stay open.

Discussion about business license process and need for improvements; concept of business license survey; how to make process easier thru use of electronic communications and allowing online filing. Suggestion to take advantage of business license renewal as time to get information about what businesses need and to disseminate information about sources of business services etc. Value of good data regarding city businesses important to Economic Indicators project.

Consequences of doing business without a license and loss of money from businesses operating without a license discussed. City cross correlates different data sources (utility bills, business licenses, Franchise Tax Board) to try to identify businesses operating without a license. City recovers fees retroactively. City contracts with MuniServices to track all retail sales tax the City is entitled to. The company's service fee is taken from the additional sales tax revenue they find for the city. City is contracting for an audit to identify all the businesses that are supposed to be paying a business license.

Request for staff to provide business license information for Davis businesses that were not renewed at next meeting.

Chair recommended putting topic on agenda in the future sharing that the audit is a great idea, but there is noncompliance because the system is too cumbersome. City should put equal effort into making it in their interest to comply.

6. Business Park Lands Strategy (BPLS) Update

Staff provided overview of past approach to BPLS and changes that have been made in response to questions and comments made at the June BEDC meeting and public outreach. Past emphasis was on land absorption and past trends. Focus now on the question of how to address need for business growth. Land inventory expanded to include vacancies and retraction of some UCD related uses back to campus, and sites with buildings approved but not yet built. Analysis to use of consultant assistance for development of economic multipliers to demonstrate the economic value of knowledge based businesses, develop business growth projections and economic analysis of a reasonable range of alternate future business growth scenarios.

Questions rose about actions being taken to participate in green industry. Green corridor in East Bay cited. What are City actions and necessary steps to make Davis the green energy place of the future?

Focus of city action is on facilitating business growth. Concept of what creating a green zone or an "Innovation Zone" mean was raised; targeting business attraction efforts to focus on green businesses; City would not turn a legitimate business interested in Davis away.

Commissioner believed questions relate to Economic Indicators project, measurement of progress creates some interesting cross-fertilization between that project and this issue and would help to better define what we want to be.

Discussion of why businesses chose Davis location. Likely similar to that expressed by Eco-product company in Boulder, CO, they are like minded people, who love the City. Alternate views that not many people that seek Davis as a place to move to start their business, depends on kind of business. Where does perception of "It's hard to do business in Davis" come from? Need to overcome this perception.

Question rose as to why Target wanted to come to Davis.

A community survey about retail needs was conducted several years back. Surveys came back with some specifically asking for a Target. City staff and Council members asked Target if they were interested in coming to Davis.

Discussion about sales tax leakage and retail, free market, versus strategic planning for retail businesses. Hope expressed that the success of Target will bring in other companies.

7. Subcommittee Assignments/Reports

Business Retention -Update on Outreach

Overview of business outreach meetings provided, noting that outreach meetings are personal conversations that aren't always appropriate to share in a broader venue. The idea of doing a business survey has been discussed. The business land study outreach effort has been the focus for several months. Staff will be able to do more traditional outreach meetings now that

phase of the study is over. Information provided to the Commission on some of the broader ranging issues that have been raised during the outreach visits.

Question rose as to how outreach meetings differed, 4 outreach meetings and 36 done for the Business Park Land Strategy Study (BPLS). Was a difference in conducting the interview with 5 people versus 2?

Four of the outreach meetings were organized with BEDC subcommittee and Chamber. The 36 BPLS meetings included the 8 questions asked as the base framework for the business park land strategy. Staff tried to capitalize on the visit by also asking their opinion on Davis as a place to do business and what 3 things they recommended the City do today to assist businesses. People really wanted to talk, and often committed more than one hour to the interview.

The smaller (36) interviews allowed for a more intimate conversation, but there also was a different purpose for the interviews. Different sets of questions were asked of different business owners. Questions were somewhat tailored to the interviewee.

Business Attraction Subcommittee Update

325 boxes of Bicycle Hall of Fame (HOF) materials arrived in Davis by truck today. HOF induction ceremony will also be the grand opening of the HOF.

Discussion occurred about past location and operations of HOF in NJ for 30 years. They lost their location and have been storing everything in a barn. Information was not available regarding numbers of visitors. HOF did not operate using memberships or a regular program. It will likely be free initially, with a membership and daily fee program added in the future. UCD Graduate School of Business students are currently preparing a business plan for the HOF and Bicycle Museum that should be complete by mid-august.

Staff reported City of Davis was a sponsor for SARTA TechSurge event two weeks ago. City will become official Sacramento Area Regional Technology Alliance (SARTA) member this year. Membership fees allow sponsoring of specific events. The City's marketing efforts are helped by ability to piggy-back on SARTA events. Plan to use remainder of membership fees to sponsor the CleanStart and MedStart SARTA conferences. Relationship with SARTA leveraged to market Davis to technology businesses.

Community Enhancement

Need to assign subcommittee membership and chair. Bicycle Museum and City participation in Celebrate UC Davis and other Centennial events came out of effort of this subcommittee last year.

Discussion followed regarding Brown Act issues. Commissioners Dave Robert, Doug Palm and Joe Hruban assigned to Community Enhancement Subcommittee by consensus.

Commissioner Michael Faust proposed for Business Recruitment Subcommittee.

As Tobin Richardson is active in Information and Data Committee he is moved off of Business Attraction Committee.

Work Plan and Data, Economic Indicators Project

Good progress being made. Working on finishing a prototype to give interested parties a feel for what we envision producing. Hope is to use that as part of the vehicle for approaching for some corporate sponsors. Other versions have been supported by corporate sponsors. Money is an issue in terms of data gathering. That's now part of agenda to approach them with plans and prototype to solicit their support. Prototype also to be used to engage the DDBA and Chamber for further refinement of indicators. Have been pursuing relationships with UCD. Beginning to set deadlines for the prototype and first edition. Goal is to tie it into the budget cycle so it can inform budget priorities. Have presented project concept to Commission liaisons and City Management staff.

Economic Indicators project to be placed on agenda for next meeting.

8. Future Agenda Items

Chamber Update
Economic Indicators (20-30 minutes)
Business Park (ongoing updates)
Target Pads

Questions and discussion on status of Target pads. Target has contracts with commercial brokers who are specialists in filling that type of retail space. Retailers are not expanding right now, update provided at next meeting.

9. Adjourned 8:44 p.m.