

MINUTES

**MEETING OF THE
BUSINESS AND ECONOMIC DEVELOPMENT COMMISSION
Davis Joint Unified School District Administration Building
East Conference Room, 526 B Street
Monday November 24, 2008
7:00 PM**

Commission Members: Anthony Costello (Interim Chair), Greg Phister, Robert Agee, Anissa Nachman, Sydney Vergis, Tobin Richardson, Joe Hubran, (Alternate vacant), Mark Braly Planning Commission Liaison, Matthew Kemmerle, Finance and Budget Commission Liaison,
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
Paul Navazio, Assistant City Manager
Gail Buller, Financial Services Manager

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

Meeting called to order @ 7:08 p.m.

1. Determination of Quorum and Seating of Alternates

Quorum determined @7:08 p.m.

Commissioners Absent: Nachman, Vergis, Braly, Kemmerle
Council Liaisons Absent: Asmundson, Saylor

2. Approval of Agenda

Agenda approved @ 7:09 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.

Jeanne Jones, representing Lewis Communities, distributed a Chamber of Commerce letter supporting the process to continue for Cannery Park. She also distributed a Davis Enterprise editorial stating the same.

4. Approval of Minutes
October 27, 2008

Minutes approved pending changes. Staff drafted changes during meeting. Minutes approved @ 9:29 p.m.

5. Staff Communication/Updates

Item deferred to end of agenda.

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6. Downtown Davis Business Association Update

Alzada Knickerbocker of the DDBA gave a presentation on the state of the downtown.

7. Sales Tax Report

Doug Jensen, with MuniServices gave a presentation on the City's sales tax revenue.

Staff provided contextual background regarding Davis and the role sales tax plays as a revenue source.

Discussion occurred about how Davis compares to other cities both in and outside the Sacramento region. Commissioner noted that other cities in the region have an upwardly trending sales tax base, whereas Davis does not trend similarly.

Public comment: Students aren't here for 1/3 of the time and spends much of their money on campus and in the bookstore. D. Jensen stated it would be good to look at university towns. Staff noted this has been done in other contexts and found that what seems like a natural comparison often is not as even university towns have major differences in their economic base.

D. Jensen noted that food product businesses typically have a high turnover. Backfill will likely not occur as quickly in this economic climate.

D. Jensen noted 52.6% of Davis' sales tax base is dependent on three categories: Auto sales, restaurants, and service stations. This is a higher percentage than most cities' top three categories. Commissioner asked the question, "what is healthy?" D. Jensen stated that having not more than ten percent in any single category would be a more diversified economy.

D. Jensen provided a comparison of the top 25 sales tax generators in Davis, Woodland, and Palo Alto, with total sales tax revenue for each city. One explanation for the differences is Davis has a low business-to-business sales tax generation. Public question asked regarding how many of Palo Alto companies were in the Stanford Business Park. D. Jensen cited many.

D. Jensen discussed the jobs/sales tax correlations for certain categories.

D. Jensen explained the sales tax capture & gap report. Davis has \$1.5 billion in buying power. There is approximately 50% sales tax leakage across the board. Discussion followed regarding impact of internet sales and how to track them as well as appropriate cities to compare Davis against.

Staff provided clarification regarding sales tax transfer.

Commissioner asked a question regarding source of data. D. Jensen responded they use whichever information is most accurate. They then make some changes to the business categories to better align the data.

Staff provided an overview regarding why the city contracts with MuniServices. The primary intent is for sales tax audit purposes to ensure the city captures all the sales tax within the city.

8. Business of the Year Award Nominations

The Chair stated a business of the year subcommittee would be formed to evaluate nominations. Solicited volunteers. Three commissioners volunteered.

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Staff provided clarification regarding selection criteria. Determined the subcommittee could evaluate all four nominations and return at the next meeting with their recommendations for a vote, to be forwarded to Council.

Motion made by Commissioner Costello for subcommittee to take all four nominations under consideration. Seconded by Commissioner Phister

*Ayes: Costello, Phister, Tobin, Hruban, Agee
Absent: Vergis, Nachman, Braly, Kemmerle*

Discussion regarding Blue Oak Energy as a possible candidate this year or in a future year.. As a substitute, Commissioners discussed the possibility of inviting the company to speak at a BEDC meeting to speak about their technology and business.

9. Subcommittee Reports

- Business Retention
No updates reported.

- Business Attraction

Commissioner shared the Yolo Venture Community Angel Investment seminar was a success. Had about 15-20 attendees. The hope was to get 20-30. Target audience is high wealth members of community who have no experience in angel investing.

Staff shared information about the Yolo Venture Community's "3rd Thursday" monthly events that rotate around the county. Most recent event was 11/20 at Briggs & Co. in Winters. Commissioner noted the purpose is professional networking for the investment fund.

- Community Enhancement

Commissioner noted the very successful Bicycle Hall of Fame dinner and induction ceremony. There is no timetable or final discussion regarding their decision to relocate the Hall of Fame. Davis positioned itself as a strong candidate for the location by hosting the inductee ceremony.

Staff shared Davis is a start city for the AMGEN race in February. There will be national and international media coverage.

- Work Plan and Data

Staff noted a presentation earlier in the day from GIS Planning, a GIS/economic development application that could be useful for identifying economic indicators. GIS Planning may be invited to a future BEDC meeting for a presentation.

10. Staff Communication/Updates

Staff distributed articles from the Davis Enterprise and Sacramento Business Journal about Davis companies in the news.

Staff shared that a Yolo County Economic Development group is working to develop a regional economic development strategy to become eligible for federal funds. City Council will ultimately be responsible for appointing a Davis representative. BEDC volunteers were solicited. Yolo County and Woodland have a project in mind for a new courthouse.

Commissioner had a question regarding the 5th Street Corridor project. Stakeholder outreach to the Chamber of Commerce and DDBA has been conducted to date.

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Staff noted BEDC meeting dates for next year. Next meeting is on December 15th.

Commissioner asked staff to determine the regular quarterly meeting dates for DDBA and Chamber of Commerce.

11. Adjourn

Meeting adjourned at 9:38 p.m.