


Memorandum

June 16, 2006

TO: City Council

FROM: Michael Webb, Economic Development Coordinator 

SUBJECT: Second Street Crossing: Analysis of DDBA Zoning Recommendations and Suggested Zoning Modifications.

On June 12, 2006 the Davis Downtown Business Association submitted a letter with specific suggestions for the allowable uses in the pad buildings (see a through f of the attached letter). The suggestions in this letter are reflective of past discussions that staff has had with the DDBA Board of Directors. Most of the recommendations of the DDBA have already been incorporated into the proposed zoning ordinance document as presented to the Council for the June 13th hearing with a few notable exceptions. This memo will clarify where the staff recommendations are DDBA recommendations differ. Each DDBA recommendation is noted below along with staffs response and recommendation.

a) Apparel stores should be increased to a minimum of 12,500 square feet.

The suggested minimum tenant size for apparel stores in the staff report is 8,000 square feet. The DDBA suggests a minimum size of 12,500 square feet. The reason for the DDBA recommendation of this specific size limit for apparel is not clear, but is likely based on concern for smaller boutique clothing stores being allowed in the pad buildings. Staff is recommending the 8,000 square foot minimum on apparel stores to be consistent with the minimums already set forth in the City's Community Retail zoning district and due to the fact that apparel retailers in urban markets of Davis' size are generally less than 8,000 square feet because the higher rent costs per square foot. Staff feels the proposed zoning addresses the concerns of the DDBA and still provides enough room for the project to be economically viable. Staff recommends the 8,000 square foot minimum size set forth in the zoning remain unchanged.

b) Shoe stores should be between 3,000 and 30,000 square feet.

This suggestion is consistent with the proposed zoning ordinance (see permitted uses item c on page 60 of the staff report). No change is recommended.

c) Specialty food stores should be no more than 15,000 square feet.

Consistent with this recommendation, the proposed zoning ordinance limits the size of specialty food stores to an even more restrictive 10,000 square feet and requires that such a store obtain a CUP. No change is recommended.

d) Sporting goods stores should be no less than 15,000 square feet.

Staff believes that this suggested minimum store size is driven primarily by concerns for competition to the downtown bike shops and smaller specialty sporting goods stores found downtown. The proposed zoning ordinance included in the staff report suggests a minimum size of 10,000 square for sporting goods stores. The DDBA letter states that their intent is to preserve the smaller niche stores (under 10,000 square feet). Staff does not believe that the 10,000 square foot minimum for sporting goods stores set forth in the proposed zoning is in conflict with existing or potential downtown tenants. While the minimum could be set to 15,000 square feet staff is hesitant to suggest such a change as an increased minimum size may inadvertently preclude potentially desirable sporting goods tenant. To the extent that the DDBA has concerns over a large bike shop opening in the Second Street Crossing project that may negatively compete with the concentration of bike shops found in the downtown, staff does support the concept of adding bike stores to the list of specifically prohibited stores. Staff recommends that the sporting goods store size minimum remain at 10,000 square feet as proposed and that bike stores be added to the list of prohibited uses.

e) Other community and regional retail stores, such a appliances, department stores, general merchandise, furniture, linens, office furniture and supplies, photography, electronics, telecommunications retail, hardware, building supplies, home improvement (including paint, window coverings, floorings, pool supplies), drug store, optical retail, or party supply, have a minimum of 10,000 square feet and a maximum of 30,000 square feet per individual use.

This suggestion is consistent with the proposed zoning ordinance (see permitted uses item a on page 60 of the staff report) with the exception of hardware stores, building supply stores, and home improvement stores which are called out as specifically prohibited in the proposed zoning. No change is recommended.

f) One sit down restaurant up to a maximum of 6,000 square feet; up to two quick-serve restaurants not to exceed 4,000 square feet in aggregate, and coffee, ice cream and juice/smoothie shops.

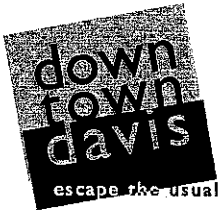
This suggestion is consistent with the proposed zoning ordinance (see permitted uses items h, i, and j on page 60 of the staff report). No change is recommended.

Based on the above analysis, the following text changes are recommended for the proposed Planned Development ordinance (page 61 of the staff report). These changes are reflected in the revised ordinance documents presented to the Council under separate cover.

SECTION 8 (Prohibited Uses).

The following uses are prohibited in PD #10-04:

- (a) Discount superstores
- (b) Entertainment uses
- (c) Book stores, toy stores, music stores, art galleries, hardware/building supply **stores**, paint stores, and pool supply **stores**
- (d) Adult book and novelty stores
- (e) Arcades
- (f) Convenience markets and mini-marts
- (g) Weapon and/or ammunition sales
- (h) Liquor stores
- (i) **Bicycle stores**



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June 12, 2006

Davis City Council
23 Russell Blvd.
Davis, CA 95616

RE: Target application

Dear Mayor and Council Members:

As you know, the DDBA membership is not unanimous on the issue of Target.

Based on this lack of consensus on Target itself, the DDBA Board of Directors are not taking a position for or against. The board has instead focused on the quantity and format of the pad retail space. Following are their recommendations in that regard as per the DDBA Board of Directors meeting on March 22.

The original concept of the larger pads at the project in addition to the Target store was with the assumption that there would be three mid-size "box" users at the project. Emphasis from the Business and Economic Development Commission and others stated that smaller uses (5,000 square feet and under) should not be allowed within the outside pads. The DDBA Board agrees with this for the following reasons:

The project was not meant to re-create the downtown shopping experience, i.e. smaller stores that could locate in downtown should not be able to locate in the Target project.

- 1) Larger uses (10,000 square feet and up) could alleviate some of Davis' sales tax leakage in the categories of general merchandise and electronics that cannot likely be accommodated in downtown.
- 2) Downtown can accommodate uses of 5,000+ square feet for regional/national apparel stores, etc. as new infill mixed-use buildings will continue to be built in downtown with retail on the ground floor.

In order to preserve the smaller store niche for downtown (under 10,000 square feet) and reduce the potential for the pad space surrounding Target to compete against downtown for tenants, we believe that the proposed zoning use list for the Target proposal permitted uses should be as follows:

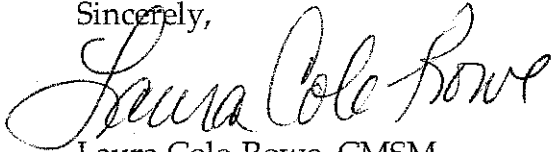
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- c) Specialty food stores should be no more than 15,000 square feet.
- d) Sporting goods stores should be no less than 15,000 square feet.
- e) Other community and regional retail stores, such as appliances, department stores, general merchandise, furniture, linens, office furniture and supplies, photography, electronics, telecommunications retail, hardware, building supplies, home improvement (including paint, window coverings, floorings, pool supplies) drug store, optical retail, or party supply, have a minimum of 10,000 square feet and a maximum of 30,000 square feet per individual use.
- f) One sit-down restaurant up to a maximum of 6,000 square feet; up to two quick-serve restaurants not to exceed 4,000 square feet in aggregate, and coffee, ice cream and juice/smoothie shops.

This project's zoning is very important to downtown as it will reassure (as indicated by council goals, general plan goals, and economic and business development goals) that downtown remains the primary shopping, dining, entertainment and cultural destination of Davis.

Sincerely,



Laura Cole-Rowe, CMSM
Executive Director
Davis Downtown Business Association