

UCD ECONOMIC & FISCAL IMPACT ANALYSIS

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UCDAVIS



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ABOUT EPS

EXPERTISE



REAL ESTATE ECONOMICS



PUBLIC FINANCE



LAND USE &
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ECONOMIC DEVELOPMENT
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FISCAL & ECONOMIC
IMPACT ANALYSIS



HOUSING POLICY



PUBLIC-PRIVATE
PARTNERSHIP (P3)



PARKS & OPEN SPACE
ECONOMICS

68,300



**Jobs
Supported
Statewide**

\$13.2B



**Annual
Economic
Activity**

- Economic impacts of ongoing UCD activities (Davis & Medical School) in the City of Davis, Greater Davis–Sacramento Region,^[1] and the State of California (derived from Calendar 2023 UCD spending, enrollment, and employment data):
 - Campus operations.
 - Student spending.
 - Employee spending.
 - Visitor spending.
 - Capital improvement projects.
- One-time construction impacts and projected future operational impacts from Aggie Square in Sacramento.
- Net fiscal impact of UCD on the City of Davis and Yolo County.

[1] Greater Davis–Sacramento Region for purposes of this analysis includes Sacramento, Yolo, El Dorado, Placer, Sutter, Yuba, and Solano Counties.

- UCD is a major driver of economic activity in the Greater Davis–Sacramento Region and in the State of California overall.
- Locally, indirect and induced economic impacts from both the Davis campus and the Health System are largely captured in areas of the Sacramento Region outside of the City of Davis.
- Economic impacts in the City of Davis are primarily from the operations of the Davis campus.
- Unlike some of the other major campuses in the UC system, UCD is adjacent but integrated economically to a progressive, slow growth, medium–sized community surrounded by farmlands and wetlands.
- Renewed efforts to expand the off–campus innovation ecosystem in Davis could boost start–ups, as well as royalty and fee income.

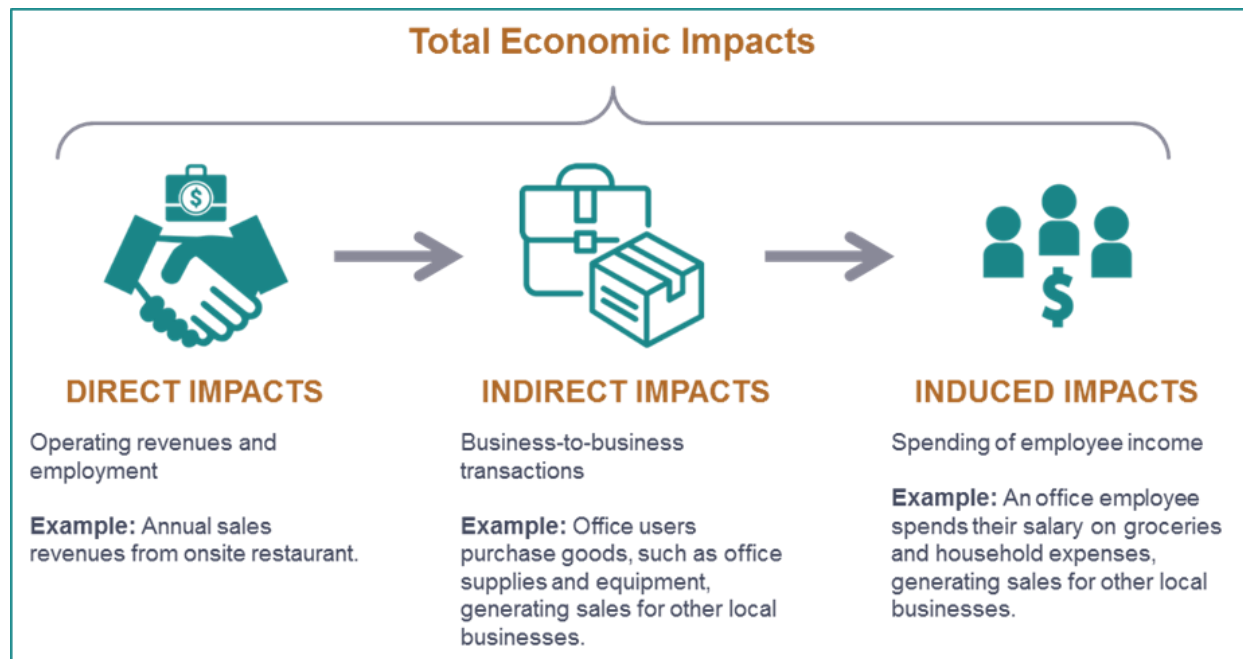
ECONOMIC MULTIPLIER EFFECTS

ALL UCD

DIRECT, INDIRECT, AND INDUCED IMPACTS

- Economic multipliers, based on spending flows between different sectors, are used to estimate the **impact from UCD activities as spending**

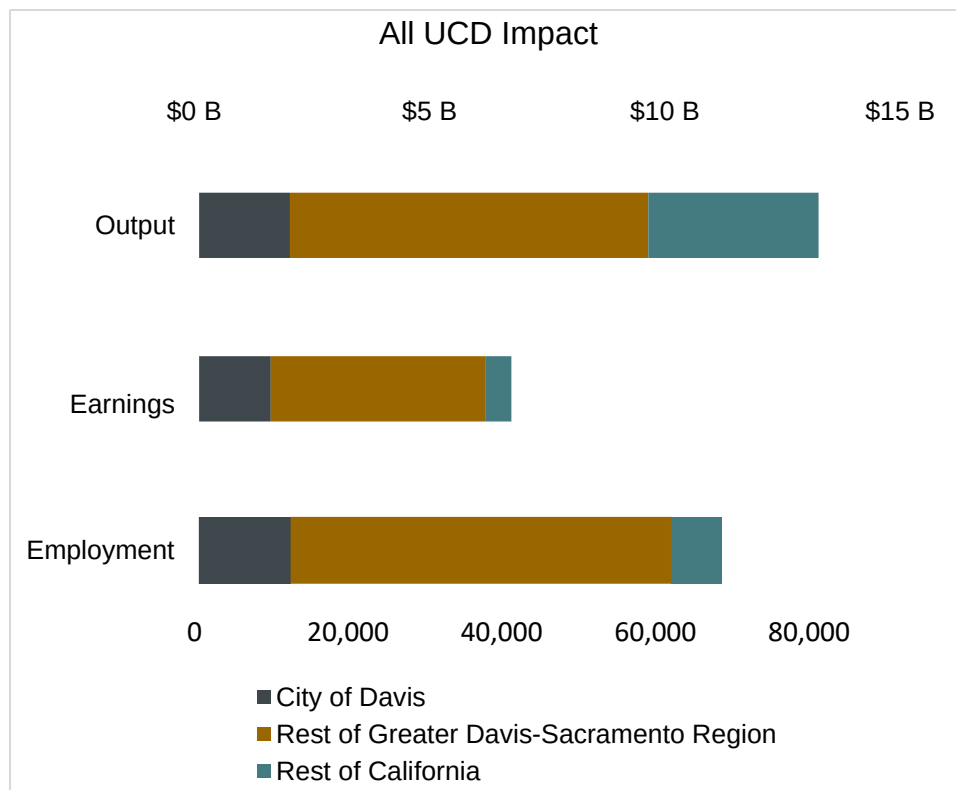
recycles through the local economy. UCD's initial economic activity constitutes direct impacts. The resulting business-to-business activity are the indirect impacts. Employee spending generates induced impacts.



Source: EPS.

ALL UCD IMPACTS BY REGION

- Much of the overall **economic output** attributable to UCD stays in the region, with the remainder flowing **elsewhere in California** or out of state.
- The local share of impacts is limited because of the relatively small economy in Davis.



Note: Impacts for larger geographies include impacts of smaller geographies to the left.

ECONOMIC MULTIPLIER EFFECTS

ALL UCD TOTAL IMPACTS – CITY, REGION, AND STATE

- The region captures a significant share of indirect impacts, which are driven by business-to-business spending. Induced impacts from employee spending are mostly captured regionally.

Sector Description	City of Davis	Greater Davis-Sacramento Region [1]	State of California
<i>All UCD [2]</i>			
Output (Millions)			
Direct	\$1,603.7 M	\$4,448.4 M	\$6,594.7 M
Indirect	\$170.8 M	\$1,638.2 M	\$2,677.6 M
Induced	\$174.7 M	\$3,481.8 M	\$3,912.2 M
Total	\$1,949.1 M	\$9,568.4 M	\$13,184.4 M
Employment [3]			
Direct	10,400	36,000	36,300
Indirect	700	7,100	11,300
Induced	1,000	18,600	20,700
Total	12,100	61,700	68,300
Labor Income (Millions) [3]			
Direct	\$1,430.9 M	\$4,436.0 M	\$4,490.2 M
Indirect	\$57.3 M	\$526.3 M	\$884.7 M
Induced	\$57.5 M	\$1,138.9 M	\$1,284.5 M
Total	\$1,545.6 M	\$6,101.2 M	\$6,659.4 M

Source: UC Davis; Implan; EPS.

[1] Greater Davis-Sacramento region includes Yolo, Sacramento, Placer, El Dorado, Sutter, Yuba and Solano counties.

[2] Including Health System and Veterinary Medicine.

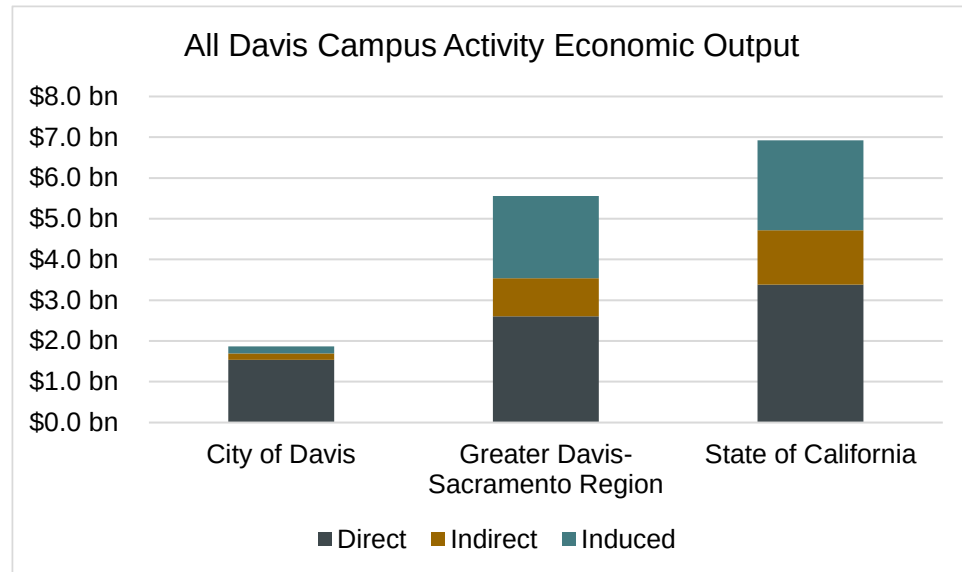
[3] Employment and Labor Income according to the geography of employee residence.

ECONOMIC MULTIPLIER EFFECTS

DAVIS CAMPUS

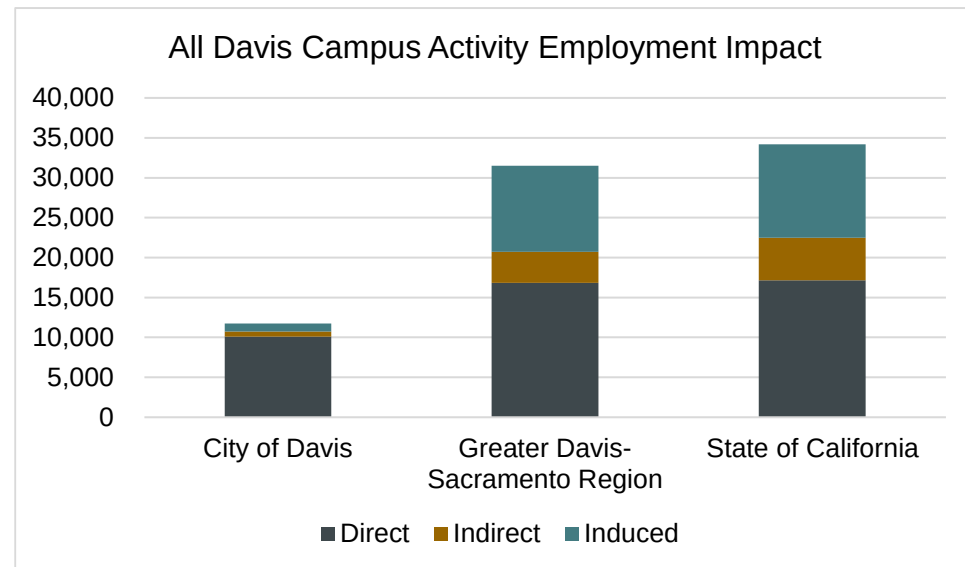
DAVIS CAMPUS ECONOMIC OUTPUT – CITY, REGION, AND STATE

- Economic impact in the City of Davis is mostly composed of the Davis campus's direct activity. **The campus's indirect and induced effects mostly flow to the larger region or beyond** because of the City's limited economic base.



DAVIS CAMPUS EMPLOYMENT – CITY, REGION, AND STATE

- Employment impacts in the City of Davis are mostly from direct UCD employment. **Regionally, the Davis campus supports over 30,000 jobs when including indirect and induced employment.** Approximately 10,000 (induced) jobs are supported by employee spending in the region.



ECONOMIC MULTIPLIER EFFECTS

DAVIS CAMPUS ALL IMPACTS – CITY, REGION, AND STATE

- Multiplier effects of **Davis campus activity** are limited within the city limits but **strongly impact the larger region**, with a significant flow of indirect impacts (business-to-business spending) to the rest of the state.

Sector Description	City of Davis	Greater Davis-Sacramento	State of California
<i>All Davis [2]</i>			
Output			
Direct	\$1,536,749,299	\$2,603,948,366	\$3,380,905,539
Indirect	\$157,653,193	\$933,466,002	\$1,333,081,073
Induced	\$168,118,808	\$2,018,850,125	\$2,213,325,406
Total	\$1,862,521,300	\$5,556,264,493	\$6,927,312,017
Employment [3]			
Direct	10,089	16,836	17,161
Indirect	656	3,877	5,311
Induced	986	10,799	11,721
Total	11,731	31,512	34,194
Labor Income [3]			
Direct	\$1,398,300,709	\$2,610,590,417	\$2,664,783,913
Indirect	\$52,510,619	\$283,904,630	\$405,526,690
Induced	\$55,307,036	\$660,252,750	\$726,085,772
Total	\$1,506,118,364	\$3,554,747,796	\$3,796,396,374

Source: UC Davis; Implan; EPS.

[1] Greater Davis-Sacramento region includes Yolo, Sacramento, Placer, El Dorado, Sutter, Yuba and Solano counties.

[2] Including Veterinary Medicine; excluding Health System.

[3] Employment and Labor Income according to the geography of employee residence.

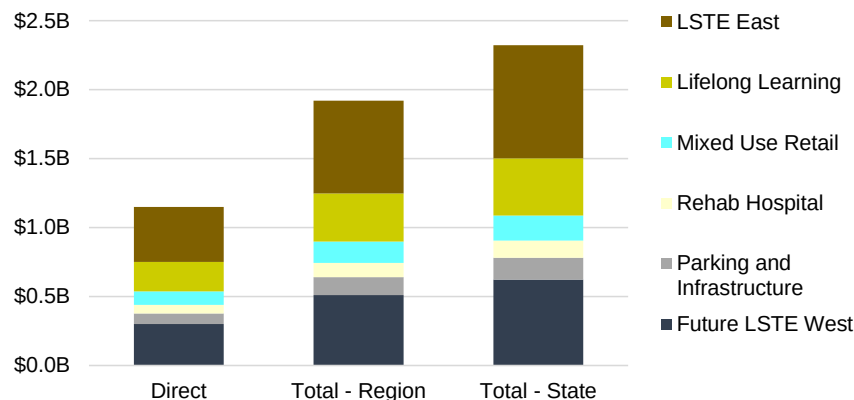
ECONOMIC MULTIPLIER EFFECTS

AGGIE SQUARE

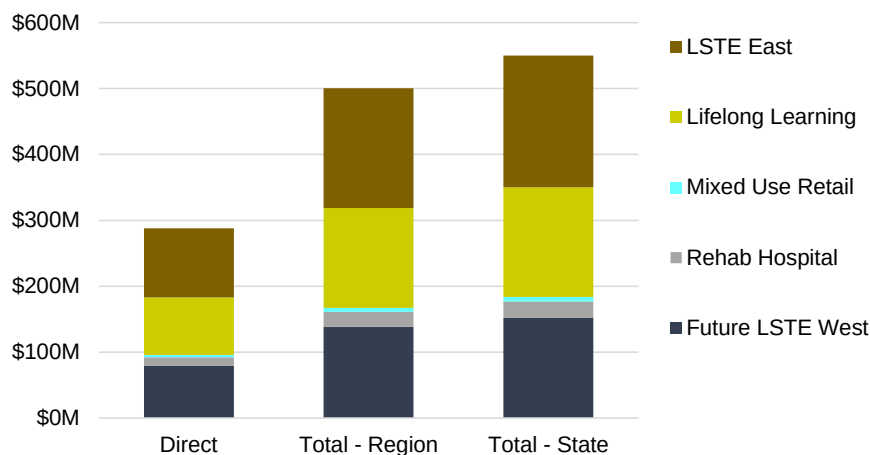
AGGIE SQUARE IMPACTS

- Aggie Square construction is on track to result in over \$1.0 billion in direct construction spending, which will generate **nearly \$2.0 billion in total economic output regionally**.
- The projected direct ongoing economic activity in Aggie Square when built and occupied is estimated to be nearly \$300 million annually, with **total regional economic output of about \$500 million annually**.

Aggie Square Construction Economic Output



Aggie Square Ongoing Economic Output

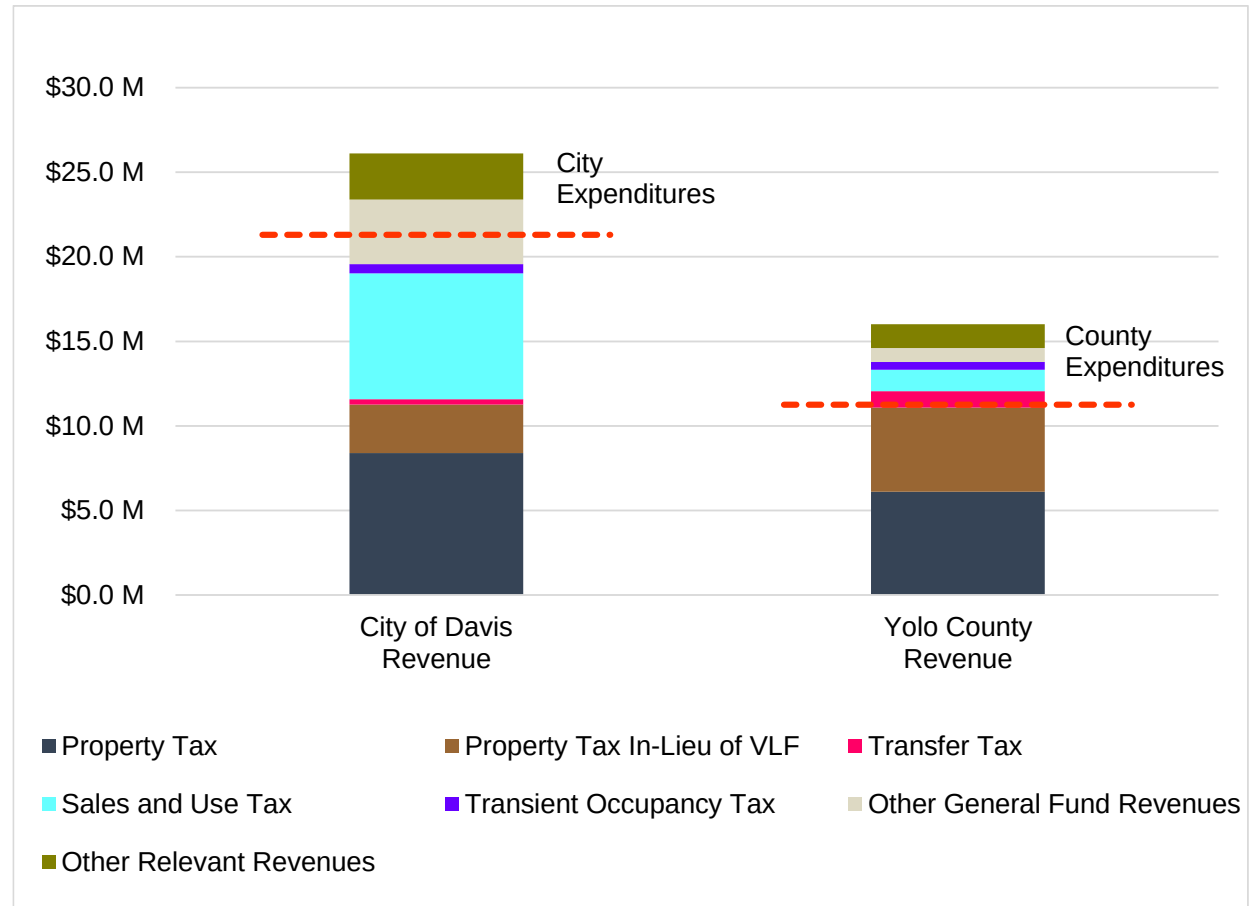


FISCAL IMPACT

CITY OF DAVIS AND YOLO COUNTY

CITY OF DAVIS AND YOLO COUNTY – REVENUES VS. EXPENDITURES

- City and County tax revenues generated by students, faculty, staff, and visitors from **sales tax, property tax, transient occupancy tax, and other sources meet or exceed costs to provide services to those populations.**[1]



[1] Costs and revenues compared in the analysis are limited to General Fund and other key revenues.

CITY OF DAVIS AND YOLO COUNTY – REVENUES VS. EXPENDITURES

- Key City General Fund public services costs include **Police, Fire, Parks, and Community Services.**

- Key County General Fund expenditures include **District Attorney and Sheriff-Coroner.**

Revenue/Expense Item	City of Davis	Yolo County
Property Tax	\$8,392,000	\$6,102,000
Property Tax In-Lieu of VLF	\$2,864,000	\$4,993,000
Transfer Tax	\$326,000	\$963,000
Sales and Use Tax [1]	\$7,439,000	\$1,271,000
Transient Occupancy Tax	\$544,000	\$454,000
Other General Fund Revenues	\$3,819,000	\$817,000
Total General Fund Revenue	\$23,384,000	\$14,600,000
Other Relevant Non-General Fund Revenues [2]	\$2,731,000	\$1,405,000
Total Revenue	\$26,115,000	\$16,005,000
Public Services Cost Allocation	\$21,307,000	\$11,252,000
Net Fiscal Impact	\$4,808,000	\$4,753,000

Source: EPS.

[1] Davis sales tax includes Transaction and Use Tax but not recently approved Measure Q.

[2] Includes non-General Fund revenues that fund operational expenditures affected by population and employment, such as Prop 172 revenue and Davis Public Safety Tax.

Note: Does not include taxes generated by businesses located in Davis due to UCD affiliations.

- The Davis campus generates approximately \$1.5 billion in direct economic output locally, with another billion in direct economic activity elsewhere in the region, resulting in \$5.6 billion in total economic activity in the region, including multiplier effects.
- The Health System generates approximately \$1.8 billion in direct economic activity in the Greater Davis–Sacramento Region, resulting in total regional economic output of \$4.0 billion. Total regional economic output of all UCD is \$9.6 billion.
- Aggie Square construction will generate nearly \$2.0 billion in regional economic activity. Ongoing operations at buildout are projected to generate more than 3,000 jobs regionally.
- UCD produces a positive net fiscal impact for both the City of Davis and Yolo County when factoring in the full range of impacts from employees and off-campus students residing in Davis.

