

## STAFF REPORT

**DATE:** March 3, 2026  
**TO:** City Council  
**FROM:** Katie Yancey, Economic Development Director  
**SUBJECT:** Economic Development Strategic Plan

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### **Recommendation**

Staff recommends that the City Council:

1. Receive a presentation from staff on the Economic Development Strategic Plan (“Plan”), provided as Attachment 1, and approve the Plan; and
2. Provide feedback to assist staff in implementing the Plan.

### **Fiscal Impact**

The positive fiscal impacts of economic development activities anticipated from implementing this Plan may be substantial over time, providing direct fiscal benefits to the City, as well as induced and indirect benefits. To better quantify the City’s return on investment, staff is proposing to spend the \$50,000 from the current FY26 budget on a scope of work that includes financial modeling to inform future resource-allocation requests for implementing the Plan through 2031.

Staff believes that this financial modeling will confirm that the current budget allocations, including the adopted biennial budget, will cover the vast majority of the immediate actions outlined in the conceptual implementation roadmap that begins on page 16 of the Plan. Staff also believes that this financial modeling will provide the City Council with additional information on which activities are likely to yield the highest growth in either property taxes or sales taxes to the City. Lastly, for those immediate actions that may not be fully addressed by the current resource allocations, additional funding may be requested after this financial exercise is complete to fully implement a limited number of immediate actions, such as revenue recapture, data capture, and marketing-related initiatives, which are anticipated to require assistance from outside parties to maximize the City’s near-term return.

### **Council Goal(s)**

The proposed recommended actions support the City Council’s 2024-2025 Goals of “Achieving Greater Fiscal Resilience” and “Stepping Up Economic Development Activities.”

### **Commission Input**

On June 26, 2024, staff presented to the Planning Commission on economic development opportunities and objectives related to its purpose and function as the advisory agency overseeing the City’s development pathways to attract and retain private investment. This presentation outlined the pre-Plan activities, including the creation of an economic

development toolbox that included new software and the strengthening of local and regional partnerships. The presentation described the need to create a comprehensive economic development baseline that includes information on the City's retail, office, and industrial assets, and to develop a better understanding of the City's development approval and permitting process. Staff committed to reviewing the existing planned development overlays to identify regulatory barriers that prevent retail and restaurant attraction. Additionally, staff is committed to identifying growth industries, completing a shopping center assessment, completing a parking management plan, developing a real estate strategy for City assets, integrating economic development principles throughout the organization, and demonstrating the value of these intentional economic development activities to the community. The opportunities and objectives outlined to the Planning Commission were generally well-received and thought to well-position the City for economic prosperity, but the overwhelming concern was that the proposed objectives were too much for one person to accomplish in an 18-month period (June 2024 to December 2025).

On February 4, 2026, staff presented to the Fiscal Commission a preview of the Plan's proposed strategic objectives to be implemented through December 2031 and explained how these objectives interact with various intervention strategies to increase revenue. This presentation included a recap of the City's existing economic development visions, goals, and policies, and introduced the pillars of economic development. While the Commission did not take a formal action on the content of the staff's presentation, the majority of the feedback was generally supportive of the direction staff proposed for the Plan. The Commissioners expressed the overwhelming need for greater revenue generation for the City. The primary areas for staff consideration in finalizing the Plan were the inclusion of data to support the proposed objectives, which staff have provided in the Plan's strengths, weaknesses, opportunities, and threats (SWOT) analysis appendix, and the desire for more real-world examples or content related to the proposed objectives.

### **Background**

Staff have been formulating the Plan over the past year, and throughout 2025, staff have rolled out key aspects of the Plan to the City Council. On February 4, 2025, the City Council received a presentation on foundational concepts related to job retention and creation to be considered in the Plan. On April 15, 2025, the City Council received a presentation from Valley Vision on the "We Prosper Together" initiative and how the City of Davis could incorporate some of the inclusive economic development concepts featured in this regional plan. On September 2, 2025, the City Council received a Market Velocity presentation from the Greater Sacramento Economic Council that included six economic indicators and recommendations for target industries that align with four specific regional targeted clusters: business services, defined as technical services and business administration; and precision manufacturing, which includes instrumentation, microelectronics, machinery, next-generation transportation, and agtech manufacturing; and working lands, encompassing food, agriculture, and wood economy from production, to related downstream activities and related goods movement; and research and Development, specifically in the area of agriculture, food technology, and biotech.

## **Analysis**

The Plan is structured into seven parts with two appendices providing additional technical details for two of the sections. A summary of each section is provided below. Staff's analysis concludes with recommended next steps that are not directly included in the Plan.

### **Introduction and Approach Sections**

The Plan is intended as a flexible, living guide to support informed decision-making, budgeting, and community communication rather than a static document. Grounded in a comprehensive SWOT analysis, the Plan outlines six core strategies, each with measurable objectives, implementation activities, and performance metrics that staff will track and report through budget updates and a proposed quarterly newsletter. It follows a structured planning framework that moves from a long-term vision to goals, policies, objectives, and actionable tasks to ensure systematic progress. In response to a projected structural General Fund deficit and worsening long-term budget outlook, the Plan emphasizes sustainable revenue growth as essential to maintaining services, infrastructure, and community priorities, while remaining adaptable to changing economic conditions and emerging opportunities.

### **Existing Economic Vision, Goals, and Policies**

The Plan captures the City's existing economic development vision, goals, and policies outlined in its General Plan and reinforced by 2024–2025 City Council priorities aim to cultivate a healthy, authentic local economy that preserves the city's small-town, university-oriented character while promoting vitality and innovation. The vision emphasizes a high quality of life, a vibrant, pedestrian-friendly downtown, environmental stewardship, cultural diversity, and regional leadership in sustainable growth. Key goals include strengthening downtown as the community's social and economic core, attracting visitors to bring new revenue, retaining and expanding businesses to create higher-paying jobs, and fostering entrepreneurship in partnership with UC Davis. Supporting policies promote tourism, arts and culture, business-friendly practices, workforce development, targeted industry growth, and sustainable, value-aligned economic expansion to ensure that future decisions reinforce the City's identity and long-term fiscal and environmental integrity.

### **Pillars of Economic Development**

City economic development efforts rest on four interconnected pillars: community development, business development, outreach, and financial best practices, which are described in the Plan. Community development focuses on planning and service capacity to meet current and future community needs (the supply side), while business development drives demand through business attraction, retention, expansion, entrepreneurship, and marketing. Outreach builds strong local and regional partnerships with public and private stakeholders to align efforts and generate synergy across initiatives. Financial best practices provide the fiscal data and discipline needed to set measurable goals and align strategies with the City's assets and liabilities. Together, these pillars ensure coordinated, accountable economic growth, while equitable fee collection, enforcement, and thoughtful pricing policies protect fair competition, maintain trust in local government, and sustain the shared resources businesses rely on.

### SWOT Analysis

The SWOT analysis summary in the Plan highlights Davis's strong assets, UC Davis's economic impact, a highly educated population, innovation potential, and high quality of life, while identifying key constraints such as limited and aging commercial space, regulatory complexity, scarce developable land, and workforce and housing challenges. It outlines opportunities to better leverage university-driven innovation, modernize zoning, expand tradable sectors, attract regional growth, and reduce retail leakage, but warns of rising competition from nearby cities, continued out-commuting by the workforce, and the risk of losing innovation-driven firms to markets with lower costs and faster approvals. A more detailed SWOT analysis is provided as Appendix A.

### Objectives and Roadmap 2026-2031

The Plan translates the SWOT findings into six coordinated objectives: strengthening the business climate, attracting investment and key industries, supporting small businesses, advancing strategic development and infrastructure, building a skilled workforce, and fostering collaborative partnerships. All objectives interact with one or more of the four pillars, and how they intersect provides insight into how the economic development activities will integrate throughout the organization. Together, the implementation strategies and performance metrics for each objective aim to modernize permitting, enhance branding and recruitment, expand entrepreneurship and tourism, unlock underutilized land and infrastructure, align workforce training with industry needs, and deepen regional partnerships. A phased implementation roadmap outlines immediate (0–18 months), mid-term (2027–2029), and long-term (2030+) actions to deliver quick wins, scale programs, modernize systems, advance downtown revitalization, and strengthen Davis's long-term fiscal sustainability and competitiveness.

### Conclusion

The Plan establishes a balanced and practical framework for advancing the City's long-term economic vision. It recognizes that successful economic development depends on a coordinated mix of policy tools, including land use, incentives, workforce initiatives, infrastructure investment, business support, and innovation strategies implemented in a way that is both ambitious and fiscally responsible. The Plan seeks to lay the foundation for prioritization based on impact, cost, timing, and community need, while acknowledging legal, financial, and administrative realities. Moving forward, City Council and staff will translate this strategy into action through the budget process, ongoing reporting, and continued community engagement.

### Recommendations

Staff recommends that the City Council approve the Plan, consider the following next steps for staff, and provide any feedback that will assist staff in implementing the Plan.

1. Provide direction on whether staff should return with any additional economic development policies for consideration. Clear policy guidance will help prioritize objectives, shape program design, and ensure future actions align with the City's fiscal, legal, and administrative capacity.
2. Confirm that City Council would like staff to prepare an analysis of the property tax and sales tax base and make recommendations on how to globally qualify the financial improvements that the City Council is seeking. Staff will develop a path

forward to prepare a recommendation to the full City Council on establishing this target. As an example of how this might be approached, staff may review natural growth across all revenue and historical inflation rates and recommend a growth target that is realistic but not fully absorbed by cost-of-living increases. Calculating a target and a stretch growth goal could be folded into the financial modeling exercise.

3. Identify any other additional information or analysis. This may include deeper specific legal review, stakeholder engagement, or coordination with regional partners.

### **Attachments**

1. Economic Development Strategic Plan



# ECONOMIC DEVELOPMENT STRATEGIC PLAN



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## Introduction

The City of Davis' economic development strategic plan ("Plan") is most useful when it's treated as a living guide, not a static document. This reference tool builds a logical progression from understanding why economic planning matters to defining what the City of Davis ("City") could do in this realm and why. In this sense, this document serves as a resource for future decision-making, budgeting, staff work programs, and community communication. It summarizes the comprehensive strengths, weaknesses, opportunities, and threats (SWOT) analysis (the complete analysis is provided in Appendix A). It presents six proposed economic development objectives (or strategies, as the terms are used interchangeably in this document) and a conceptual roadmap for implementation. The six primary strategies, their activities, and performance metrics are the parts of the Plan that staff will implement, track, and report on.

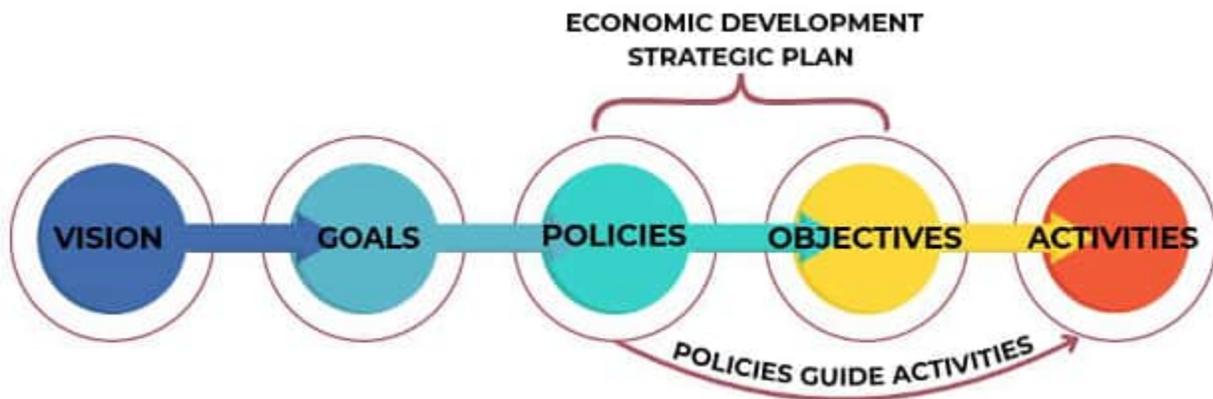
When considered as a whole, this document and its more technical, detailed appendices form a comprehensive plan that the City can use to guide policy decisions, prioritize investments, and coordinate staff efforts. It is designed to evolve as conditions change, but remains grounded in the community's long-term vision for a vibrant, innovative, and sustainable Davis. By keeping the strategy focused instead on time-bound objectives, the City can adapt to changing economic conditions, new opportunities, and emerging challenges without rewriting the entire strategic plan. This keeps the strategic plan relevant over its horizon while enabling staff to refine tactics, allocate staffing resources, and respond to emerging community needs.

Staff is proposing a quarterly website newsletter to keep the public apprised of progress on implementing the Plan. Staff will also continue to report to the public on their economic development activities through the City's budget document. The adopted Fiscal Year 2025-2027 City Budget includes the Economic Development Department's mission, a summary of the department's accomplishments and activities from the previous budget cycle, and the work plan for fiscal years 2025 through 2027. These tasks are interwoven with the detailed strategies and performance metrics in Appendix B.

# Approach

Economic development strategic planning follows a structured process that begins with a vision, which sets the broad, long-term aspiration for the community’s desired future. This vision is then translated into goals that define the specific focus areas needed to achieve it. To ensure consistency and coherence, these goals are supported by guiding policies that establish the principles and frameworks for decision-making. The goals are further broken down into objectives, which are measurable and time-bound targets that make progress tangible and trackable. Finally, the strategies are brought to life through tasks and actions that outline the concrete steps, projects, and initiatives required for implementation, ensuring the overall vision progresses systematically from concept to reality.

**Figure 1. Economic Development Planning Process**



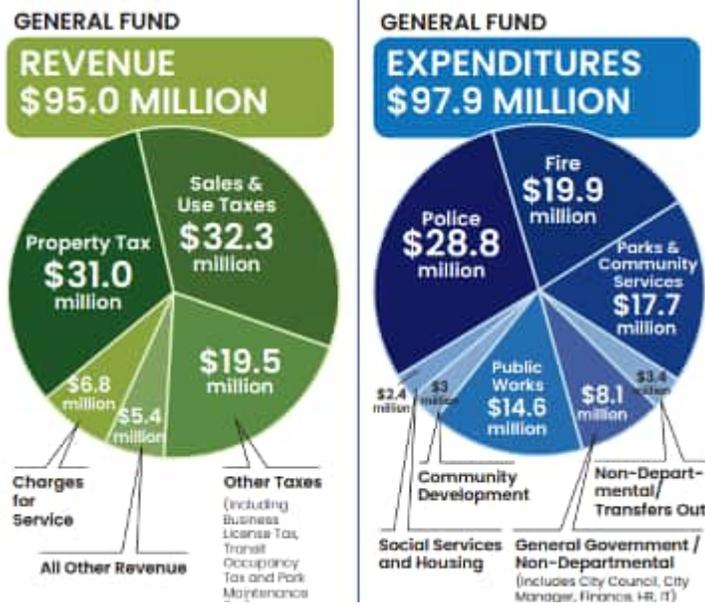
*Figure 1. Economic development planning commences with vision and concludes with day-to-day staff activities (not explicitly provided in this Plan). An economic development strategic plan documents the process and outcomes of the policy and objective-setting phases.*

## Starting with “Growing the Pie”

Growing the property and sales tax base is often the primary reason cities pursue economic development programs and activities. However, despite this being a practical reality, “increasing revenue” doesn’t qualify as a vision statement. This is such a common mistake to use the “grow the pie” construction as the starting point in the economic development planning exercise, some how-to guides and strategy-writing consultants caution against. Thankfully, the City General Plan’s economic development visions, goals, and policies don’t include anything so overt.

The City is best served by tackling the reality reflected in the City’s budget forecasts shown in Figure 2 on the next page. Davis does need additional resources to maintain and enhance its current operations. The City is currently operating with an approximate \$3 million structural

**Figure 2. Fiscal Year 2025-2026 Budget Forecast**



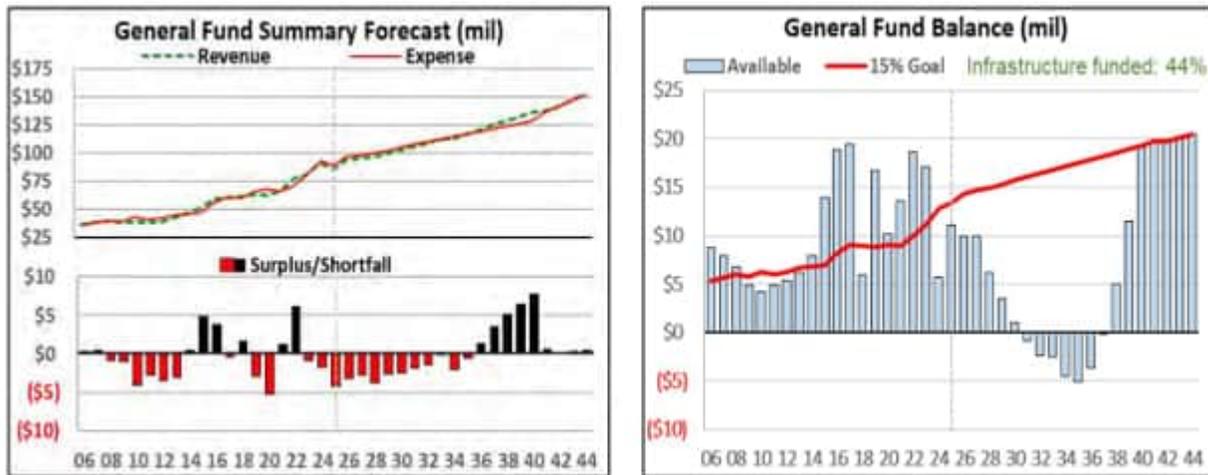
*Figure 2. General Fund projected revenues and expenditures pie charts for this current fiscal year.*

deficit in its General Fund, the City is currently operating with an approximate \$3 million structural deficit in its General Fund, and the budget forecast indicates conditions will worsen in the coming years. The charts in Figure 3 illustrate the projected long-range budget shortfall for the coming fiscal years, with structural shortfalls resulting in a deficit by Fiscal Year 2031.

Since growing revenue is a fundamental component of achieving long-term fiscal stability and maintaining a balanced budget,

economic development is also fundamental. Increasing the City’s revenue base, responsibly and sustainably, is essential to supporting services, infrastructure, and the community’s priorities. The *Davis Economic Development Strategic Plan* is designed to lay the groundwork to do exactly that.

**Figure 3. Long Range Budget Forecasts**



*Figure 3. Both charts indicate that budget shortfalls are projected in the coming years, with deficits occurring in Fiscal Year 2031. This plan aspires to generate higher revenue for the City by 2031.*

## Existing Visions, Goals, and Policies

An economic development vision defines a community's long-term aspirations for a healthy, authentic local economy and guides the policies, programs, and land-use decisions needed to achieve it. Together with supporting goals and policies, it provides the framework for intentional, value-aligned economic development that strengthens local businesses, attracts visitors, encourages innovation, and sustains the community's character.

### Existing Vision Statements

The City's current economic vision statements, contained in the current General Plan, generally aspire to:

- A high quality of life for Davis' individuals, families, and youth, and aims to uphold the community ethic of lifelong learning and contribution
- Foster a safe, sustainable, healthy, diverse, and stimulating environment for all in the community
- Ensure the economic identity focuses on preserving a compact, university-oriented small-city feel and maintaining a strong, pedestrian-oriented, and dynamic downtown
- Features a broad range of services and businesses to meet the daily needs of Davis citizens for employment, shopping, education, and recreation
- Promote economic vitality by fostering a diverse range of business enterprises and equal employment opportunities
- Seeks regional recognition and importance, holding City policy accountable for regional impacts
- Be a regional leader in slow, well-managed growth, agricultural and environmental preservation, and cultural diversity

### Existing Goals

The City's current economic development goals, also in the General Plan, are directly tied to its economic development identity and aspirations for a healthy local economy. Davis treasures its small-city character and highly values its "Main Street" downtown feel and what that means for how the community sees itself.

- Preserve and enhance the downtown version that best aligns with this identity. This means the City's goal is for the downtown to serve as its social, cultural, civic, and entertainment core (as community downtowns nationwide have historically done). It should be recognized as the community's primary retail and business district.
- Attract visitors to Davis. This is tied to both small-city identity and the local economy vision statements. Visitors bring new money into the city limits and its customers to its

commercial districts. They provide an infusion of capital to a community that would not otherwise occur under the “Main Street” economy model, which relies on the circulation of existing local capital. Visitors can help grow existing local commercial districts and expand the population that sustains homegrown businesses.

- Retain existing businesses and encourage new ones to increase higher-paying jobs, diversify the job base, and build a more balanced economy across all segments of the community, while maintaining the City's fiscal and environmental integrity.

## City Council Goals

In line with the 2024-2025 City Council Goals, staff are intentionally engaging in economic development activities. With this direction, business owners and workers have been added to the economic development service population. Arts and culture are recognized as key to stimulating economic growth and enhancing the attributes that make Davis attractive, desirable, and unique. All commercial hubs across the City are acknowledged as being important to the economic vision. Investments in small businesses, start-ups, entrepreneurship, and innovation are identified as key to fostering and leveraging the City's proximity to and partnership with UC Davis.

## Existing Policies

Policies guide the implementation of the economic vision and its associated goals. Economic development policies are the general rules, principles, and guidelines that define the boundaries and standards for future recommendations, actions, and decision-making. When constructed, they should set the limits of what can and should be done to deliver on a vision or goal. They play a crucial role in ensuring the vision and goals are realized in a manner consistent with the intended purpose, while allowing flexibility for those engaged in day-to-day activities and program administration to respond. When framed with external stakeholders, they also provide certainty to outside parties looking to engage with the City.

Both the current General Plan and the City Council's goal of “Stepping up Economic Development Activities” contain policy statements. Here are the policy statements that relate to economic development:

- Increase attractions and amenities that bring people to the Core, including local shopping, services, modest tourism, specialty retail, restaurants, festivals/special events, farmers' market, and entertainment
- Promote Downtown Davis as a shopping destination
- Promote Davis as a destination for visitors interested in eco-tourism, university/academic events and conferences, athletic events, culture and the arts, and downtown shopping

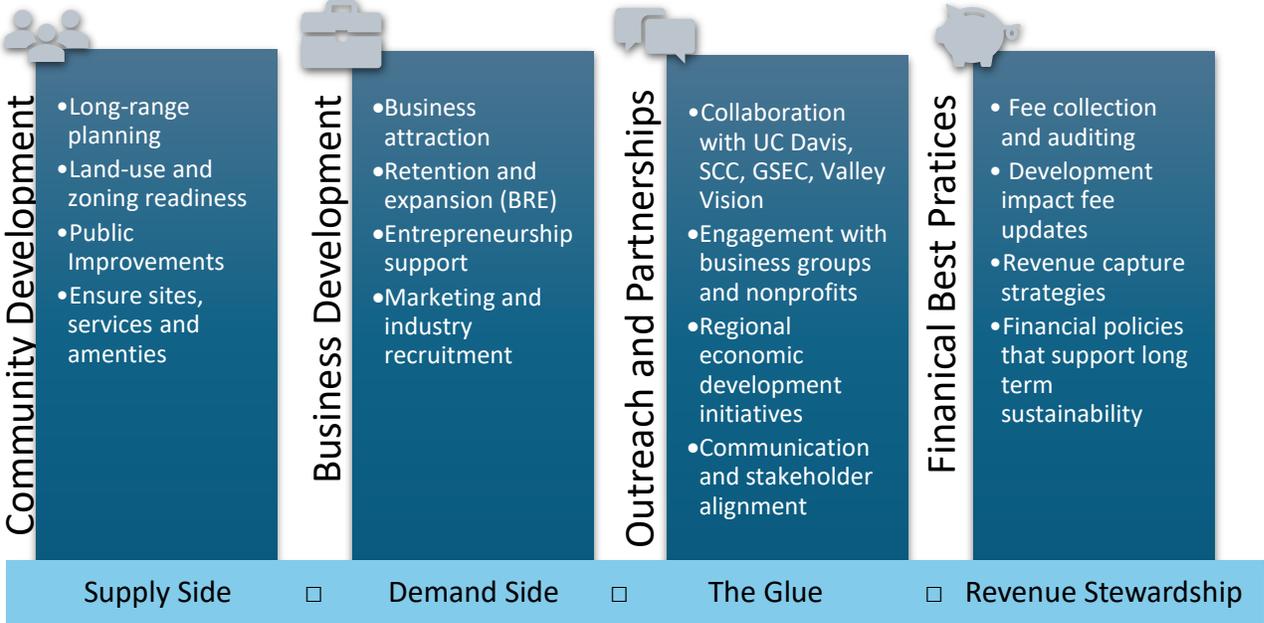
- Adopt policies that make Davis a more business-friendly community and eliminate unnecessary barriers to business
- Encourage new businesses to locate in Davis by targeting those that strengthen the City's fiscal base, align with the City's values and identity, and match the population's employment skills
- Work with other organizations to identify needs and develop workforce and training opportunities in areas the Davis business community has identified as priorities, such as emerging technology and knowledge-based industries
- Continue to support the marketing efforts and expansion needs of the existing automobile dealers in the "Davis Auto Center"
- Engage in sustainable, Davis-appropriate economic development activities
- Ensure business growth aligns with City values and existing plans

# Pillars of Economic Development

The four pillars of city economic development efforts are generally community development, business development, outreach, and financial best practices.

- The community development pillar, not to be confused with the City’s Community Development Department, includes all activities essential to planning that ensure the existing and future needs of a community’s service population are met. It describes the facets of economic development that address supply.
- The business development pillar covers attraction, retention, and expansion activities, as well as entrepreneurial development and marketing. These typically reflect economic development programs and activities that stoke demand.
- The outreach pillar includes developing strong local and regional partnerships and external working relationships with private and public investors. This can be the glue that binds the activities together, the fuel that drives outcomes, and/or the partnership that creates the necessary synergy among the other pillars.
- The fourth pillar, with indirect ties to economic development, is financial best practices. The City’s current financial assets and liabilities are important data inputs for any economic development strategy. Without this information, it is difficult to articulate time-based targets and performance metrics aligned with the economic development objectives.

**Figure 4. Economic Development Pillars: Tasks and Functions**



*Figure 4. The figure captures how each pillar serves the City’s economic development mission, from how the City builds the physical and regulatory foundation, supports businesses that create jobs and drive innovation, and leverages strong connections, to how it maintains quality services and enhances its business reputation, which all make economic activity possible.*

Also, equitable fee collection protects honest businesses, strengthens trust in local government, and sustains the shared resources that enable companies to operate and grow in the community. When the City engages in enforcement or auditing activities and elects to increase charges or revise the price models to include expedited or convenience fees that affect local businesses, these are revenue-capture interventions that influence the business climate.

# SWOT Analysis

A SWOT analysis presents a realistic picture of the local economy, where the City stands in the regional economy and how that aligns with its economic development vision. The complete SWOT analysis is provided in Appendix A.

## Strengths Summary

- **UC Davis as a major economic engine:** The university generates \$13.2B in annual economic activity, supports over 30,000 regional jobs, and drives local demand for housing, retail, services, and research-based business activity, shaping Davis's key market segments and development patterns.
- **Exceptionally well-educated population:** More than 88% of residents have completed at least one year of college, and over 72% of adults hold a four-year degree, far exceeding county and state levels and strengthening the city's talent base.
- **Strong talent attraction for innovation-driven industries:** Companies locate in Davis to access UC Davis faculty, research, and graduates with specialized expertise in agriculture, life sciences, engineering, and related technical fields, supported by the university's top national rankings.
- **High quality of life and strong community identity:** Davis's environmental values, bicycle infrastructure, parks, schools, and arts community contribute to a distinctive sense of place, reflected in high bicycle-commuting rates, top-ranked schools, and the pioneering Davis Farmers Market.
- **Engaged, forward-thinking community:** Davis residents actively participate in civic initiatives, as evidenced by efforts such as the Climate Action and Adaptation Plan and the community-driven Downtown Davis Specific Plan.
- **An attractive housing and retail environment with strong demand:** High home values, strong multifamily occupancy, good transportation access, and stable general retail and neighborhood center performance reinforce Davis's appeal as a place to live, shop, and invest.

## Weaknesses Summary

- **No cohesive economic brand:** Davis lacks a unified economic development brand beyond its UC Davis affiliation, compared with nearby cities like Woodland and Roseville, which have launched coordinated, sector-focused campaigns.
- **Aging and insufficient commercial space:** The office market is dominated by older Class B/C buildings, with only 12% Class A space and no new office projects in the construction pipeline, limiting the city's ability to attract innovation-driven firms.
- **Constrained industrial and flex space supply:** Davis has only 3% of the county's industrial/flex inventory, no new industrial or flex projects planned, and high flex-space vacancy despite strong talent assets, hindering cluster development and startup growth.

- **Limited developable land and weak non-retail tax base:** Very little vacant commercial land is available, no industrial/office/flex properties are for sale, and only 13% of the City’s taxable sales come from non-retail sectors, far below the county’s 40% share.
- **Regulatory and permitting barriers:** The City zoning code relies on more than 250 Planned Development overlays, which further slow and burden a time-intensive permitting process when compared to the region, and the absence of a comprehensive online portal creates uncertainty and delays that deter business investment relative to regional peers.
- **Structural economic challenges:** Population decline, slower job growth, a mismatch between residents’ science, technology, engineering, mathematics (STEM) skills and local job composition, and restrictive housing policies all limit Davis’s ability to capture the economic ripple effects generated by UC Davis.

## Opportunities Summary

- **Harness UC Davis’s research and commercialization engine:** With billions in annual research output, 140+ startups, and \$3.1B in regional startup capital over the past decade, Davis can capture more innovation-driven growth by aligning City strategies with UC Davis’s technology pipeline and targeted industry strengths.
- **Leverage strong alignment with statewide economic priorities:** The 2025 California Jobs First State Economic Blueprint emphasizes innovation, the clean economy, life sciences, and working lands, all areas where Davis already has competitive advantages, creating opportunities to secure state resources, partnerships, and sector-specific investment.
- **Capitalize on regional economic momentum and strategic positioning:** As the Sacramento region grows, Davis can strengthen its role as a hub for talent, research, and high-value innovation by aligning with regional plans such as “We Prosper Together” and by leveraging partnerships with organizations like the Greater Sacramento Economic Council (Greater Sacramento), which has already generated significant local tax revenue.
- **Grow homegrown companies and attract value-aligned high-growth sectors:** Davis’ entrepreneurial ecosystem, illustrated by Inventopia’s diverse startup base, combined with rising national demand for clean energy, biotech, ag-tech, and sustainability-focused industries, positions the city to support organic company growth and attract firms seeking predictable processes, supportive policies, and innovation-friendly environments.
- **Expand the tradable-sector economy through innovation and infill:** Davis can grow high-value industries, such as life sciences, ag-tech research and development (R&D), technical services, and precision manufacturing by aligning land-use policy, infrastructure planning, and business support programs with UC Davis’s research strengths and by encouraging reinvestment and commercial property turnover.
- **Position Davis as a destination for Bay Area spillover growth:** As Bay Area firms seek more affordable and collaborative environments, Davis can modernize zoning, prepare

infrastructure, and update industry strategies to attract innovation-driven companies while reshaping its commercial real estate market to meet future demand.

- **Reduce retail leakage through coordinated planning and recruitment:** By integrating a retail strategy into the General Plan update, aligning zoning with market demand, and engaging retail site selectors, Davis can recapture lost sales tax revenue, strengthen its fiscal base, and support a more complete and resilient local retail ecosystem.
- **Unlock underutilized commercial space through zoning and permitting modernization:** Streamlined development approvals, clearer land-use rules, and proactive infill planning can improve market perceptions, reduce barriers for tenants and developers, and activate office, flex, and R&D sites that are currently too costly or complex to develop.

## Threats Summary

- **Rising competition from nearby cities with lower costs and faster approvals:** Woodland, Sacramento, West Sacramento, Dixon, and Vacaville offer cheaper space, more development-ready land, stronger incentives, and faster permitting, making them more attractive to firms that might otherwise consider Davis.
- **Regional competitors capturing UC Davis–driven innovation without locating in Davis:** Surrounding cities are leveraging UC Davis research, talent, and commercialization activity while offering lower rents, more Class A space, and purpose-built hubs like Aggie Square, drawing R&D and tech firms away from Davis.
- **Student-driven distortions weaken retail recruitment and market clarity:** The large student population skews income, poverty, and spending data, complicating economic analysis and making it harder to attract retailers or influence landlords to reinvest in underperforming properties.
- **Retail imbalance limits Davis’s ability to recapture leakage:** Student-oriented spending patterns and zoning limits on larger retail formats prevent the city from attracting high-value retail categories, contributing to roughly 50% retail leakage to surrounding communities.
- **Housing costs and workforce leakage undermine economic stability:** High housing prices and limited supply push more than 40% of Davis’s workforce to live elsewhere, weakening the local labor pool, reducing daytime spending, increasing regional commuting, and complicating climate and mobility goals.
- **Regulatory barriers and underutilized, innovation-oriented real estate:** High vacancy in flex and R&D space, paired with complex zoning and slow approvals, creates a structural mismatch that discourages innovation-driven firms and allows neighboring cities with more agile regulatory environments to capture emerging industry growth.

# Objectives and Roadmap for 2026-2031

Collectively, these economic development strategies translate the comprehensive SWOT findings in Appendix A into a focused action framework designed to strengthen the local business environment. The four economic development pillars support each of the six primary objectives. Under each of these are strategic objectives, implementation strategies, and performance metrics that are discussed in greater detail in Appendix B.

**Table 1. Primary Strategies and Pillars of Economic Development**

	Community Development	Business Development	Outreach	Financial Best Practices
Strengthen the Local Business Environment and Improve Business Climate	✓	✓	✓	✓
Attract Investment and Grow Key Industries	✓	✓	✓	✓
Support Small Businesses and Local Commerce	—	✓	✓	—
Advance Strategic Development and Infrastructure	✓	✓	✓	✓
Build a Skilled Workforce for the Future	—	✓	✓	—
Foster Collaborative Partnerships	—	✓	✓	—

*Table 7. The table aligns the six primary economic development objectives with the applicable pillars of economic development. All six objectives come under the Business Development and Outreach pillars.*

## Strengthen the Local Business Environment and Improve Business Climate

*To harness its competitive advantages, the City should modernize core processes, strengthen relationships with local employers, and create a more predictable and supportive business environment that enables companies to operate efficiently and invest confidently in Davis.*

- **Implement a coordinated business outreach program** to build strong relationships with local employers, identify challenges early, and mobilize resources that help businesses remain competitive and rooted in the community.
- **Establish an expansion assistance team** to help growing companies navigate permitting, access suitable sites, secure workforce resources, and connect with financing or technical support.
- **Improve the speed, clarity, and transparency of the permitting process** through digital upgrades, clearer requirements, and reduced review times to support project delivery.
- **Ensure timely and accurate collection of fees** to support essential City services, infrastructure, and regulatory functions.

## Attract Investment and Grow Key Industries

*To directly grow its tax base, the City should pursue targeted strategies to attract new investment in key industries, strengthen Davis' position within the regional innovation ecosystem, elevate the City's brand, and expand the entrepreneurial pipeline that fuels long-term economic growth.*

- **Launch a proactive recruitment program** that markets Davis' innovation assets, available sites, and quality of life to targeted industries and retailers supported by incentives and concierge-level assistance.
- **Collaborate with regional partners**, including Greater Sacramento and Valley Vision, to pursue shared economic goals, attract investment, and strengthen the City's role in the regional innovation ecosystem.
- **Develop a unified branding and marketing initiative** that positions Davis as a premier destination for innovation, entrepreneurship, and high-quality living.
- **Strengthen the entrepreneurial ecosystem** by supporting Inventopia, expanding incubators and accelerators, building mentorship networks, and fostering technology transfer, especially in ag-tech, to grow new companies locally.

**Figure 5. Regional Clusters with Competitive Advantages in Davis**



**Precision Manufacturing:**  
Instrumentation, Machinery  
Microelectronics, and Next Gen



**Business Services:**  
Technical and Professional  
Services and Business Admin



**Working Lands:**  
Agriculture, Food and  
Farming Technologies



**R&D:**  
Ag-food, Biotech, Engineering,  
Life Sciences, Nanotechnology

*Figure 5. Greater Sacramento identified four target industries for Davis in its 2025 Market Velocity Report.*

## Support Small Businesses and Local Commerce

*To strengthen Davis' local economy, the City should focus on expanding support for small businesses, enhancing local commerce, and leveraging tourism and placemaking to increase foot traffic and spending. These strategies respond directly to the needs identified in the SWOT analysis and aim to ensure that Davis' small businesses, especially locally owned,*

*legacy, BIPOC-owned, and early-stage firms, have the resources, visibility, and market conditions needed to thrive.*

- **Expand access to training, technical assistance,** capital, and mentorship for small businesses, with a focus on underserved founders and early-stage firms.
- **Collaborate with Visit Davis, UC Davis, cultural institutions,** and business groups to promote Davis as a destination for arts, cycling, events, and campus-related tourism.
- **Work with the Davis Chamber and DDBA** to encourage residents and visitors to support local retailers and service providers, keeping dollars circulating within the community.

### **Advance Strategic Development and Infrastructure**

*To unlock Davis' long-term economic potential, the City should focus on accelerating stalled development, investing in downtown's public realm, modernizing infrastructure to support infill, updating impact fees, and leveraging public assets more strategically. These actions respond directly to the city's constrained commercial land supply, aging building stock, and regulatory barriers identified in the SWOT analysis, positioning Davis to support higher-value land uses, attract investment, and strengthen fiscal sustainability.*

- **Identify entitled but inactive projects,** especially downtown, and work with property owners, developers, and partner agencies to remove barriers and accelerate project timelines.
- **Enhance streetscapes, lighting, landscaping, and public spaces** to create a vibrant, walkable downtown that attracts residents, visitors, and investment.
- **Upgrade utilities, transportation networks, and public facilities in targeted infill areas** to unlock development potential and support higher-value land uses.
- **Conduct a transparent, data-driven review of impact fees** to ensure they reflect true infrastructure costs while remaining competitive enough to encourage desired development.
- **Evaluate underutilized public properties** and determine whether sale, repurposing, or redevelopment would better advance community goals, leveraging the Surplus Land Act where appropriate.
- **Explore opportunities to generate revenue** from public assets, such as leases, digital infrastructure, or adaptive reuse, to support long-term fiscal sustainability.

## Build a Skilled Workforce for the Future

*To ensure Davis remains competitive in a rapidly evolving economy, the City should focus on strengthening partnerships with educational institutions, aligning training programs with industry needs, expanding career pathways, and retaining local talent. These efforts respond directly to workforce leakage, housing pressures, and employer hiring challenges identified in the SWOT analysis, positioning Davis to cultivate a resilient, future-ready workforce that supports the city's innovation-driven economy.*

- **Partner with UC Davis, Sacramento City College, regional workforce boards,** and employers to align training programs with industry needs, support career pathways, and ensure local companies have access to a skilled workforce.

## Foster Collaborative Partnerships

*To accelerate Davis' economic development goals, the City should focus on strengthening collaboration across public, private, educational, and nonprofit partners. By formalizing partnerships, aligning priorities, and leveraging shared resources, the City can amplify its impact, reduce duplication, and foster a more coordinated regional ecosystem that supports innovation, workforce development, small-business growth, and strategic investment.*

- **Pursue collaborative development models** that leverage private investment and expertise to deliver community-serving projects, reduce financial risk, and advance shared goals in housing, innovation, and infrastructure.
- **Deepen collaboration** with the Davis Chamber of Commerce, Downtown Davis Business Association (DDBA), Sacramento City College, UC Davis, and local nonprofits engaged in economic development, such as Inventopia, Valley Vision, and Greater Sacramento, to align priorities, share data, coordinate programming, and advance shared economic development goals.

## Conceptual Implementation Roadmap

Staff has prepared a conceptual roadmap for economic development activities that are consistent with the expanded objectives implementation strategies described in Appendix B. The immediate actions align with the work plan in the Fiscal Year 2025-2027 Budget.



### Immediate Actions (0–18 Months)

*Build foundations, launch quick wins, and establish partnerships*

#### **Strengthen the Local Business Environment and Improve Business Climate**

- Publish permitting timelines, checklists, and guidance
- Create a small-business resource portal
- Conduct a “Business Walk” (business needs assessment)
- Establish vacant storefront registry

- Complete revenue recapture plan for business licenses
- Launch quarterly newsletter

**Attract Investment and Grow Key Industries**

- Launch “Elevate Davis” branding and messaging
- Complete retail shopping center assessment
- Work with the Chamber and DDBA to promote graduation season
- Work with DDBA to activate the Downtown public spaces
- Attend a target industry trade show
- Develop targeted industries and a sustainable projects incentive program
- Hold a real estate roundtable with Greater Sacramento and the Chamber

**Support Small Business and Local Commerce**

- Launch year-round “Shop Local” campaign
- Provide training, workshops, and technical assistance
- Expand outdoor dining and placemaking pilots
- Complete the Davis Chamber Memorandum of Understanding (MOU)

**Advance Strategic Development and Infrastructure**

- Review stalled/entitled projects and identify barriers
- Finalize Downtown public realm financing pre-plan
- Complete inventory of stalled projects
- Complete an asset inventory of underutilized properties

**Build a Skilled Workforce for the Future**

- Complete an MOU with Inventopia

**Foster Collaborative Partnerships**

- Develop a Public-Private Partnership (PPP) framework



**Mid-term Actions (2027–2029)**

*Scale programs, deepen partnerships, and begin major implementation*

**Strengthen the Local Business Environment and Improve Business Climate**

- Implement limited digital permitting upgrades
- Establish permit navigator and concierge services
- Produce the first annual “Business Climate” Report

**Attract Investment and Grow Key Industries**

- Launch “Davis Accelerator” Program
- Launch retail attraction strategy

**Support Small Business and Local Commerce**

- Hosting regular “Small Business Roundtables”
- Launching workforce development activities with partners

**Advance Strategic Development and Infrastructure**

- Resolve project-specific barriers
- Begin phased public realm improvements

**Build a Skilled Workforce for the Future**

- Expand internships, apprenticeships, and work-based learning

**Foster Collaborative Partnerships**

- Publish the first annual “Partnership Impact” Report



## Long-term Actions (2030+)

*Deliver capital projects, sustain programs, and strengthen competitiveness*

### **Strengthen the Local Business Environment and Improve Business Climate**

- Complete full modernization of permitting systems
- Three-year report on fee revenue recapture efforts

### **Attract Investment and Grow Key Industries**

- Launch digital “Invest in Davis” portal

### **Support Small Business and Local Commerce**

- Expand wayfinding, signage, and digital tools to help visitors navigate

### **Advance Strategic Development and Infrastructure**

- Reduce the average entitlement-to-construction start time
- Deliver key downtown revitalization projects

### **Build a Skilled Workforce for the Future**

- Pursue long-term workforce grant funding

### **Foster Collaborative Partnerships**

- Pursue joint grant applications and shared innovation initiatives

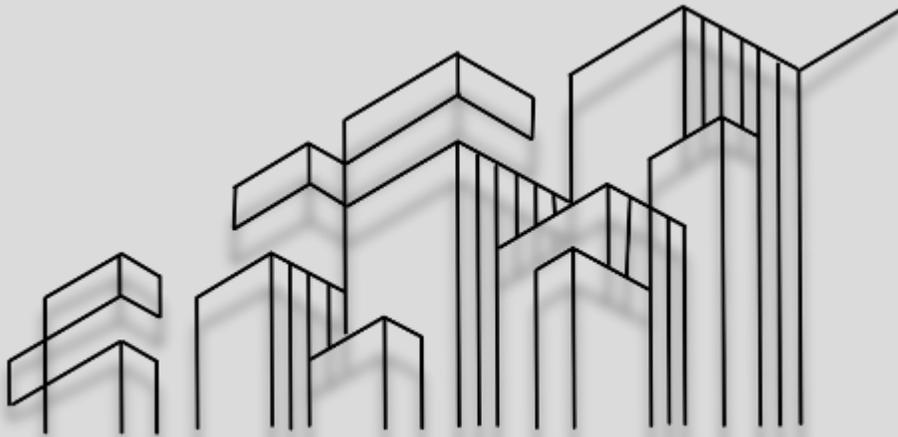
## Conclusion and Next Steps

Economic development relies on a broad mix of policy instruments, land-use and zoning tools, tax and incentive policies, workforce development initiatives, infrastructure investment priorities, business retention and expansion programs, business attraction strategies, and support for innovation and entrepreneurship. Their effectiveness depends on striking the same balance that guides the Plan's goals and vision: ambitious enough to drive meaningful progress, yet realistic enough to be implemented sustainably.

To ensure that any future policies are practical, defensible, and aligned with the City's capacity, staff must consider fiscal impacts, legal constraints, administrative workload, and the level of political support. Because communities cannot implement everything at once, policies play a critical role in helping staff prioritize objectives and activities based on expected impact, cost, time to implement, timing of return, and alignment with urgent needs. For this reason, the Plan presents a conceptual implementation roadmap rather than any new detailed policy prescriptions or a recommended schedule of activities.

To complete the transition from conceptual strategic planning to actionable implementation based on the Plan's contents, the City Council and staff will need to take additional actions, all of which will continue to be reported to the City Council via the budget document and the proposed quarterly newsletter.

# APPENDIX A: SWOT ANALYSIS



## Appendix A: SWOT Analysis

Staff prepared a SWOT (strengths, weaknesses, opportunities, and threats) analysis as part of the economic development planning process because it provides a clear, structured understanding of the City’s economic position during the policy- and objectives-setting phase. By using this approach, staff are striving to propose objectives and strategies grounded in reality. A SWOT analysis helps identify:

- **Strengths** (e.g., skilled workforce, strong university presence, transportation access)
- **Weaknesses** (e.g., aging infrastructure, limited industrial and commercial lands, vacant lands)
- **Opportunities** (e.g., emerging industries, incentives, regional partnerships)
- **Threats** (e.g., competition from nearby cities, market distortions)

When combined, these present a realistic picture of the local economy, where the City stands in the regional economy and how that aligns with its economic development vision. As shown in Table 1, each SWOT element reveals an aspect of the City’s economic development environment and how this information is used during the objective-setting process.

**Table 1. How a SWOT Analysis Informs the Objective- Setting Process**

SWOT Element	What It Reveals About the City’s Economic Development Position	How It Shapes Economic Development Objectives
Strengths	What the City already does well	Objectives build on these advantages
Weaknesses	Internal challenges or gaps	Objectives aim to fix or mitigate them
Opportunities	External trends the City can leverage	Objectives position the City to capture these benefits
Threats	External risks or pressures	Objectives that prepare the City to reduce or avoid harm

*Table 1. The table explains what each SWOT element reveals about the City’s economic development vision and current economic conditions, and how the City’s strengths, weaknesses, opportunities, and threats inform the proposed economic development objectives discussed more fully in Appendix B.*

### Strengths

**S.1- UC Davis is an employment and market driver:** UC Davis’ research ecosystem is one of the Sacramento Region’s greatest economic assets and is a major driver of future employment growth in the greater Davis-Sacramento area and Statewide. The

campus generates more than \$13.2 billion in total annual economic activity, including \$1.5 billion in direct economic output locally. Regionally, the university supports more than 30,000 jobs, including both indirect and induced employment, in the surrounding seven counties that generally comprise the Sacramento region. The campus's economic influence drives demand for housing, retail, services, and research-based business activity locally. Davis has a population of approximately 66,000, of whom 22,800 are students, graduate students, and university employees, including faculty members. According to ESRI "Tapestry Segmentation" market data, this group, along with young, well-educated STEM professionals, comprises the City's three main market and lifestyle segments. These groups' preferences help drive demand for car-free, transit-oriented, sustainable, mixed-use development and retail experiences that can support Downtown revitalization.

**S.2- Highly-educated workforce:** Adjacency to and high-employment rates associated with the university significantly contribute to the high level of education among the City's residents. Residents have some of the highest educational attainment levels in the nation, with more than 88% having completed at least one year of college, and over 72% of residents 25 and older holding a four-year degree, far above the county and state levels.

**S.3- Talent attraction:** Companies are attracted to Davis to take advantage of the talent pool. They may locate here to: work with key university faculty, to hire graduates who come bundled with the technology that a company is looking to leverage, to hire graduates who can provide specific technical expertise concentrated in the health care, agriculture, life sciences, and engineering, or to work with small business professionals offering specific scientific and technical services often indirectly affiliated with the university. According to its website, UC Davis is currently ranked nationally first in agriculture and forestry, second in ecology and evolutionary biology, ninth in civil engineering, and ninth among public universities.

**S.4- Strong quality of life, community identity, and sense of place:** Davis is known for its environmentalism, bicycle culture and infrastructure, amazing parks and trail system, high-quality schools, and thriving arts community, all of which contribute to its overall small-town feel with big-city amenities. These defining qualities show up in measurable ways: in 2023, nearly fourteen percent of Davis residents commuted to work by bicycle, compared with less than two percent in the City of Sacramento and a similar rate statewide; its Davis Joint Unified School District ranks 208<sup>th</sup> out of 1,565 districts in California, and Davis Senior High School ranks 42<sup>nd</sup> out of 2,309 high schools. The Davis Farmers Market, established in 1975 and becoming the state's first certified farmers' market in 1977, helped pave the way for what the California Department of Agriculture now counts as more than 600 certified farmers' markets across the state. Together, these indicators illustrate how Davis's strong quality of life, community identity, and sense of place are deeply rooted in its residents' daily experiences and shared values.

**S.5- Active, progressive community with strong civic engagement:** The City’s culture supports innovation, sustainability, and community participation. The 2020-2040 Climate Action and Adaptation Plan is the result of the City’s and community’s vision to achieve carbon neutrality by 2040. The CAAP showcases these characteristics. Additionally, the Downtown Davis Specific Plan, adopted in 2022, was a community-led effort. The plan was developed through a series of design charrettes, focus group meetings, and other forums, involving more than 300 participants.

**S.6- Attractive place to live:** Because of all the community has to offer, Davis commands high home prices; the median home sale price was \$932,500 in February 2025. Median home prices have been consistently higher in Davis than the rest of Yolo County for years. Multifamily rents and occupancy remain strong, above those in the rest of Yolo County, indicating robust demand in the local rental market.

**S.7- Good transportation and location advantages:** Interstate 80 and State Highway 113 pass through the City. Davis is a 20-minute drive from Sacramento International Airport via Interstate 5, only 11 miles away. Amtrak and Capitol Corridor Passenger Rail services stop in Davis and provide daily service between the Sacramento region and the Bay Area. In 2024, this route surpassed one million riders, generating over \$25.2 million in revenue according to Amtrak.

**S.8- Moderately attractive general retail and neighborhood center locations:** Davis, in particular, the Downtown, is a retail and dining destination in Yolo County. Overall, the retail vacancy rates have remained relatively low over the past eight years for two specific retail types: general retail and neighborhood centers. General retail accounts for 55% of the City’s retail space; the largest retail configuration type appears to be concentrated in Downtown and its peripheral areas. This type comprises local shops offering unique products and services, as well as restaurants, cafes, and other eateries. It is typically a mix of retail stores, often featuring larger chains alongside smaller independent businesses, that rely on shared parking rather than exclusive-use parking. As of 2024, the general retail vacancy rate was slightly higher than that of the greater Sacramento metro area. The next-largest by square footage retail type, neighborhood centers, accounts for forty-three percent of the City’s retail space. This type of outdoor center typically employs a straight-line strip layout, features one anchor store, exceeds 30,000 square feet, and serves the population within a 3-mile radius. As of 2024, the neighborhood market vacancy rate was roughly equivalent to that of the greater Sacramento area. Since 2024, the 12-month net absorption rate has turned positive, driven by the opening of the Davis Collection, the newest neighborhood shopping center in the City. Market asking rents for all retail spaces are trending downward, in line with the rest of the Sacramento market.

## Weaknesses

**W.1- Lack of an established and cohesive economic identity:** Davis lacks a clearer, unified economic development brand, beyond its proximity to the university, and is late to the process of establishing one based on its competitive advantages in the agriculture, food, life sciences, and engineering arenas. The contrast becomes clear when comparing nearby cities that have already built coordinated, sector-focused campaigns, underscoring that Davis's absence of a unified economic development brand leaves it without the same clarity of identity or strategic positioning. The city of Woodland's Food Front, launched in 2020, is an economic development campaign led by the city in partnership with its 190+ food and agricultural businesses. The city of Roseville's Envision Roseville encapsulates the city's entrepreneurial ecosystem, with the Growth Factory partnership at its center. This partnership led to the opening of the Roseville Venture Lab in 2022.

**W.2- Majority of office building stock is older, lower quality spaces:** Davis's office inventory is dominated by older Class B and C buildings, with only twelve percent of its space qualifying as Class A, an imbalance that limits the city's ability to attract headquarters-level tenants and innovation-driven firms seeking high-quality, amenity-rich environments. While approximately 19,000 square feet of new office/commercial space has been approved, none of it is currently moving through the construction pipeline, further constraining the city's capacity to meet modern market expectations.

**W.3- Fair-to-weak demand for the industrial and office market:** Over the past eight years, the overall net absorption of industrial/flex and office space was negative, but has been improving slightly since 2024. Asking rents for spaces have declined only slightly from 2024 to date, but remain higher than in Yolo County. Market asking-rent growth forecasts indicate that industrial and office rents will remain stagnant over the next eight to twelve quarters. Flex space rents are expected to remain relatively stable throughout this transition, with little change to current prices, despite high vacancy rates. Class A office rents are expected to increase after eight quarters, whereas Class B and C rents are expected to remain stagnant.

**W.4- Constrained supply of industrial space impeding cluster development:** Davis faces constraints on available office and industrial land, limiting retention, expansion, and attraction efforts. The City had just over 3% of the County's inventory of industrial/flex space, the type most aligned with the needs of university-adjacent start-ups and smaller supporting companies in the City's targeted industries. There is currently no industrial or flex space under construction in the City, nor any proposed within the next two years that will be made available for commercial enterprise use.

**W.5- Underutilized flex space despite strong economic indicators:** As of the third quarter of 2025, commercial flex space makes up approximately 55% of the total

industrial building stock in the City. Despite the City's strong talent base and potential to host university spinoffs, its flex space has a 24% vacancy rate. However, the research and development space, a subtype of flex space, is lower than the office vacancy rate.

**W.6- Limited inventory of vacant, developable land for commercial non-retail activities:** In addition to the 19,000 square feet of entitled vacant commercial land, there is currently no industrial, office, or flex space for sale. As of January 2026, approximately 60,000 square feet of industrial space, 23,000 square feet of flex space, and 3,000 square feet of office space are available for lease. With very limited build-to-suit locations, this will impact the types of small businesses that can be attracted to the City. Small Business Administration loans, particularly SBA 504 loans, require an owner-user structure in which the small business purchases or builds the building in which it operates.

**W.7- Lack of non-retail establishments generating sales tax:** In comparing the taxable sales generated in the City versus in Yolo County in 2024, only 13% of the sales tax paid to the City is from non-retail sales categories in comparison to little more than 40% paid to the County. This data suggests that the County has more business-to-business sales that generate taxable sales than the City does.

**W.8- Stagnant demand for retail strip centers:** A strip shopping center typically has linear storefronts, with a convenience store or mini mart as the anchor, with access occurring along a street-facing parking lot. Cohesive facades and canopies may be used to connect store fronts of the tenants at the center. The average strip center size is 10,000-15,000 square feet and serves the population within a 1-mile radius. Over the past 18 months, strip retail centers have experienced vacancy rates three times higher than the greater Sacramento metro region, with no signs of improvement.

**W.9- Slight population decline and slower job growth than the region:** The City's population declined since 2019 by almost three percent, worse than Woodland, West Sacramento, Yolo County, the Sacramento Region, and the State. Job growth since 2020 has been over three percent, which is below that of the City's peers in the region.

**W.10- Mismatch between residents' skills and local jobs negatively impacting economic ripple effects:** Local jobs are concentrated in retail, food service, and healthcare, while residents' skill sets are concentrated in STEM and education. As of 2024, ESRI reported an estimated 19,586 jobs in the City, with 4,912 in retail trade and 2,142 in the professional, scientific, and technical services industry. In 2019, the Economic Policy Institute reported on updated employment multipliers for retail jobs: for every 100 retail jobs, 46.7 supplier jobs and 75.4 induced jobs were created, while for every 100 professional, scientific, and technical services jobs, 142.1 supplier jobs and 276.2 induced jobs were created.

**W.11- Strict housing supply constraints negatively affect economic productivity:** The City lacks an adequate land supply to implement solutions that address the employment skills mismatch and weaker multiplier effects: improving housing affordability to accommodate the influx of workers, or attracting businesses that align with residents' skill sets to reduce the export of their talent to other businesses in the region. This challenge aligns with a larger economic mechanism identified in the research literature, which shows that housing constraints in productive cities systematically reduce their ability to convert talent and innovation into broad-based economic gains. In a 2019 paper, Hiseh and Moretti describe an economic construct that applies to Davis. The authors show that when high-value or high-producing cities adopt restrictive housing policies, these policies deter workers from relocating, which in turn reduces local employment growth, inflates housing costs, and lowers overall economic output. For Davis which is home to a world renowned research university with strong innovation assets, and highly talented workforce, the City's tight growth controls and limited housing supply appear to have operated exactly as the model predicts: they cap the number of workers and firms who can participate in the local economy, push up rents, force Davis-based employees and graduates to live elsewhere, and ultimately reduce the city's ability to translate its knowledge-based strengths into broader economic growth.

**W.12- Difficult to navigate zoning policies and practices:** Zoning controls the density and intensity of development, affecting infrastructure capacity and service availability. Restrictive zoning can limit potential growth, while well-designed, easy-to-navigate regulations foster economic diversification and vitality. The City controls its zoning primarily through Planned Development (PD) overlays. There are over 250 PD overlays for the City. This is by far the greatest number in the region. The City of Sacramento has twenty to twenty-five, depending on how they are classified. The City of West Sacramento has nineteen. The city of Elk Grove has eleven. The City of Roseville has three. Folsom has 0 to 2 overlay districts, depending on classification, and primarily uses straight zoning to regulate land uses, as does the City of Woodland, following the adoption of a single comprehensive zoning document in 2024.

**W.13- Slow, uncertain, and cumbersome permitting processes:** Davis' strong community engagement, environmental review culture, careful-growth approaches, and resultant permitting processes can lengthen approval timelines, which some businesses view as a barrier. Table 2 below shows the plan review timelines and processes for various cities in the Sacramento region. Note, the initial review period begins only after payments have been received and processed. In Davis, the absence of an online portal and direct payments can add up to 15 additional business days to the initial review timeframe. Online payments can be processed only after the permit number is issued and only for payments under \$1000. Permit numbers are issued manually by staff. All cities listed, except Woodland and Davis, require permits to be filed electronically through their portals, which allow applicants to track the application's progress step by step. Factors that impact turnaround time include completeness of the permit

application and responsiveness to comments. According to a nationwide survey of 50 major cities, about one-third of applications are rejected for incompleteness, and each resubmission can add up to four weeks to the permit-issuance horizon. Based on the survey's ranking system, Woodland and Davis would be classified as slower-processing, while Roseville, Elk Grove, and Sacramento would be considered mid-range.

**Table 2. Project Plan Review Timelines and Processes**

City	Online Permit Portal	Online Payments	Initial Review (Days)	Resubmission Review (Days)	Average New Const. Building Permit Issuance	Expedited Review	Published Time, FAQs & Processes
Rancho Cordova	Yes	Yes	10-15	10	N/A	No	Partial
Woodland	No	Yes	15	5 -10	3 months	No	Yes
West Sacramento	Yes	Yes	10	10	N/A	No	Partial
Elk Grove	Yes	Yes	10	7	N/A	Yes	Partial
Roseville	Yes	Yes	10-15	10-15	1 month	Yes	Yes
Sacramento	Yes	Yes	15-20	15-20	1-2 months	Yes	Yes
Folsom	Yes	Yes	10-20	10-20	1 month	No	Yes
Davis	No	Partial	10-15	10-15	4-5 months	Yes	Partial

*Table 2. The table compares and contrasts permitting timelines and other data relevant to capturing the development approval process from cities located through the Sacramento area, including Davis. The information is sourced from each city's website, from [www.permitplace.com](http://www.permitplace.com) or was self-reported.*

**W.14- Constrained positive fiscal and economic impacts from UC Davis:** In the 2025 UC Davis economic and fiscal impact analysis, Economic & Planning Systems, Inc. (EPS) concludes that the City receives a positive direct net fiscal impact of approximately \$4.8 million from the university; however, this number is roughly equivalent to the net impact to Yolo County. According to EPS, the economic multiplier effects on the City are limited by the relatively small size of the Davis economy, with almost all indirect and induced effects flowing to the region. Indirect impacts are the ripple effects that occur after the initial economic activity. For example, businesses that receive direct spending may make additional purchases from their suppliers, creating additional activity across the supply chain. Induced effects capture how households spend the income earned through direct and indirect employment. According to EPS, Davis lacks a sufficiently robust local economy to recapture the fiscal and economic benefits that flow from the university to the region.

## Opportunities

**O.1- Leveraging UC Davis' research ecosystem for innovation-driven growth:** The Market Velocity Report highlights that Davis' future economic growth can be based on

harnessing UC Davis research and technology commercialization. The City's proposed targeted industries align with its workforce and UC Davis's strengths. The university generates billions in research output and has produced 140+ startups and \$3.1B+ in startup capital regionally over the last decade. The City can take actions to capture this activity locally.

**O.2- Capitalizing on alignment with the California Jobs First State Economic Blueprint:**

Davis is well-positioned to capitalize on broader statewide economic strategies that emphasize innovation, tradable-sector growth, and workforce development. The California Jobs First State Economic Blueprint provides Davis with a strong statewide framework that directly reinforces the City's economic strengths and strategic direction. The Blueprint emphasizes building on California's "one-of-a-kind innovation, research, and educational ecosystem" and its "diverse and skilled workforce," both of which are core assets for Davis, home to UC Davis. It identifies strategic sectors such as the clean economy, high-tech, life sciences, and working lands and water, all of which align with Davis's existing and emerging industry clusters in ag-tech, biotech, food systems, and environmental innovation ([jobsfirst.ca.gov](http://jobsfirst.ca.gov)). Because the Blueprint is built on regional strategies and aims to "create, attract, and ensure access to good-paying jobs for all Californians" through bottom-up, region-driven planning, Davis is well-positioned to leverage state investment, regional collaboration, and sector-specific initiatives. This alignment creates a significant opportunity for Davis to secure resources, strengthen partnerships, and accelerate growth in sectors where it already has a competitive advantage

**O.3- Capitalizing on regional economic momentum and alignment with regional plans:**

The Sacramento region is experiencing significant economic momentum, with rising investment, population growth, and an expanding innovation ecosystem. Davis can position itself as a key node within this regional network as a hub for talent, research, and high-value innovation that complements the region's broader economic strengths. As the region grows, demand for research partnerships, skilled workers, and innovation-ready sites will increase. Davis' proximity to the state capital, its research university, and its highly educated workforce confer a competitive advantage, enabling it to capture a larger share of this regional growth.

This opportunity is reinforced by the "We Prosper Together" regional plan, which emphasizes inclusive economic growth, innovation capacity, workforce development, and sector-based strategies across the Sacramento region. The plan calls for strengthening regional clusters, expanding pathways into high-skill industries, and improving cross-jurisdictional collaboration. These are all areas in which Davis is already well-positioned, owing to its research assets, entrepreneurial ecosystem, and strong partnerships with UC Davis. By aligning with this regional framework, Davis can leverage shared resources, attract state and federal investment, and amplify its role as a driver of regional innovation.

A 2018 Brookings Institution report similarly recommends that the Sacramento region focus on strengthening competitive tradable industries, building innovation ecosystems connected to UC Davis, developing a skilled labor force, improving goods-movement and commuter infrastructure, and ensuring transparent local governance. Tradable goods and services can be sold and consumed outside of the region they are produced. The City's existing economic vision and partnerships already reflect these priorities. Since 2010, Davis has been a member of Greater Sacramento, gaining access to regional economic development resources, data, and business leads. Over the past decade, the City's \$269,243 investment in the organization has generated an estimated \$2.31 million in local tax revenue. Greater Sacramento's analysis further validates Davis's authentic strengths in life sciences, R&D, agri-food tech, and professional and scientific services, indicating that targeted growth in these tradable sectors aligns naturally with both regional strategies and Davis's own economic identity.

**O.4- Strengthening existing business cultivation and organic company growth:** Davis has a strong foundation for "economic gardening," the strategy of nurturing homegrown companies and supporting early-stage firms that naturally emerge from the local talent base, which leverage but don't rely exclusively on UC Davis. The only Davis-based incubator, Inventopia, illustrates this advantage: they report that only about 40% of its firms are based on UC Davis intellectual property. In comparison, roughly 20% originate from other academic institutions seeking collaboration opportunities in Davis. The remaining 40% were founded by Davis residents or entrepreneurs who relocated specifically to hire local talent. This mix indicates that Davis is not solely dependent on university spinoffs; it is a place where companies form organically, driven by the city's skilled workforce, research culture, and quality of life. By strengthening business retention, providing targeted support for startups, and expanding the infrastructure that helps small firms scale, Davis can capture more of this natural entrepreneurial energy and convert it into sustained economic growth.

**O.5- Expanding value-aligned business attraction of high-growth sectors that already want to be here:** Davis is uniquely positioned to benefit from national and global growth in clean energy, biotech, food systems, ag-tech, and other sustainability-driven industries. The City's identity, rooted in environmental stewardship, scientific excellence, and innovation, aligns naturally with UC Davis' world-class strengths in life sciences, agriculture, veterinary medicine, and environmental technology. This alignment provides a credible platform for Davis to attract and grow companies in rapidly expanding sectors that command high wages. By leveraging UC Davis research, talent pipelines, and commercialization pathways, Davis can become a leading hub for sustainable technologies and next-generation food and health innovations if it addresses the barriers that prevent businesses from locating there.

**O.6- Expanding business attraction through incentives for high-growth sustainable sectors:** The Greater Sacramento's Market Velocity Report highlights that companies in sustainable sectors across all industry sectors are increasingly seeking communities

that offer predictable processes, supportive policies, and targeted incentives. Davis has an opportunity to strengthen its competitiveness by deploying tools such as infrastructure-ready sites, expedited permitting for sustainability-aligned projects, flexible zoning for R&D and clean-tech uses, and financial incentives that reduce upfront costs for firms developing climate-positive technologies. The report also notes that innovation-oriented companies respond strongly to local incentives that lower risk, such as fee reductions, tax-increment strategies, and partnerships that help firms access federal and state clean-energy funding streams.

**O.7- Expanding Davis’s tradable-sector economy through innovation, infill development, and strategic business growth:** Davis is well-positioned to significantly expand its tradable-sector economy, industries that generate higher wages, export revenue, and long-term economic resilience. The City has authentic competitive strengths in life sciences, technical services, ag-tech R&D, and precision manufacturing R&D, all of which align with UC Davis’s globally recognized research output, patents, and commercialization activity in agricultural and biological sciences. This creates a strong foundation for attracting or growing firms that compete in national and global markets.

At the same time, Davis has an opportunity to encourage commercial property turnover and reinvestment through tools such as SBA financing and new property tax valuations, which can help emerging companies secure space and scale locally. While infill development can be challenging and cost-prohibitive, the City’s upcoming General Plan update and impact-fee modernization position Davis to take a more proactive role in master-planning sites, reducing barriers and creating predictable pathways for innovation-oriented development. By aligning land-use policy, infrastructure planning, and business support programs, Davis can capture more of the high-value economic activity generated by its research university and convert it into sustained local prosperity.

**O.8- Preparing for future market conditions as Bay Area pressures shift:** Davis’s limited supply of modern Class A office space positions the city to strategically reshape its commercial real estate market in anticipation of shifting regional demand. As market conditions evolve and the Bay Area’s innovation pipeline continues to generate new companies seeking more affordable, accessible, and collaborative environments, Davis has an opportunity to position itself as a strategic landing spot. The Greater Sacramento’s business plan anticipates increased spillover demand from Bay Area firms looking for expansion space, workforce access, and lower operating costs. By planning now through zoning updates, infrastructure readiness, and targeted industry strategies, Davis can attract future waves of innovation-driven companies that are priced out of, or seeking alternatives to, the Bay Area. This forward-looking approach enables Davis to benefit from regional economic shifts rather than react to them, while simultaneously modernizing its office inventory to meet the expectations of the firms it seeks to attract.

**O.9- Addressing retail leakage through a coordinated Economic Development Strategy and General Plan update:** Davis can seek to recapture retail spending that currently leaks to surrounding communities by integrating targeted retail strategies into land-use planning documents. The City’s highly educated population, strong household purchasing power, and steady daytime population create a solid foundation for a more balanced retail ecosystem. By planning for appropriately scaled commercial sites and aligning land-use policies with market demand, Davis can attract businesses that meet resident needs and reduce the outflow of sales tax revenue. A coordinated approach that integrates market analysis, zoning updates, and a consultant-led retail business recruitment strategy would enable Davis to strengthen its fiscal base, enhance local quality of life, and ensure that retail growth complements the City’s broader economic vision. Additionally, it could create a positive pressure environment on retail landlords to invest in their properties. Successfully addressing this requires a heretofore unseen level of engagement with retail site selectors, but it could yield a more resilient and complete local economy through long-range planning.

**O.10- Modernizing zoning and development processes to unlock underutilized commercial (non-retail) space:** Davis has a significant opportunity to strengthen its economic competitiveness by modernizing its zoning policies and streamlining development approvals. Tenant and broker feedback consistently points to complex, unpredictable, and time-consuming processes as barriers to investment, while large portions of the City’s office, flex, and R&D space remain underutilized. By leveraging the General Plan update and impact-fee modernization to clarify land-use rules, simplify permitting pathways, and proactively plan for infill development, the City can reposition its commercial real estate market and make Davis more attractive to innovation-driven firms. Strategic zoning and infrastructure planning reforms, paired with targeted marketing and business-support programs, would improve market perceptions, reduce friction for tenants and developers, and unlock sites that are currently too costly or cumbersome to develop. This creates a major opportunity for Davis to capture new investment, support business expansion, and better align its built environment with its economic goals.

## Threats

**T.1- Intensifying competition from nearby cities with lower costs and faster development processes:** Nearby cities such as Woodland, Sacramento, West Sacramento, Dixon, and Vacaville continue to pose a competitive threat by offering lower-cost industrial and office space, larger inventories of development-ready land, and more aggressive incentive packages. Many of these jurisdictions also offer faster, more predictable, and more business-friendly development-approval processes, thereby making them more attractive to companies seeking to expand or relocate. As these

cities streamline permitting, invest in infrastructure, and actively market themselves to high-growth industries, Davis risks losing prospective employers and investment to neighboring communities that can deliver sites, approvals, and incentives more quickly and at lower cost.

**T.2- Regional competitors leveraging UC Davis research without locating in Davis:**

Nearby cities are increasingly positioning themselves to capture the economic value generated by UC Davis research, technology commercialization, and talent without needing to be physically located in Davis. Communities such as Woodland, Sacramento, West Sacramento, Dixon, and Vacaville offer lower industrial and office rents, more Class A office space, larger inventories of development-ready land, and more aggressive incentive programs, making them attractive alternatives for R&D- and technology-oriented firms. Emerging hubs like Aggie Square further intensify this competition by providing purpose-built facilities and streamlined development environments that appeal to companies seeking proximity to UC Davis expertise. As these jurisdictions continue to invest in innovation infrastructure and business-friendly policies, Davis risks losing firms that would otherwise consider locating in the city but can remain connected to the university's sphere of influence from more cost-competitive locations.

**T.3- Student-driven distortions in economic and market indicators:** The large student population significantly distorts Davis's economic indicators, making the city appear less economically healthy than it truly is. This could prove challenging to overcome, even with a comprehensive retail recruitment strategy and a City presence at retail marketing conferences. Median household incomes look lower, poverty rates appear higher, and housing affordability metrics seem worse because student households are counted alongside long-term residents. Retail spending patterns are also skewed, with student demand concentrated in categories such as food service, groceries, entertainment, personal services, and non-car mobility sellers. This creates a retail environment that may be overly tailored to student preferences, contributing to Davis's overperformance in dining and nightlife compared to similarly sized Yolo County cities. These distortions can complicate economic analysis, obscure the true spending power of non-student households, and make it more difficult for the City to attract retailers and employers that rely on accurate market data or to apply positive pressure on landlords who may not see the value in improving their vacant or underutilized retail spaces.

**T.4- Student-driven retail imbalance limits the city's ability to recapture retail leakage:**

Davis's large student population creates a retail market that is heavily skewed toward food service, groceries, entertainment, and convenience spending, while generating very little demand for high-value retail categories such as home furnishings, home improvement goods, and major appliances. These categories are typically served by big-box retailers, which Davis has historically discouraged through zoning limits on stores over 40,000 square feet, forcing residents and some businesses to shop in surrounding cities. This structural imbalance makes it difficult for Davis to recapture its

roughly fifty-percent retail leakage, because student spending patterns differ significantly from the needs of long-term residents and local employers. Without adjustments to zoning, land-use policy, or an owner-occupied-centric retail-attraction strategy, the City risks continuing to lose substantial sales tax revenue to neighboring communities that can accommodate larger or more diverse retail formats. Even with these approaches, it may be difficult to change established shopping habits substantially.

**T.5- Housing costs and regional commute patterns undermine Davis’s workforce, local spending, and sustainability goals:** High housing costs and limited supply continue to push a large share of Davis’s workforce to live outside the city, weakening the local labor pool, reducing local spending, and increasing vehicle miles traveled. The General Plan background reports note that more than sixty percent of people who work in Davis live elsewhere, and a significant share of Davis residents commute out of the city for work, creating a two-way flow that strains regional transportation systems. The reports further highlight that Davis experiences some of the highest per-capita bicycle use in the region but still relies heavily on regional auto commuting, contributing to congestion, greenhouse gas emissions, and infrastructure wear. These patterns make it harder for local employers to attract and retain workers, reduce the economic benefits of daytime spending, and complicate the City’s ability to meet climate and mobility goals. Without interventions to improve housing affordability, expand workforce-appropriate housing, and reduce commute dependency, Davis risks deepening these structural challenges.

**T.6- Housing constraints limit workforce growth, yet expanding supply conflicts with agricultural preservation and working-lands priorities:** Davis faces a structural threat in the form of high housing costs and limited land supply, which push workers to live elsewhere, weaken the local labor pool, reduce local spending, and increase regional traffic and emissions. However, addressing these constraints is uniquely challenging in Davis because expanding the housing supply would require converting agricultural land, a core community value and a defining feature of Davis’s identity. Agricultural preservation is not only culturally important but also economically strategic: the Market Velocity Report identifies working lands, food systems, and ag-tech as key regional industry clusters, meaning that farmland itself is part of the region’s competitive advantage. This creates a difficult tension: the city must retain its agricultural heritage and protect working lands while also confronting the economic consequences of constrained housing. Without a path to reconcile these competing priorities, Davis risks continued workforce leakage, reduced economic productivity, and diminished ability to support the innovation ecosystem anchored at UC Davis.

**T.7- Long-term economic stagnation driven by workforce leakage, population decline, and limited capacity for growth:** Davis faces a compounding threat in which high housing costs, limited land supply, and strict growth controls contribute to a shrinking resident population and slower job growth than the rest of the region. As more workers are priced out and forced to live elsewhere, the city loses not only local spending but

also the demographic stability needed to sustain a vibrant economy. This erosion of the resident workforce makes it harder for local employers to expand, discourages new firms from locating in Davis, and reduces the city's ability to support innovation-driven industries anchored by UC Davis. At the same time, the community's commitment to agricultural preservation and the strategic importance of working lands in the regional economy constrain Davis's ability to add housing or employment land, limiting the city's capacity to reverse population decline or compete for new jobs. Together, these pressures create a long-term risk of economic stagnation if the city cannot find a balanced path that supports both growth and preservation.

**T.8- Persistent under-utilization of innovation-oriented real estate due to market misalignment and regulatory barriers:** High vacancy rates in Davis's flex and R&D space, approximately twenty-four percent across all flex types, signal a deeper structural mismatch between what the market needs and what the City's regulatory environment currently allows. These underutilized spaces reflect supply-side barriers, including complex zoning, limited flexibility for modern R&D uses, and slow or uncertain approval processes. As the Market Velocity Report emphasizes, regulatory friction must be resolved before business-attracting efforts can succeed, because firms in high-growth sectors will not invest in markets with high entitlement risk or unpredictable timelines. If Davis does not address these constraints, the city will continue to miss opportunities to capture innovation-driven companies, allowing neighboring jurisdictions with more agile regulatory frameworks to absorb the region's growth in clean tech, ag-tech, biotech, and other emerging industries.

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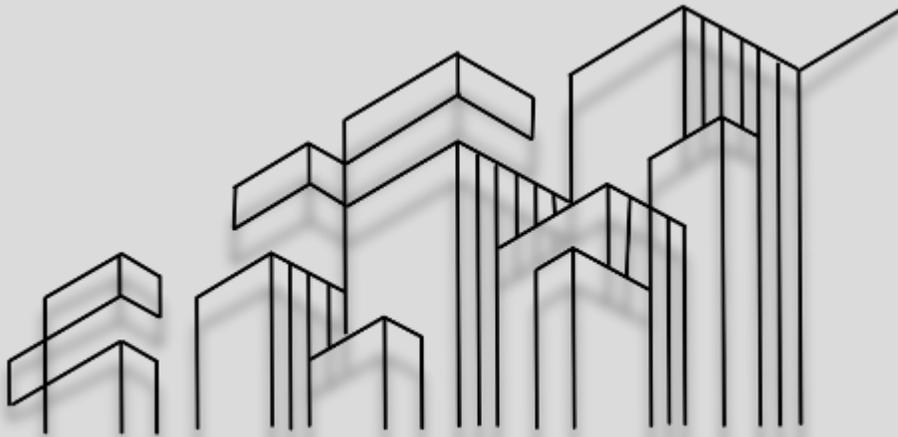
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# APPENDIX B: DETAILED STRATEGIES AND PERFORMANCE METRICS



## Appendix B: Detailed Strategies and Performance Metrics

Aligning the strategic objectives with the SWOT analysis findings ensures that the City's economic development strategy is grounded in real conditions and responsive to the community's most pressing needs. By directly linking objectives to identified strengths, weaknesses, opportunities, and threats, the Plan transforms analysis into action—leveraging what Davis does well, addressing structural challenges, capitalizing on emerging opportunities, and mitigating external risks. This alignment creates a clear, evidence-based rationale for each objective, strengthens accountability, and provides a coherent roadmap for decision-making and resource allocation. Table 1. on the next page presents the alignment of the proposed primary objectives with the SWOT analysis findings described in Appendix A.

Table 1. SWOT and Primary Objectives Crosswalk

	Objective 1 Strengthen Local Business Environment	Objective 2 Attract Investment & Grow Key Industries	Objective 3 Support Small Businesses & Local Commerce	Objective 4 Advance Strategic Development & Infrastructure	Objective 5 Build a Skilled Workforce	Objective 6 Foster Collaborative Partnerships
Strengths						
S.1	✓	✓	✓	✓	✓	✓
S.2	✓	✓	—	—	✓	✓
S.3	✓	✓	—	✓	✓	✓
S.4	✓	✓	✓	✓	—	✓
S.5	✓	—	✓	✓	—	✓
S.6	✓	✓	✓	✓	—	—
S.7	✓	✓	✓	✓	—	—
S.8	✓	✓	✓	✓	—	—
Weaknesses						
W.1	✓	✓	✓	✓	—	✓
W.2	✓	✓	—	✓	—	—
W.3	✓	✓	—	✓	—	—
W.4	✓	✓	—	✓	—	✓
W.5	✓	✓	—	✓	—	✓
W.6	✓	✓	✓	✓	—	✓
W.7	✓	✓	✓	—	—	—
W.8	✓	—	✓	✓	—	—
W.9	✓	✓	✓	✓	✓	✓
W.10	✓	✓	—	—	✓	✓
W.11	✓	✓	—	✓	✓	✓
W.12	✓	✓	✓	✓	—	✓
W.13	✓	✓	✓	✓	—	✓
W.14	✓	✓	—	✓	—	✓
Opportunities						
O.1	✓	✓	—	✓	✓	✓
O.2	✓	✓	—	✓	✓	✓
O.3	✓	✓	—	✓	✓	✓
O.4	✓	✓	✓	✓	✓	✓
O.5	✓	✓	—	✓	✓	✓
O.6	✓	✓	—	✓	—	✓
O.7	✓	✓	✓	✓	—	✓
O.8	✓	✓	—	✓	—	✓
O.9	✓	✓	✓	✓	—	✓
O.10	✓	✓	✓	✓	—	✓
Threats						
T.1	✓	✓	✓	✓	—	✓
T.2	✓	✓	—	✓	—	✓
T.3	✓	✓	✓	—	—	—
T.4	✓	✓	✓	✓	—	—
T.5	✓	✓	✓	✓	✓	✓
T.6	✓	✓	—	✓	✓	✓
T.7	✓	✓	✓	✓	✓	✓
T.8	✓	✓	—	✓	—	✓

Table 1. This table cross-references the SWOT findings by number with the six primary economic development objectives.

## Objective 1: Strengthen the Local Business Environment and Improve Business Climate (through 2031)

*Building on the indicators identified in the SWOT analysis, the City should advance targeted strategies under Objective 1 to modernize core processes, strengthen relationships with local employers, and create a more predictable, transparent, and supportive business environment that enables companies to operate efficiently and invest in Davis with confidence.*

### **Strategic Objective 1.1. Increase Business Retention Activities (through 2031)**

*Implement a coordinated business outreach program to build strong relationships with local employers, identify challenges early, and mobilize resources that help businesses remain competitive and rooted in the community.*

Implementation strategies may include developing a Business Visitation Program, creating a rapid-response team for at-risk businesses, and preparing an annual Business Climate Report.

Performance metrics could include:

- Annual business retention rate (target:  $\geq 80\%$ )
- Number of business visits in partnership with the Davis Chamber and DDBA per year (target: 80-100)
- Number of at-risk businesses assisted (target: 5+ annually)
- Year-over-year change in local jobs (target: meet regional average)
- Complete MOU with Davis Chamber (target: mid-2026)

### **Strategic Objective 1.2. Support Business Expansion (through 2031)**

*Establish an expansion assistance team to help growing companies navigate permitting, access suitable sites, secure workforce resources, and connect with financing or technical support.*

Implementation strategies may include creating an expansion concierge service, identifying and marketing expansion-ready sites and buildings, and connecting companies to workforce and financing resources.

Performance metrics could include:

- Number of business relocations or expansions supported annually (target: 1–3)
- Square footage of expansion-ready sites identified (target: 15,000+ sq ft)
- Time to identify and confirm suitable sites for expanding firms (target: <35 days)
- Increase in commercial occupancy rates based on 2025 baseline (target: +5% by 2031)

### **Strategic Objective 1.3. Pursue Initial Phase for Permit Streamlining (2026-2028)**

*Improve the speed, clarity, and transparency of the permitting process through digital upgrades, clearer requirements, and reduced review times to support timely project delivery.*

Implementation strategies include modernizing the permitting process, implementing online permitting upgrades and digital plan review, publishing clear permitting timelines and checklists, and establishing a “permit navigator” role for complex projects.

Performance metrics could include:

- Average permit processing time (target: 25–40% reduction by 2028)
- Percentage of permits submitted digitally (target: 90% by 2028)
- Customer satisfaction with permitting (target: +20% improvement)
- Number of process steps reduced (target: 20–30% reduction)
- Publication of clear timelines/checklists (target: 100% of permit types)

#### **Strategic Objective 1.4. Collect Development/Business-Related Fees (2026-2027)**

*Ensure timely and accurate collection of fees to support essential city services, infrastructure, and regulatory functions.*

Implementation strategies include modernizing fee-collection procedures, integrating fee schedules into digital permitting systems, hiring a consultant to prepare a business-license fee audit and recapture plan, improving internal coordination between departments, and educating applicants on the importance of compliance.

Performance metrics could include:

- Fee collection remittance rate (target: 40% improvement by 2029)
- Percentage of fees collected on schedule (target: ≥ 85%)
- Annual audit of fee collection processes completed (target: 1 per year)
- Public reporting of fee revenue recapture efforts (target: by 2031)

## **Objective 2: Attract Investment and Grow Key Industries**

*Building on the indicators identified in the SWOT analysis, the City will pursue targeted strategies under Objective 2 to attract new investment, strengthen Davis’s position within the regional innovation ecosystem, elevate the city’s brand, and expand the entrepreneurial pipeline that fuels long-term economic growth.*

#### **Strategic Objective 2.1. Increase Business Attraction Activities (through 2031)**

*Launch a proactive recruitment program that markets Davis’ innovation assets, available sites, and quality of life to targeted industries and retailers supported by incentives and concierge-level assistance.*

Implementation strategies may include creating a prospect list and outreach plan based on the identified target industries in the Market Velocity Report, offering concierge support and site tours, build partnerships with brokers, developers, and UC Davis innovation units, develop a digital “Invest in Davis” portal with site and incentive information, and conduct direct outreach, including site tours and personalized recruitment visits.

Performance metrics could include:

- Number of qualified attractions leads generated from target industries each year (target: 3)
- Number of target industry firms entering the active recruitment pipeline by 2031 (target: 10)
- Number of new target industries locating in Davis every two years (target: 1).
- Satisfaction rating from prospects receiving concierge services (target: ≤90%)
- Number of trades, professional or retail conferences attended each year (target: 1)
- Retail attraction strategy completed (target: 2028)
- Real estate roundtable hosted in partnership with the Davis Chamber (target: every other year)

### **Strategic Objective 2.2. Engage in Regional Economic Development Initiatives (through 2031)**

*Collaborate with regional partners—including Greater Sacramento and Valley Vision—to pursue shared economic goals, attract investment, and strengthen the City's role in the regional innovation ecosystem.*

Implementation strategies may include attending trade shows with Greater Sacramento, developing materials to respond to requests for information, and participating in regional cluster initiatives and working groups.

Performance metrics could include:

- Participate in 6 regional initiatives or events (target: per year).
- Respond to 2+ GSEC RFIs (target: per year).
- \$1.5 million in annual investment attributable to regional partnerships (target: every two years).
- Active participation in at least 1 regional committee or working group (target: by 2030).

### **Strategic Objective 2.3. Launch “Elevate Davis” Marketing Campaign (2026-2027)**

*Develop a unified branding and marketing initiative that positions Davis as a premier destination for innovation, entrepreneurship, and high-quality living.*

Implementation strategies may include developing brand identity, messaging, producing marketing materials (videos, digital ads, sector-specific collateral), attending targeted industry conferences, and aligning messaging with UC Davis, DDBA, Chamber, and regional partners.

Performance metrics could include:

- Develop and launch brand (target: by mid-2027)
- Reach 25,000+ impressions across digital marketing channels (target: per year).
- Number of industry events attended to promote the brand (target: 1+ per year).
- Generate 20+ attraction inquiries annually through marketing channels (target: by 2031)

#### **Strategic Objective 2.4. Entrepreneurship Development (2027-2029)**

*Strengthen the entrepreneurial ecosystem by supporting Inventopia, expanding incubators and accelerators, building mentorship networks, and fostering technology transfer—especially in agtech—to grow new companies locally.*

Implementation strategies may include supporting Inventopia’s expansion and long-term business plan in areas aligned with the City, launching a Davis Accelerator Program focused on ag-tech, biotech, and climate tech, and strengthening partnerships with UC Davis Venture Catalyst and tech transfer offices.

Performance metrics could include:

- Produce updated economic impact analysis on Inventopia (target: by 2031)
- Number of companies graduating from Inventopia each year (target: 2)
- Complete MOU with Inventopia (target: by mid-2026)

### **Objective 3: Support Small Businesses and Local Commerce**

*To strengthen Davis’s local economy, Objective 3 focuses on expanding support for small businesses, enhancing local commerce, and leveraging tourism and placemaking to increase foot traffic and spending. These strategies respond directly to the needs identified in the SWOT analysis and aim to ensure that Davis’s small businesses, especially locally owned, legacy, BIPOC-owned, and early-stage firms, have the resources, visibility, and market conditions needed to thrive.*

#### **Strategic Objective 3.1. Support Small Business Development (through 2031)**

*Expand access to training, technical assistance, capital, and mentorship for small businesses, with a focus on underserved founders and early-stage firms.*

Implementation strategies may include providing training, workshops, and technical assistance in partnership with the Chamber, SBDC, and UC Davis, exploring a microgrant or revolving loan fund, and partnering with the Chamber on regular “Small Business Roundtables” to identify needs and tailor support programs and a small-business portal.

Performance metrics could include:

- Partner to offer workshops or training sessions for small businesses (target: 1+ per year)
- Number of small businesses receiving technical assistance (target: 10+ per year).
- Launch a microgrant or loan fund with at least \$100,000 in initial capital (target: by 2031)
- Satisfaction rating among participants in training and assistance programs (target: ≤90%)

### **Strategic Objective 3.2. Partner on Local Tourism Efforts (2027-2029)**

*Collaborate with Visit Davis, UC Davis, cultural institutions, and business groups to promote Davis as a destination for arts, cycling, events, and campus-related tourism.*

Implementation strategies may include co-developing annual tourism campaigns with Visit Davis, the Chamber and the DDBA, focused on arts, cycling, and campus events, supporting signature events (e.g., bike festivals, art walks, cultural celebrations) that draw visitors, partnering with UC Davis to promote campus-related tourism during graduation, conferences, and performances, and expand wayfinding, signage, and digital tools to help visitors navigate downtown and commercial districts.

Performance metrics could include:

- Increase annual Downtown spending by 10% (target: by 2030).
- Participate in or co-sponsor at least 2 tourism-related events (target: per year).
- Increase hotel occupancy rates by 5%, outside of graduation season (target: by 2030)

### **Strategic Objective 3.3. Promote a Shop Local Campaign (2026-2027)**

*Work with the Davis Chamber and DDBA to encourage residents and visitors to support local retailers and service providers, keeping dollars circulating within the community.*

Implementation strategies may include partnering with the DDBA and the Davis Chamber on Shop Local materials, expanding outdoor dining and placemaking activities, collaborating with Visit Davis to integrate Shop Local messaging into tourism campaigns, and launching seasonal promotions with the DDBA.

Performance metrics could include:

- Launch Shop Local campaign with DDBA (target: by late 2026)
- Convert existing sidewalk users to the Downtown Outdoor Dining Program by July 2026 (target:  $\leq$  75% of existing users)
- Increase local retail sales within the first year of the campaign (target: 2%+)
- Number of businesses engaged in Shop Local promotions (target: 100+)
- Increase foot traffic in downtown and neighborhood centers (target: 8% by 2028).

## Objective 4: Advance Strategic Development and Infrastructure

*To unlock Davis's long-term economic potential, Objective 4 focuses on accelerating stalled development, investing in downtown's public realm, modernizing infrastructure to support infill, updating impact fees, and leveraging public assets more strategically. These actions respond directly to the city's constrained commercial land supply, aging building stock, and regulatory barriers identified in the SWOT analysis, positioning Davis to support higher-value land uses, attract investment, and strengthen fiscal sustainability.*

### **Strategic Objective 4.1. Unlock Stalled Approved Projects (2026-2027)**

*Identify entitled but inactive projects—especially downtown—and work with property owners, developers, and partner agencies to remove barriers and accelerate project timelines.*

Implementation strategies may include reviewing all entitled but inactive projects, developing individualized action plans with developers, coordinating with utilities, public works, and regional agencies to resolve infrastructure constraints, and establishing a quarterly "Project Acceleration Review Team" to monitor progress.

Performance metrics could include:

- Complete inventory of currently stalled projects (target: mid-2027)
- Develop action plans for priority projects (target: by early 2028)
- Number of reactivated stalled projects (target: 1 per year)
- Reduce average entitlement-to-construction start time by 2030 (target: 20%)

### **Strategic Objective 4.2. Invest in Downtown's Public Realm (2028-2029)**

*Enhance streetscapes, lighting, landscaping, and public spaces to create a vibrant, walkable downtown that attracts residents, visitors, and investment.*

Implementation strategies may include developing a Downtown public realm financing plan, establishing financing districts, amending specific plan documents, implementing lighting, landscaping, and pedestrian improvements, and activating public spaces with events and programming.

Performance metrics could include:

- Approve a Downtown public realm financing strategy (target: by late-2026)
- Implement at least 3 capital improvement projects in the Downtown (target: 2030)
- Achieve an increase in downtown business satisfaction with public realm conditions by 2030 over current conditions (target: 25% improvement)

### **Strategic Objective 4.3. Investment in Strategic Infrastructure Improvements for Infill (through 2031)**

*Upgrade utilities, transportation networks, and public facilities in targeted infill areas to unlock development potential and support higher-value land uses.*

Implementation strategies may include identifying priority infrastructure gaps, pursuing state or federal grants, implementing infrastructure upgrades in phases based on readiness and impact, coordinating with developers to align private investment with public improvements, and integrating infrastructure planning into the General Plan update.

Performance metrics could include:

- Complete infrastructure gap analysis (target: 2029)
- Number of completed major infrastructure upgrades in targeted infill areas by 2031 (target: 2).
- Reduce infrastructure-related project delays by 2031 (target: 25% improvement)

#### **Strategic Objective 4.4. Update Development Impact Fees (2026-2030)**

*Conduct a transparent, data-driven review of impact fees to ensure they reflect true infrastructure costs while remaining competitive enough to encourage desired development.*

Implementation strategies may include conducting a comprehensive nexus study for all development impact fees, benchmarking the City's fees against peer cities in the region, updating the fee schedules to align with infrastructure needs and market competitiveness, and publishing clear, accessible fee information to improve transparency and compliance.

Performance metrics could include:

- Complete impact fee nexus study for the Downtown (target: 2029).
- Number of stakeholder workshops conducted during the update process (target: 3)
- Adopt updated fee schedule to comply with current State requirements (target:2030)

#### **Strategic Objective 4.5. Dispose of Underserving Assets (2026-2027)**

*Evaluate underutilized public properties and determine whether sale, repurposing, or redevelopment would better advance community goals, leveraging the Surplus Land Act where appropriate.*

Implementation strategies may include conducting a citywide inventory of underutilized public properties, evaluating each property for potential sale, lease, repurposing, or redevelopment, declaring certain assets "Surplus" and following Surplus Land Act requirements for disposition, and packaging priority sites for marketing to qualified developers.

Performance metrics could include:

- Complete asset inventory (target: 2027).
- Complete evaluation of 100% of identified properties for highest and best use (target: 2028).
- Number or value of disposed of or repurposed underutilized assets by 2031 (targets: 2028 or \$2 million in value)
- Generate cost savings from asset actions (target: ≤\$200,000)

#### **Strategic Objective 4.6. Engage in Asset Monetization (2026-2027)**

*Explore opportunities to generate revenue from public assets, such as leases, digital infrastructure, or adaptive reuse, to support long-term fiscal sustainability.*

Implementation strategies may include auditing existing franchise agreements or cell tower leases to ensure the City is receiving the correct revenue, and identifying new public assets suitable for monetization that the City wishes to retain ownership, evaluating revenue opportunities from digital infrastructure (e.g., digital billboards, fiber conduit, etc.), pursuing adaptive reuse of city-owned buildings for commercial or community purposes and developing a long-term asset monetization strategy aligned with fiscal goals.

Performance metrics could include:

- Number of monetizable assets identified by late 2027 (target:  $\leq 5$ )
- Number of monetization projects (leases, joint development, digital infrastructure) launched by 2028 (target: 3)
- Generate \$0.5 million in new recurring revenue (target: by 2031).
- Reduce city facility operating costs because of these efforts (target: by 5%)

### **Objective 5: Build a Skilled Workforce for the Future**

*To ensure Davis remains competitive in a rapidly evolving economy, Objective 5 focuses on strengthening partnerships with educational institutions, aligning training programs with industry needs, expanding career pathways, and retaining local talent. These efforts respond directly to workforce leakage, housing pressures, and employer hiring challenges identified in the SWOT analysis, positioning Davis to cultivate a resilient, future-ready workforce that supports the city's innovation-driven economy.*

#### **Strategic Objective 5.1. Engage in Workforce Development Activities**

*Partner with UC Davis, Sacramento City College, regional workforce boards, and employers to align training programs with industry needs, support career pathways, and ensure local companies have access to a skilled workforce.*

Implementation strategies may include strengthening working partnerships with UC Davis and Sacramento City College and, where appropriate, formalizing those partnerships; co-developing training programs aligned with industry needs and local, targeted industries; expanding internships and apprenticeship programs; retaining local talent, supporting companies in hiring recent UC Davis graduates by supporting job fairs, recruitment events, talent-matching services, identifying partners for a "Stay in Davis" talent retention initiative to connect graduating students with local career opportunities and for upskilling and reskilling programs for local workers in accordance with the We Proposer Together initiatives.

Performance metrics could include:

- Formalize at least 1 new workforce partnership (target: 2028)
- Co-develop 3 targeted industries-aligned training programs (target: 2031)
- Support 80+ incumbent workers through job fair sponsorships, upskilling, or reskilling programs (target: every other year)

## Objective 6: Foster Collaborative Partnerships

*To accelerate Davis’s economic development goals, Objective 6 focuses on strengthening collaboration across public, private, educational, and nonprofit partners. By formalizing partnerships, aligning priorities, and leveraging shared resources, the City can amplify its impact, reduce duplication, and create a more coordinated regional ecosystem that supports innovation, workforce development, small business growth, and strategic investment.*

### Strategic Objective 6.1. Engage in Public-Private Partnerships

*Pursue collaborative development models that leverage private investment and expertise to deliver community-serving projects, reduce financial risk, and advance shared goals in housing, innovation, and infrastructure.*

Implementation strategies may include developing a public-private partnership (PPP) framework and guidelines, identifying priority PPP projects, and engaging private partners for co-investment, pursuing joint grant applications and joint financing mechanisms, and aligning PPP opportunities with marketing and strategic infill infrastructure improvements.

Performance metrics could include:

- Adopt a PPP framework (target: by 2027)
- Identify at least 1 priority PPP opportunities (target: per year)
- Number of PPP feasibility studies or negotiations initiated by 2031 (target: 5+)
- Submit joint grant applications with private or institutional partners by 2030 (target: 2+).

### Strategic Objective 6.2. Formalize and Strengthen Key Institutional Partnerships

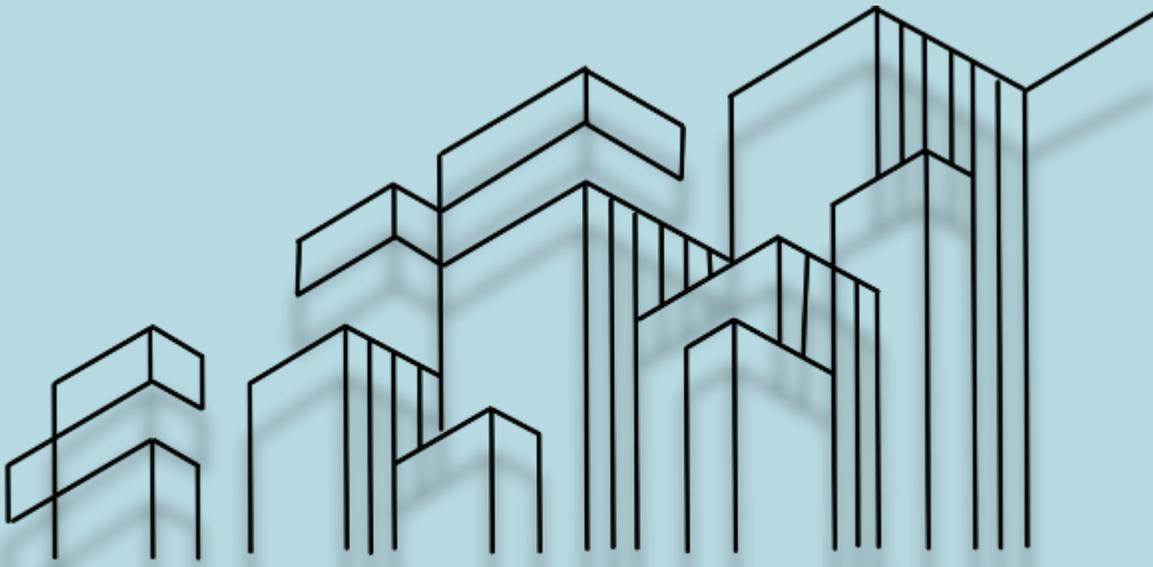
*Deepen collaboration with the Davis Chamber of Commerce, Downtown Davis Business Association (DDBA), Sacramento City College, UC Davis, local nonprofits engaged in economic development, such as Inventopia, Valley Vision, and the Greater Sacramento Economic Council to align priorities, share data, coordinate programming, and advance shared economic development goals.*

Implementation strategies may include formalizing partnerships through MOUs, annual work plans, or shared priority agreements, establishing regular partner roundtables to coordinate initiatives and share data, co-developing programs with partners focused on small business support, workforce development, tourism, and innovation, aligning marketing and messaging

with regional partners to strengthen Davis's visibility, collaborating with UC Davis and SCC on talent retention, entrepreneurship, and industry-aligned training, partnering with nonprofits and business groups on events, placemaking, and community-based economic initiatives and developing shared metrics and reporting tools to track partnership outcomes

Performance metrics could include:

- Number of annual multi-party workplans co-developed amongst partner organizations (target: 2)
- Number of co-developed programs or initiatives launched by 2030 (target: 2)
- Support 200+ businesses annually through partner-delivered programs.
- Publish an annual Partnership Impact Report (target: 2028)



# ECONOMIC DEVELOPMENT STRATEGIC PLAN