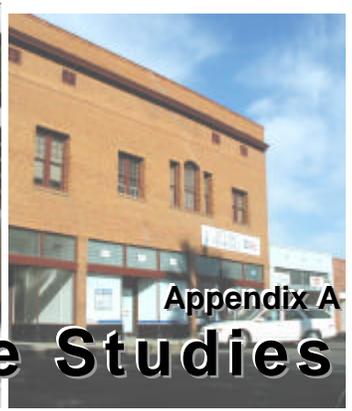
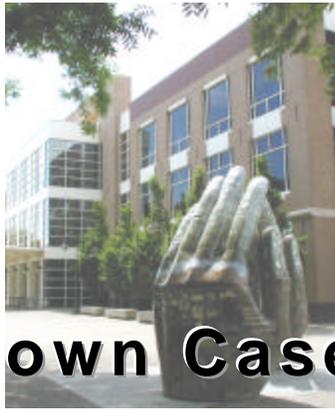


Appendix A

DOWNTOWN CASE STUDIES



Downtown Case Studies

Appendix A

Planning is an iterative art that looks at the existing conditions, issues and opportunities. One method of developing conceptual ideas for future planning of a particular area is to evaluate other similar cities in terms of their existing conditions, accomplishments, and planned improvements.

LAND USE CASE STUDIES

As indicated in Chapter 8 of the Specific Plan, the City is recommending various Downtown improvement projects including a new theater, proposed parking structures, and reuse of second floors. Therefore, in order to gather conceptual ideas for these proposed projects, case studies were conducted of various cities to determine how they developed theaters and parking structures in their downtown areas.

The following is an outline of where these project topics are discussed in this appendix:

- Theaters.....A-2
- Parking Structures.....A-3
- Second Floor Reuse.....A-4

CITY CASE STUDIES

In order gain a better grasp of what improvements can be made to a downtown as a whole, case studies were also conducted of similar cities to discover what they have accomplished at an

areawide level. In these case studies, an investigation was made of city streetscape elements, façade renovation programs, developer incentives, and existing attractions.

City case studies are included in this appendix as follows:

- Chico.....A-5
- Fallbrook.....A-6
- Lodi.....A-7
- Marysville.....A-9
- Merced.....A-10
- Paso Robles.....A-11
- Pinole.....A-12
- Placerville.....A-13
- Redding.....A-14
- San Luis Obispo.....A-15
- Temecula.....A-16
- Visalia.....A-17





THEATERS

One of the recommended projects of the Specific Plan is to construct a new multi-screen theater on Main Street between Third and Fifth Streets. The goal of this project is to increase the Downtown's visual attractiveness and to draw more residents and visitors to the Downtown area to patronize other Downtown area businesses as well.

Location

In order for a downtown theater to be effective, there must have a strong market demand and a lack of any strong competition. The Downtown area is lacking a multi-screen theater with current technology. There are two theaters located in Woodland, the Morgan Cinemas State Theater (322 Main Street), and the Cinemark County Fair Movies 5 (1579 East Street). The State Theater is located on Main Street just 5 blocks west of the proposed theater site. However, the aging theater has only three screens, and is in need of major renovation. The Cinemark Theater is somewhat newer and has more screens. However, it is located in the southern part of Woodland outside the Downtown area. Other theaters in the outlying cities that require more travel to reach are the Signature Theaters Stadium 5 and the Holiday Cinema in Davis, and the Regal Cinemas Natomas Marketplace 16 in the North Natomas area of Sacramento. All of these theaters are between approximately 10 and 15 miles from Woodland.

As discovered during the case studies a number of cities have introduced multi-screen theaters in their downtown areas as part of their revitalization efforts including Lodi, Merced, Paso Robles, San Luis Obispo and Visalia. From discussing the

addition of the theaters for these cities with their planning departments or downtown associations, it appears that they have been successful in enlivening the downtown areas.

Estimated Costs

According to John Roush, developer for the Paso Robles theater, average costs are roughly \$120 per square foot for multi-screen theaters. Therefore, a 35,000 square foot theater would cost an estimated 4.2 million dollars. However, costs tend to vary somewhat depending on location, materials, and additional amenities provided. For example, Mr. Roush developed a 30,000 square foot theater in Atascadero containing 10 screens for 5.7 million dollars.

Size / Number of Screens

Overall, most of the theaters that are being developed in downtowns similar to Woodland generally have 9 to 10 screens. Theaters with this number of screens typically require a total of 30,000 to 35,000 square feet. As revealed in the case studies of Lodi, Merced, Paso Robles, and San Luis Obispo, demand is strong enough in small cities (ranging in population from 30,000 to 60,000), to support theaters with 9 to 10 screens, or more as is the case with a 13-screen theater in the City of Merced.

In general, development of theaters in small cities such as Woodland usually occurs in two phases rather than all at once. For instance, in developing the Paso Robles theater only 6 screens were built initially to determine how successful the theater would be. A few years later after it was proven that business was brisk, 3 additional screens were added.

PARKING STRUCTURES

As part of the Woodland Downtown Specific Plan, the City has recommended the construction of a parking structure to provide additional parking for the proposed theater and other Downtown businesses. Abundant parking spaces is a necessary ingredient for such businesses to remain vital.

As discovered during the case studies, a number of similar-sized cities have been encountering the need to construct parking structures as well. This is especially the case for cities that have added downtown theaters. The City of Lodi is currently constructing a parking structure in their downtown area to provide parking for their downtown businesses and a theater that just opened in 2001. The structure, which will be located in the vicinity of its new multi-screen theater, received its funding from various government sources, including a Federal Transit Administration grant since the facility will also provide parking for the multimodal transit station. In addition, funding was received from a County transportation sales tax. The structure, which also includes 15,000 square feet of retail space, cost a total of 7 million dollars.

The City of Chico also constructed a parking structure approximately 8 years ago. The 3-story parking structure was funded by a revenue bond that was paid for by a 10 cent increase on downtown parking meter rates. The first two floors of the parking structure consists of metered parking spaces, and the third floor contains leased spaces for local businesses. The leased spaces helps to provide employee parking that would normally occur in front of businesses in the downtown area. As a result, more parking spaces are available for patrons of downtown businesses.



SECOND FLOOR REUSE

As part of the Woodland Downtown Specific Plan, the City also calls for the reuse of the second floors for office and residential purposes. There are a number of opportunities for this to occur along Main Street where many vacant second floors exist in historic buildings.

During the case studies, it was discovered that many cities with older downtowns face a similar situation with vacancies.

The City of Lodi intends to resolve its vacancy situation through the introduction of a 3 percent low interest commercial rehabilitation loan to be provided by its Redevelopment Agency. CDBG may also help with paying for the loans. It is also hoping that its recent opening of its downtown theater will entice more developers into the area. Like Woodland, Lodi's aging two-story buildings lack fire access and direct upper-story access due to lack of stairways or elevators. These building conditions create higher development costs for second-story reuse.

The City of Chico also currently faces an abundance of second story vacancies. The City's Zoning Ordinance does allow 50 residential units per acre in upper floor development, that can be intermixed with office and retail uses on the first floors.

The City of Marysville also has high vacancy rates for the second floors of its downtown buildings. The City's Zoning Ordinance does allow residential uses in their upper floors upon the approval of a conditional use permit. However, no other formal programs have been developed to address the issue.

CITY OF CHICO

Description

The City of Chico, located in the northern Sacramento Valley, has a population (2001) of 64,581 and is similar in size to Woodland. However, Chico has a large student population due to the presence of California State University, Chico.

Improvements

In 1975, the Downtown Chico Business Association was established which serves as a Business Improvement District covering 40 square blocks of the downtown area. Membership assessments, a Transient Occupancy Tax (TOT), special events, and City contracts fund the Association. The Association is responsible for 7 annual promotional events (i.e., Friday night concerts and the Slice of Chico) and two large-scale annual events (A Taste of Chico and the 26-week Thursday Night Market), all of which have proven successful in attracting residents and visitors. In addition, the Association manages the downtown planter program, and is working to create a downtown clean-up program in collaboration with the City of Chico.

The City of Chico has made several improvements to the downtown area such as the construction of bulbouts to slow traffic and the installation of bike racks. In addition, the City has implemented a Façade Improvements Program. The City is also considering the construction of a parking structure to provide additional downtown parking.

Primary Attractions

According to Pam Figge of the City of Chico Planning Department, Chico's downtown remains a strong attraction. The downtown contains a number of restaurants, retail shops and offices that adequately serve its large student population.

However, one of the issues that the City currently faces includes the abundance of second story vacancies. The City's Zoning Ordinance does allow 50 residential units per acre in upper floor development. This can be intermixed with office and retail uses on the first floors.



FALLBROOK

Description

The rural community of Fallbrook is located in the northern-most corner of San Diego County, approximately 15 miles from the Pacific Ocean. Bordered on the west by Marine Corps Base Camp Pendleton, Fallbrook is bisected by Interstate 15 that provides access to Los Angeles, San Diego, Orange, and Riverside Counties. The town was platted in 1885 as part of a railroad project. Fallbrook has a population of 43,000 (2000) which is mostly comprised of active and retired military,

Fallbrook's primary business is agriculture. Known as the Avocado Capital of the World, Fallbrook has a primary avocado growing area since the fruit was first planted locally in 1912. In addition to avocados, nursery products and flowers contribute to the local economy. Overall, agriculture accounts for just under a third of the area's personal income. The area's groves also help maintain a circle of lush green, open spaces surrounding the town and verdant rolling hillsides.

Improvements

To maintain and enhance the legacy of Main Street, two organizations were charged with the future of downtown Fallbrook, with the assistance of the Fallbrook Land Conservancy. The Fallbrook Village Association was incorporated in 1991 to act as a liaison between Fallbrook and San Diego County to seek funds and other support for revitalization efforts. The 1991 report was a feasibility study for revitalizing downtown Fallbrook. The Association was charged with creating and carrying out such a plan. The focus area was the north

portion of Main Street, including Fallbrook Street north to Dougherty Street, from Summit Avenue on the west to Brandenburg Lane on the east. The Revitalization Committee was formed in 1997 to create a plan for the 300-acre downtown area that would stimulate economic vitality, preserve Fallbrook's village nature, make the area pedestrian-friendly, and direct future development.

The Fallbrook Land Conservancy (FLC), incorporated in 1988, is a nonprofit, tax-exempt organization dedicated to preserving and enhancing the rural lifestyle and natural beauty of Fallbrook. The FLC branched out in 1992 with the addition of the Save Our Forest Committee. This volunteer group has received many grants and awards, including \$162,000 Environmental Enhancement and Mitigation Grant from the State Resource Agency. The grant was approved in 1997, and as a result over 3,000 trees have been planted throughout the community.

Primary Attractions

Main Street has preserved a turn-of-the-century charm with many of the commercial buildings dating to the late 1800's. The wooden buildings, many of which are historical, with unique fronts, are but a small part of the charm of Fallbrook. Art, gifts, antiques, jewelry and hand-made items abound in the area. This turn-of-the-century atmosphere is one that will be preserved by a design review process for all new business, industrial, multi-family projects and many other facets of construction.

CITY OF LODI

Description

The City of Lodi, located in the Central Valley, has a population of approximately 57,000. Like Woodland, the City of Lodi is a small valley town that contains a number of historic buildings and lies adjacent to major highways (including Highway 99). However, the City's commercial activity tends to be concentrated on several streets on a grid pattern rather than along a "Main Street" as is the case with Woodland.

Improvements

According to Rad Bartlam, the City's Community Development Director, since the commercial center is less concentrated, it is more difficult to have strong commercial activity in the downtown. As a result, the City has focused its efforts on a specific portion of the downtown area nearest its entryway to become the focal point of planned improvements. In this area a multi-screen movie theater as well as a multi-modal transit station (including Amtrak and Greyhound) have been constructed. The transit station includes the renovated historic train station. The movie theater developer originally intended to construct the theater on the outer fringes of the City adjacent to an existing WalMart Store. However, through commercial zoning changes for the WalMart site, the City was able to prevent the developer from building at the site and offered the downtown as the City's preferred alternative. A parking structure, under construction in the vicinity, will provide parking spaces needed for both the theater and the transit station. The parking structure has received its funding from various government sources (i.e.,

federal transit administration grants) since it will provide parking for the transit station.

Although the City has no formal specific plan for the downtown area, it has developed several policies and implementation programs to help bring more commercial activity and create a more pedestrian-friendly environment. Some of the actions the City has undertaken are as follows:

- Discount permit fees, license fees and sewer connection fees for businesses locating in the downtown area
- Facade improvement program – City provides grants for 1/3 of exterior renovation costs when business contracts with City's retained architect (The City considers this a very feasible program – it has only cost the City \$5,000 for the past 3 years)
- Prohibits offices from locating on first floor and instead encourages pedestrian-oriented uses such as restaurants

In addition to these actions, the City is currently establishing a Redevelopment Agency and a designated Redevelopment Area. One of the agency's goals will be to start a 3% low interest commercial loan program to further entice businesses to the downtown area. The City also has a Business Improvement District in the downtown where a fee is levied on participating businesses for various downtown improvements. The District has been cooperated with the City in providing half of the funding for several streetscape improvements including planters, benches, streetlights, and kiosks.



Primary Attractions

The recent addition of the multiscreen movie theater has become one of the primary attractions of downtown Lodi, and has provided the opportunity for other businesses (i.e. retail and restaurants) to support it. The City has been encouraging downtown businesses to extend their business hours so that movie patrons have can do downtown shopping during the same trip.

Like Woodland, the City of Lodi faces the issue of high vacancy rates for the second floors of its downtown buildings. One of the problems with developing these floors is the current lack of fire access and/or direct access due to lack of stairways. The City is hoping the 3% low interest commercial loan program that the future redevelopment agency may establish will further entice developers to occupy the second floors.

CITY OF MARYSVILLE

Description

The City of Marysville, located in the northern part of the Sacramento Valley, has a population of approximately 12,268. Like Woodland, the City of Marysville is a small valley town that contains a number of historic buildings and lies adjacent to major highways (including Highway 99, Highway 70, and Highway 20).

Improvements

According to Stan Tidman, of the City's Community Development Department. The City has completed a \$900,000 streetscape project for its historic downtown area which was funded by the Federal Intermodal Surface Transportation Enhancement Act (ISTEA) in partnership with Caltrans. The project included streets resurfacing, street trees, the addition of ADA parking spaces, and three gateway arches for the downtown area.

In addition, the City has an ongoing façade improvement program for both commercial and residential (historic) structures that is funded by CDBG. The maximum grant that can be received is \$15,000 or up to 50 percent of the total cost of the improvements.

In terms of parking, there is a perception among City merchants that there is a lack of parking in front of their businesses, and customers have to park a few blocks away as a result. The merchants have suggested diagonal parking as a solution. However, according to Stan Tidman, there are a number of City-owned parking lots that remain underutilized. The City has actually looked at Woodland's Downtown Parking Management Plan for ideas. However, no formal plans have been made.

Primary Attractions

The City also collaborates with the downtown's Business Improvement District for the planning of various community events, including the annual Peach Festival, Downtown Stampede, and Christmas Parade, which draw large crowds. In 2001, the Peach Festival alone attracted 20,000 people.

Like Woodland, the City of Marysville faces the issue of high vacancy rates for the second floors of its downtown buildings. The City's Zoning Ordinance does allow residential uses in their upper floors upon the approval of a conditional use permit. However, no other formal programs have been developed to address this issue.

CITY OF MERCED

Description

The City of Merced, located in San Joaquin Valley, has a population (2000) of 63,893 and is similar in size to Woodland.

Improvements

The City's Redevelopment Agency has been responsible for several projects including a streetscape improvement project, and the recent addition of a multi-screen cinema for its Downtown area. The streetscape improvement project actually began 25 years ago. However, the City is currently expanding its streetscape improvements for an additional 8 blocks of the Downtown area. The improvements include new sidewalk, curbs, and gutters with brick pavers as well as the addition of new streetlights and trees. This project is completely funded by the City's tax increment funds. The City's 13-screen theater was just recently opened in April 2002 and includes a separate 15,000 square foot building with retail space (includes Starbucks Coffee, and Cold Stone Creamery). Parking is provided by both onstreet parking and existing offstreet City parking lots. The Cinema is a public/private partnership where the Redevelopment Agency paid for public improvements for the area including street reconstruction and demolition of existing buildings.

The Redevelopment Agency has also created two programs to attract developers into the Downtown area, a commercial rehabilitation loan program and a façade improvement program. The loan program provides low-interest loans for developers. The facade improvement program, which has had a total of 30 participants since its inception, offers a 50 percent rebate for improvement costs.

Primary Attractions

According to Sandy Edwards, City of Merced Economic Development Department, the new cinema has become one of the main attractions of the Downtown area, drawing many younger patrons into the area. It has also helped to support local retail establishments.

Like Woodland, the City of Merced has also faced the problem of upper floor vacancies for its older Downtown area. At one time the City actually had a 90 percent vacancy rate for second floors. Based on input from local developers, it was determined that the renovation costs to bring these spaces up to code far outweighed the benefits. As a result, many of these buildings have been demolished to make way for new buildings that could provide mixed-use development.

CITY OF PASO ROBLES

Description

The City of Paso Robles is a slightly smaller community than Woodland, with a total population (2000) of approximately 29,000. Paso Robles is located inland on the Central Coast between Highway 101 and Highway 1.

Improvements

The City has worked to promote and improve downtown in a number of ways. The City first became active in the Main Street Program in the late 1980's. One of the first actions of the program was to refurbish the downtown park (i.e., historic street lighting, furniture, etc.), which served as the focal point of the downtown area. In the next step, the Redevelopment Agency began to provide no-interest loans to business owners for façade improvements (12 buildings participated). In the following five years after the program, 43 buildings followed suit with façade improvements without any assistance at all. The program had served as a stimulus for other downtown merchants to make improvements.

The Main Street Association's Main Street Promotion Committee has produced a calendar of events, including a Friday night Farmers Market where businesses were open later hours. As a result of the increased activity the City is now planning to construct a parking structure to provide necessary additional parking.

Perhaps the City's biggest development occurred when the Main Street Association (the member of the Main Street Program) worked with a developer to bring in a nine-screen movie theater into the downtown. Since the lot required

major drainage improvements due to its close proximity to a creek, developers avoided the site. However, according to Norma Moye, Executive Director for the Main Street Association, the City agreed to contribute \$360,000 for drainage improvements, and also eliminate parking requirements and fees for the developer.

The City has made other improvements including the restoration of their Amtrak train station, addition of historic streetlights (funded by a \$60,000 CDBG grant), and other miscellaneous streetscape improvements. The City has also eliminated parking fees, which has helped to attract more businesses downtown. According to Norma Moye, widening sidewalks, and adding benches, trees, and murals have proven to be very successful methods of creating a more pedestrian-oriented downtown for Paso Robles. These improvements were mainly funded by the downtown's Business Improvement District that the Main Street Association manages.

The City has also worked to have retail developer who develop on the City's outer fringes compensate the City for the increased competitiveness. For example, WalMart agreed to pay the City \$100,000 over a 10-year period for the Main Street program.

Primary Attractions

The nine-screen movie theater has become one of the primary attractions of for downtown Paso Robles. As a result of its development, more visitors and businesses have been attracted to the downtown area, and has therefore eliminated the 33 downtown vacancies the City once had. A total of 20 new restaurants have also opened since the cinema's opening.



CITY OF PINOLE

Description

The City of Pinole is located in the Bay Area near San Pablo Bay and has a total population (2000) of 18,650. The City, traversed by Interstate 80, has an older downtown section located on the north side facing San Pablo Bay.

Improvements

The City's Old Town has received assistance and improvements in various ways through the City's redevelopment agency. The Redevelopment Agency has funded streetscape improvements and has implemented a commercial rehabilitation program. The commercial rehabilitation program provides loans and grants for the rehabilitation of commercial and mixed-use structures throughout Old Town. The Redevelopment Agency has also been involved in a Residential Rehabilitation Program that has approved over 100 loans and grants to improve residential buildings, many of them historic buildings in Old Town. As part of the City's effort to bring more mixed-use development into the Old Town, the Redevelopment Agency purchased a lot where 24 apartment units were developed on the second floor and commercial was developed on the first floor. This was the result of a private/public partnership where the City purchased the land, and the developer was responsible for its development.

One of the City's methods of attracting businesses is through tenant improvement loans or rent subsidies for businesses such as bookstores, grocery stores, restaurants, clothing, and antiques stores. The City also operates a commercial loan program for façade and interior improvements.

The City does not have a problem with occupying the second floors of downtown businesses since. ADA funding is applied whenever relevant to resolve access issues.

Primary Attractions

Some of the primary attractions of the Old Town include downtown retail/restaurants, and events such as the Farmers Market that are held on a regular basis. Downtown streetscape and façade improvements have helped to increase the overall attractiveness of the area.



CITY OF PLACERVILLE

Description

The City of Placerville is located in the Sierra Nevada foothills just south of Highway 50. Although it is significantly smaller than Woodland, with a (2000) current population of 9,610, it is similar in that it has a Main Street consisting of numerous historic buildings.

Improvements

In 1997, the City developed a Downtown Revitalization Plan, and is currently planning to implement several of the recommendations of the Plan including various street improvements (i.e., historic street lighting, etc.) to restore its original historic charm. The City's Placerville Downtown Association, a non-profit organization, has been working on an ongoing basis to enhance and promote business on Main Street through special events and activities such as the antique and craft fairs and the Art & Wine Festival.

Primary Attractions

Historically, the City has not had a problem with attracting businesses to the downtown. The City has a number of retail and restaurant establishments. The Courthouse is located on Main Street and as a result has brought in several attorney offices and other related businesses onto Main Street. In addition, the combination of frequently scheduled events and the late business hours of commercial establishments help make Placerville's downtown more attractive.



CITY OF REDDING

Description

The City of Redding is located 160 miles north of Sacramento in the northern portion of the Sacramento Valley, and is bisected by Interstate 5. As of 2000, its total population was 80,865.

Improvements

The Redding Downtown Specific Plan, adopted in 2001, serves as a blueprint for revitalizing Downtown. As a result of the recommendations of the Specific Plan, the City has been involved in a streetscape project (funded by the RDA and a CDBG grant), Main Street Program, and the restoration of its historic Crescent Theater. A public radio station in 1999 purchased the Crescent Theater, and a restoration committee was formed to raise funds for the theater project. The Redevelopment Agency also provided \$100,000 for structural improvements, and additional funding for façade improvements.

The City is also addressing the need to reopen its Main Street where it currently is an enclosed mall for nine blocks and consists mainly of office space. Since the mall contains several historic buildings, the proposal is to remove its roof, reopen the street, and add streetscape improvements. According to Larry Morgon, the City's Redevelopment Project Coordinator, the City's intent is for the space to convert to specialty retail use and become a more pedestrian-oriented environment.

Primary Attractions

Once the enclosed mall in the downtown area is revitalized, it will become a primary attraction for downtown Redding.

The historic buildings that are currently hidden from view will once again be visible downtown. The City's objective of providing specialty retail in this area will add to its overall attractiveness.

CITY OF SAN LUIS OBISPO

Description

The City of San Luis Obispo is located on the central coast and is similar in size to Woodland, with a 2001 population of 44,613. However, San Luis Obispo is unlike Woodland since it has a large student population from Cal Poly State University.

Improvements

The San Luis Obispo Downtown Association was established in 1975 to assist the downtown in becoming more attractive. During the 1970's, shops stayed open late on Thursday nights in an attempt to draw more customers. However, a cruising problem developed which began to deter people from shopping at night. As a result, the Downtown Association decided to close off six of its blocks on one of its main downtown streets in an effort to stop the problem, and allow people to still shop late. The event grew larger over the years, and became known as the Farmer's Market since local growers were invited to sell. In addition, downtown restaurants came out to sell food (i.e., barbecues). Non-competing businesses are also allowed to participate for \$50 per night provided that they are strictly informational. The Association also sponsors other events such as the Annual Rib Cook Off and sidewalk sales.

In the early 1990's the City constructed Downtown Center that brought in a large mix of retail and eateries as well as a multiscreen cinema to the downtown area. As a result of the project, a downtown block was opened up with a pedestrian walkway, with storefronts facing the walkway and the adjacent streets. At one end of the walkway a plaza

was created which dropped down to the entrance of the new cinema.

In 1999, the City prepared a market study to evaluate the effects on the Downtown of building a big-box retail center (San Luis Marketplace) on the outer fringes of the City. One of the conclusions of the study was that retail development on the edge of the City would actually attract more visitors from the region to shop in San Luis Obispo, and hence the Downtown area would receive more shoppers as well. The study further stated that although \$42 million from the San Luis Marketplace was be diverted from existing businesses within the City, the Marketplace would generate approximately \$79 million in retail sales.

Primary Attractions

The City has a downtown with a varied mix of retail activity that has remained viable and attractive to both residents and visitors alike. The addition of the Farmers Market along with other regularly scheduled events have become major attractions for the downtown. Furthermore, the addition of Downtown Center in the early 1990's has also made downtown more pedestrian friendly, and as a result more attractive.



CITY OF TEMECULA

Description

The City of Temecula was incorporated on December 1, 1989. It is comprised of 27.1 square miles and is located in southwest Riverside County in the rural Temecula Valley, famous for its fine wines. Other agricultural crops are also grown abundantly in the valley such as citrus, avocados, fruits and vegetables. The City of Temecula is located 85 miles southeast of Los Angeles, 55 miles north of San Diego, or 61 miles southeast of Orange County, and located along the Interstate 15 Highway.

Improvements

Starting in July 1998, a \$5.2 million Streetscape project, considered as a major facelift to the historic Old Town area, was undertaken by the city. The project involved the redevelopment of Old Town's entire business district, combining historical buildings with new improvements. Improvements included the addition of curbs, wood boardwalks, new street lights, signs, and furniture including benches, oak trash barrels, and assorted crates and barrels complement the overall informal western design theme highlighting Old Town as it was originally developed at the turn of the century.

Over the past several years, redevelopment has proven to be a viable financial tool allowing Temecula to realize many projects, programs, and improvements, thus improving the quality of life in neighborhoods as well as stimulating growth in its business districts.

Primary Attractions

The Old Town Streetscape Improvement Project has been Temecula's most significant redevelopment project. Area residents are beginning to receive major benefits from this revitalization. A beautiful downtown area is being created so families can gather to enjoy great shopping, dining, and participate in real "hometown celebrations". The renovation is greatly impacting Temecula's exceptional tourism climate by attracting new businesses and customers to the area. This will allow the City of Temecula to continue its appeal as one of Southern California's most popular tourist destinations.

As a result, The League of California Cities selected the City of Temecula as a 1999 California Cities Helen Putnam Award winner. The City of Temecula received the award in the category of public/private partnerships for its Old Town Streetscape Project, a redevelopment project designed to revitalize a historic area of the city. To promote the long-awaited beautification of Old Town Temecula and offset the inconvenience to shoppers during construction, the City formed a public/private partnership with local merchants and property owners to create a comprehensive, promotional program. The partnership was successful in keeping the merchants and the public informed of the project through newsletters, meetings and advertising, and activities such as organized school field trips and a live auction to encourage community involvement.

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CITY OF VISALIA

Description

Although the City of Visalia is a much larger city (population of 96,750 in 2000) than Woodland, it is similar in that it is a central valley town with major highways (including Highway 99) providing fairly quick access to larger urban areas in the region.

Improvements

The Downtown Visalians Alliance District is responsible for providing coordination to the Business Owners Improvement District and the Property and Business Owners Improvement District that cover the downtown area. The Districts are supported by a tax levied on business and/or property owners in the downtown area. The District responsibilities include providing full-time security, landscaping and steam cleaning of streets and sidewalks in the downtown area, and other miscellaneous downtown improvements.

Primary Attractions

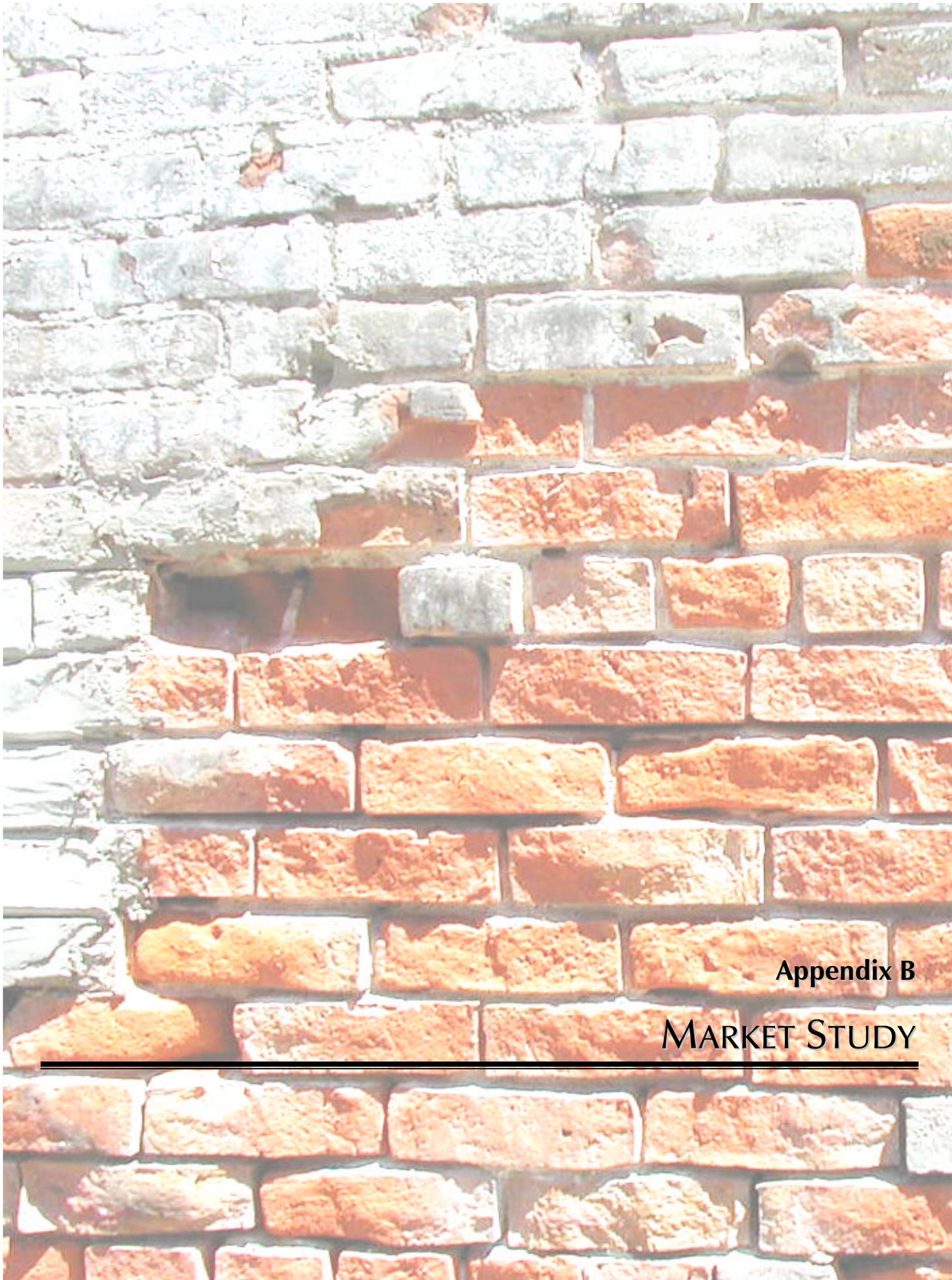
According to Kelly Hauert, Executive Director of the Downtown Visalians Alliance District, the downtown portion of the City of Visalia has several qualities that make it attractive for visitors and residents alike. The downtown has always been vital due to the strong commitment for public/private partnership and continued preservation of the downtown as the center of activity. It also serves as the gateway to Sequoia National Park.

Downtown Visalia remains strong in part due to the variety of businesses located there which include a 10-plex-movie

theater (approximately 33,000 square foot), Fox Theater, a playhouse, clothing stores, gift boutiques, bookstores, and several restaurants and coffeehouses. One of the biggest attractions on Main Street is the convention center and the Radisson Hotel which attracts visitors from out of town. Overall, the downtown businesses remain successful due to the large discretionary income of the higher-income population. Lower-income residents do not tend to shop in the downtown area.

Like Woodland, the City is also attempting to bring housing into the downtown area by utilizing the second floors of the historic buildings located on Main Street.





Appendix B

MARKET STUDY

DOWNTOWN MARKET FEASIBILITY STUDY CITY OF WOODLAND

Prepared for:

City of Woodland
300 First Street
Woodland, California 95695

May 2002

Job # 970

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Chapter 1 - INTRODUCTION AND CONCLUSIONS

1.1 Background and Purpose

The City of Woodland is currently preparing a Master Plan for a 27-acre area within the City's Redevelopment Area (RDA), as well as an update to the Woodland Downtown Specific Plan. This study presents a market analysis of land uses within the respective study areas. The purpose is to determine the range of economically feasible residential, office, retail and research and development land uses.

The focus for the Master Plan is to create an opportunity for the development of a mixed-use area primarily consisting of office, retail and housing. The development area will also include a new facility for the City's Police Department, encompassing 35,000 to 45,000 square feet, on a site currently owned by the City. In addition, the City is considering locating a new Community/Senior Center of approximately 35,000 square feet, within or adjacent to the Master Plan area. The efforts for the Master Plan as described above, are to be coordinated with an update to the City's existing Downtown Specific Plan.

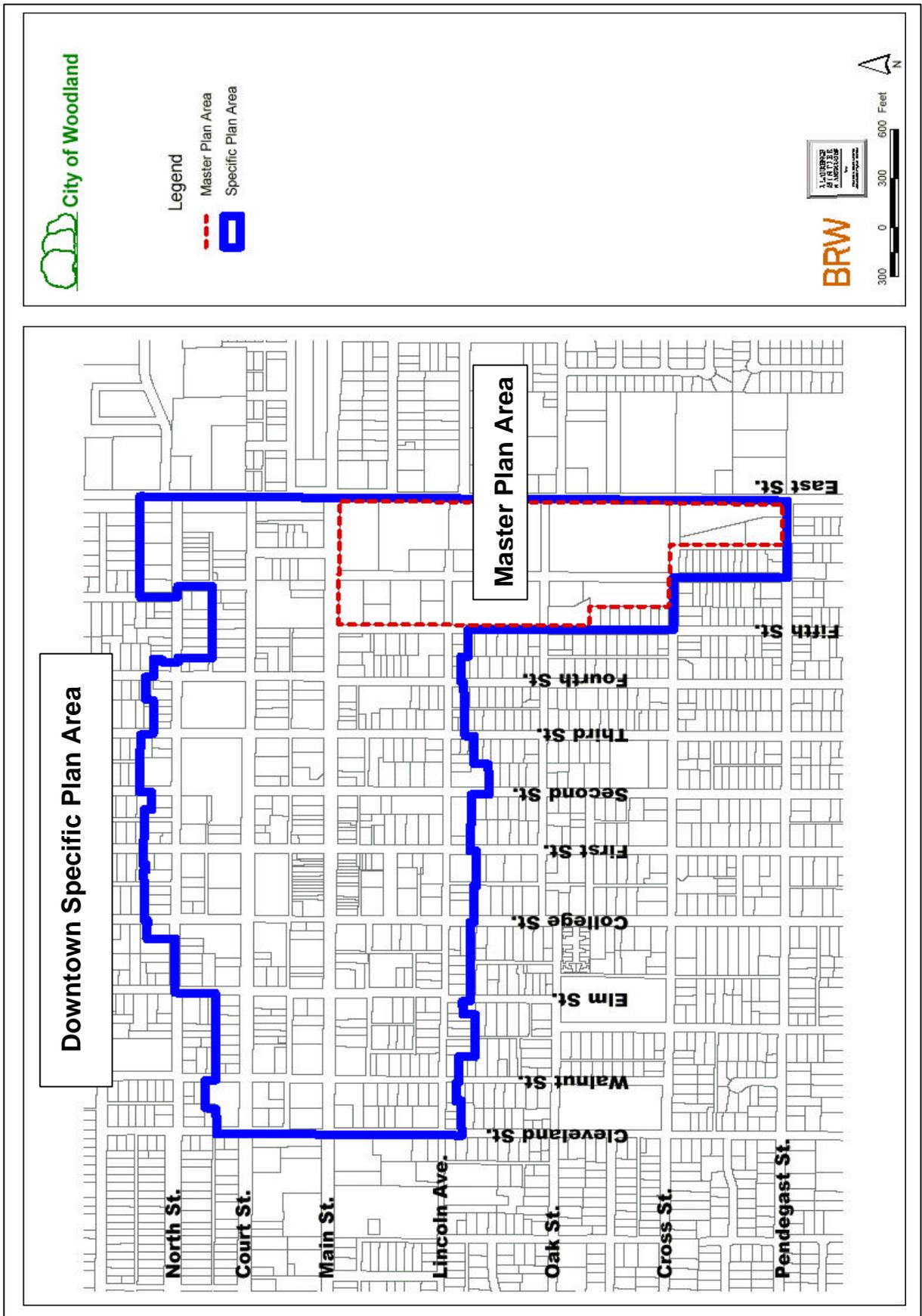
The Downtown Specific Plan area and Master Plan area are shown in Figure 1-1. The Specific Plan area is bounded on the west by Cleveland Street and on the east by East Street. North Street and Lincoln Street form the general north and south boundaries of the Specific Plan area. The Master Plan is a sub-area within the eastern portion of the Downtown Specific Plan and is generally bounded by Main Street on the north, Fifth Street on west, Pendegast Street to the south, and East Street on the east.

1.2 Sources of Information

This study is based upon information from several sources including:

- A field survey of the City of Woodland and the study areas;
- *The City of Woodland Downtown Specific Plan, August 1993;*
- Economic and demographic data from the US Bureau of the Census, California Department of Finance, and the California State Board of Equalization (BOE);
- City of Woodland Taxable Sales in 2000, Agency Planning and Research Division, BOE;
- Historical building and permit activity from the Construction Industry Research Board (CIRB);
- Sacramento Area Council of Governments (SACOG): Population, Households and Employment projections for 2000 – 2020 by Regional Analysis District (RAD);

Figure 1-1
City of Woodland Downtown/Master Site Plan



- Published literature regarding retail activity, including the National Research Bureau's 2000 Shopping Center Directory;
- Household income data from CACI Marketing Systems, *Trend Profile Report*, November 2001;
- Business vacancy, housing resale prices and employment data provided by Bay Area Economics;
- County employment data provided by California Employment Development Department;
- Business location data from the City of Woodland and Woodland Economic Renaissance Corporation (WERC); and
- Interviews with key individuals knowledgeable about economic conditions in the City of Woodland.

1.3 Summary of Findings and Conclusions

Overall Market Analysis

The market feasibility analysis has focused primarily on retail, office, residential and research and development land uses in the Downtown Specific Plan area and the Master Plan sub-area with some consideration of entertainment and lodging activities. The major findings are as follows:

- A retail leakage analysis using per capita taxable retail sales shows that Woodland is strong in Auto Sales, General Merchandise and Building Materials. Overall, retail sales are fairly strong in Woodland as measured by per capita sales.
- The analysis shows underperformance in Eating & Drinking Places (restaurants), as well as in the Other Retail category (specialty shops), Furniture and Apparel stores. The City has some downtown niche retail in antiques stores and furniture.
- Forecasted growth in Woodland over the next 20 years of almost 7,700 households would support approximately 1.1 million square feet of additional retail space. Currently, about 460,000 square feet of future retail space is identified as either in the planning process or under construction.
- Currently, the City is experiencing relatively high retail/commercial vacancies in the Downtown (e.g., Cranston's Hardware) and elsewhere in the City (e.g., Kmart and the County Fair Mall). Also, according to an earlier building inventory survey, very high vacancies are being experienced in the upper floors of older, downtown buildings.
- Auto sales have historically been strong in Woodland, contributing a substantial amount of sales tax revenue to the City's General Fund. If the auto dealers stay downtown and

function as a major retail draw, the City might wish to pursue opportunities for better integration with other downtown activities.

- Business oriented motel/hotel facilities have been cited by some sources as a unique market opportunity in the downtown area separate from the traveler-oriented hotels along the I-5 Freeway.
- High-technology and research and development companies, in part stimulated by the UC Davis programs, have been cited as future Woodland opportunities.
- Growth in finance, insurance, real estate and business service employment suggests future office opportunities in Woodland with the downtown seen as especially compatible for smaller and mid-size firms.

Strengths and Weaknesses of the Downtown

The following are strengths and weaknesses of the Downtown area:

Strengths of the Downtown

- Downtown Woodland has been the historic center of the City and is also the government center for the City and Yolo County. Retail and office activities have concentrated along Main Street between East and Cleveland Streets.
- Although the downtown area does not have the available land to compete with the larger shopping developments near the freeway or in developing areas of the City, it does have the potential to become a niche retailing, entertainment and dining area.
- Some revitalization has been occurring in the downtown area along Main Street for retail and offices; the Master Plan area has the potential to attract a business and professional office environment and higher density residential development.

Weaknesses of the Downtown

- Downtown Woodland is characteristically a mix of older one-, two- and some three-story buildings on small, sometimes narrow and deep shaped parcels - many of which require significant rehabilitation for seismic retrofitting and facility modernization.
- The economics of redevelopment require significant financial commitments from both the public and private sectors.
- The availability of convenient parking has been recognized as an issue, particularly related to the interaction between employee and customer parking.
- Except for the auto dealers, the downtown has lost its major anchors. It will be important to attract new retail anchors and to bring pedestrian oriented office, residential and community activities downtown.

Market Potentials for Downtown Specific Plan and Master Plan Development

The market potentials for the respective study areas are summarized in Table 1-1. The type of development can generally be characterized as smaller projects that combine elements of office, retail, entertainment and residential land uses with possible mixed-use potential in selected cases. The key recommendations are as follows:

- Retail activities are viewed as best concentrated in the Downtown Specific Plan area outside of the Master Plan area. The Master Plan area is seen as attractive for both office and higher density residential development, possibly with a small amount of support retail along the Main Street corridor.
- Restaurants, including both full service and specialty dining, are viewed as a major draw for both Woodland residents and visitors in the Downtown Specific Plan area.
- Redeveloping or attracting new entertainment activities (e.g., cinema) into the Downtown Specific Plan area, or relocating entertainment activities into the Downtown area, is viewed as a long-term goal that will require more residential growth in the market area.
- Office development, including regional and professional offices, is seen as important in the downtown area, including the Master Plan area. Regional office demand is driven by broader market forces that are more difficult to predict. Local serving and medical office demand is primarily driven by local population and local business growth.
- Residential uses on the upper floors above commercial development, not prevalent in a suburban market such as Woodland, is viewed as having low potential in the Master Plan area with medium potential in the remainder of the downtown. Live-work units, where the bottom floor is work-space and the upper floor(s) are residential space, may have some potential, particularly in the Master Plan area, when existing industrial and heavy commercial activities are replaced.
- The growth in high technology and research and development employment in the Sacramento region is seen as creating opportunities for smaller, start up firms in the Master Plan area. Firms of a larger more industrial nature are not viewed as compatible with the downtown development.
- Smaller lodging facilities with attractive amenities, primarily serving the business market, are viewed as compatible with the development in the downtown, but not within the Master Plan area.
- The range of projections by land use type is summarized in Table 1-2 and represents moderate assumptions of market growth capture in the Downtown area based on the consultant's judgment. These scenarios are viewed as conservative and could be exceeded as public infrastructure investments and effective public-private partnerships facilitate development in the downtown.

These findings and conclusions are presented in more detail in Chapters 5 and 6 of this report. Additionally, the size ranges of potential downtown retail tenant types are estimated.

Table 1-1
Woodland Downtown Specific Plan Area
Market Potentials for Land Use

Land Use Category	Master Plan Sub-area ¹	Remainder of Specific Plan ¹
<u>Retail</u>		
Retail	Low	High
Restaurants	Medium	High
Movie Theatre/Entertainment	Low	Medium
<u>Office</u>		
Office-regional/large office	Medium	Medium
Office-local serving/professional	Medium	High
Office-medical	Low	Medium
<u>Residential</u>		
Residential-medium/high density	Medium	Medium
Residential-mixed use	Low	Medium
Residential-live/work	Medium	Medium
Residential-single family	Low	Low
<u>Other Non-Residential</u>		
Industrial-fabrication	Low	Low
Research & Development	Medium	Low
Lodging	Low	Medium

1. These two sub-areas together comprise the Downtown Specific Plan Area.

Source: Stanley R. Hoffman Associates, Inc.

Table 1-2
Summary of Downtown Projection Scenarios ¹

Land Use	Scenario 1	Capture ²	Scenario 2	Capture ²
Retail	45,400 sq. ft.	15.0%	75,400 sq. ft.	25.0%
Office	58,834 sq. ft.	10.0%	88,251 sq. ft.	15.0%
Residential	90 Units	5.0%	180 Units	10.0%

1. These scenarios are considered conservative and could be exceeded as public infrastructure investments and effective public-private partnerships facilitate downtown growth.
2. The scenarios are based on alternative capture assumptions of market area demand made by the economic consultant.

Source: Stanley R. Hoffman Associates, Inc.

Chapter 2 - THE WOODLAND DOWNTOWN AREA

The Downtown Specific Plan addresses the need to develop a retail, dining and entertainment area that combines office and residential development and is convenient to pedestrian usage. The Downtown Specific Plan area, as well as the Master Plan sub-area, was shown previously in Figure 1-1.

The Woodland Downtown Specific Plan addresses the need for economic revitalization in the Downtown area. In addition to the conflict between pedestrian and vehicular traffic, the Downtown also has an excessive number of vacant buildings and buildings in need of rehabilitation or redevelopment. In order to create an economically viable downtown, the objective is to intensify the office and residential uses that will in turn support increased economic activity. This increased support, along with increased expenditures from household growth in the overall market area, is expected to increase demand for additional retail stores and higher quality eating establishments.

2.1 City of Woodland Downtown Inventory

Table 2-1 presents the results of an inventory of commercial space in the downtown area conducted in 1992 by the Woodland Downtown Improvement Association. While the information is somewhat dated, it does provide general information about overall conditions in the Downtown area because major land use changes have not occurred in the ensuing years. The inventory encompasses 26 blocks bounded by Cleveland Street, North Street, East Street and Lincoln Avenue. The inventory classified occupied building space into one of six land use categories:

- Service—personal services, taxi, motel, funeral home
- Office—financial, insurance, professional, medical
- Heavy Commercial—auto dealers and repair
- Retail—furniture, jewelry, printer, glass, ceramics, etc.
- Restaurant—full service, deli, bakery, cafe
- Entertainment—movie theater, bar, lounge

As shown, of a total 918,699 square feet of commercial space within this area, 750,465 square feet were on the ground level and the remaining 168,234 square feet were on the second and third floor levels. The total occupied building area of about 712,509 square feet was comprised primarily of Retail uses (about 237,480 square feet), followed by Office use (about 219,330 square feet). As indicated, about 22.4 percent of the total downtown inventory was vacant in 1992. The vacancy rate for space on the upper levels was very high at 49.1 percent (82,682 square feet). The vacancy rate for the ground level was also high at 16.5 percent (123,508 square feet).

Table 2-1
Downtown Area Commercial Space: 1992
(in square feet)

Land Use	Ground Floor	Upper Floors	Total
Service	47,467	6,250	53,717
Office	162,132	57,198	219,330
Heavy Commercial	118,210	0	118,210
Retail	220,376	17,104	237,480
Restaurant	44,386	5,000	49,386
Entertainment	34,386	0	34,386
 Total Occupied	 626,957	 85,552	 712,509
Vacant	123,508	82,682	206,190
Total Square Feet	750,465	168,234	918,699
 Percent Vacant	 16.5%	 49.1%	 22.4%

Sources: Stanley R. Hoffman Associates, Inc.
Woodland Downtown Improvement Association,
Downtown Commercial Space Inventory, Feb. 1992.

2.2 Retail Vacancies

The estimated retail vacancies in the City of Woodland are summarized in Table 2-2, based on a vacancy survey conducted by Bay Area Economics. This survey identified 263,400 square feet of vacant retail space citywide, or about 28 percent of the total retail inventory. Of the vacant square feet, about 59,570 square feet are in an area identified as “Downtown between East St. and West Street.”

The citywide total of vacant space in Table 2-2 includes the 87,000 square foot space vacated by K-Mart about one-half mile to the east of the study area along Main Street. It also includes 56,430 square feet of shop space at the County Fair Mall, which is about 14 percent of total mall space, and is located about one mile to the south of the study area along East Street. Combined, the vacant space at K-Mart and the County Fair Mall comprises 54 percent of the total citywide vacant retail space.

Table 2-2
City of Woodland
Vacant Retail Space

Location of Retail Centers	Total Square Feet	Vacant Square Feet	Vacancy Rate
Downtown between East and West Streets	251,600	59,570	24%
Main Street, former Kmart site at 1388 E. Main	87,000	87,000	100%
Main Street, Other (outside Downtown)	48,250	24,160	50%
Northwest of Downtown	119,820	15,000	13%
Southwest of Downtown	19,060	19,060	100%
Gibson Road west of 113, County Fair Mall	403,060	56,430	14%
Gibson Road west of 113, Other	6,800	2,180	32%
Total	935,590	263,400	28%

Source: Stanley R. Hoffman Associates, Inc.
 Bay Area Economics.

Chapter 3 - DEMOGRAPHIC AND ECONOMIC CHARACTERISTICS

The purpose of this chapter is to provide a descriptive profile of demographic and economic characteristics and trends for the City of Woodland. This includes population, households and household income as well as employment. Growth projections from 2000 to 2020 from the Sacramento Area Council of Governments (SACOG) are also discussed. The demographic and economic characteristics will provide the framework for discussing opportunities for the City's Downtown Specific Plan Area and other key areas such as the Master Plan Area.

3.1 Demographic Trends and Characteristics

Population and Households

Population and household growth from 1990 to 2000 for both the City of Woodland and Yolo County are presented in Table 3-1. As shown, the City's population grew significantly during this time period, at an average annual rate of 2.2 percent. This growth represents an increase of 24.4 percent from 1990 to 2000, reaching about 49,518 persons. This was more than the County, which experienced a population increase of about 20.0 percent. The City's population comprised about 29.3 percent of the total County population in 2000, a slight increase from 1990. The City of Woodland's population reached 50,614 according to the January 1, 2001 estimates by the State Department of Finance.

The number of households in the City increased by 20.5 percent from 1990 to 2000, reaching about 17,112 households. The City's households grew at an average annual rate of 1.9 percent, as did the County's. The City's average household size increased, reaching 2.89 in 2000 for the City, while the County's average household size decreased slightly during this time period.

**Table 3-1
Population and Household Growth: 1990 to 2000**

	1990	2000	Numerical Change	% Increase	1990 - 2000 Avg Annual Growth	1990 Avg. HH Size	2000 Avg. HH Size
Population							
Woodland ¹	39,802	49,518	9,716	24.4%	2.2%		
Yolo County	141,092	169,265	28,173	20.0%	1.8%		
City as % of County	28.2%	29.3%	1.0%				
Households							
Woodland	14,198	17,112	2,914	20.5%	1.9%	2.80	2.89
Yolo County	50,972	61,451	10,479	20.6%	1.9%	2.77	2.75
City as % of County	27.9%	27.8%	0.0%				

1. The U.S. Census 2000 reports population as 49,151. However, there may be some undercounting in this total. Therefore, the official State estimates as of January 1, 2000 from the Department of Finance are used.

Sources: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 1990 and 2000.

Ethnicity

The ethnic composition of Woodland compared to Yolo County in 2000 is shown in Table 3-2. Woodland had a larger proportion of Hispanics (38.8 percent) than Yolo County (25.9 percent). The proportion of White residents in Woodland (53.0 percent) was less than in the County (58.1 percent). The Black population comprised less of the total population in Woodland (1.1 percent) than it did in Yolo County (1.9 percent). As shown, the Asian population, other races, or persons of more two races comprised a small portion of the total population in both the City and County.

Table 3-2
City of Woodland - Population by Ethnicity: 2000³

Race	Woodland	% of Total	Yolo County	% of Total
White	26,259	53.0%	98,293	58.1%
Black	531	1.1%	3,144	1.9%
Hispanic	19,226	38.8%	43,864	25.9%
Asian	1,781	3.6%	16,449	9.7%
Other ¹	556	1.1%	2,011	1.2%
Two or More Races ²	1,165	2.4%	5,504	3.3%
Total	49,518	100%	169,265	100.0%

1. "Other" category includes American Indian and Alaska Native, Native Hawaiian and Other Pacific Islander, and some other race as classified in the 2000 Census.
2. The new Classification system in the 2000 Census includes an additional category for origin of two or more races.
3. Categories have been adjusted to State Department of Finance official estimates of January 1, 2000.

Source: Stanley R. Hoffman Associates, Inc.
U.S. Census Bureau, 2000.
California State Department of Finance, January 1, 2000.

Household Income

Table 3-3 shows the July, 2001 estimated average annual household income and per capita income for households within a 5-mile and 15-mile radius from the intersection of Main and East Streets in the City of Woodland. As shown, the estimated average annual household income of about \$60,000 is about the same for the two areas. The per capita income is slightly higher within a 15-mile radius (\$23,000) than within a 5-mile radius (\$22,000).

Table 3-3
City of Woodland
Household Income Estimates for 5-Mile and 15-Mile Radius

Description	2000 Estimates	
	5-Mile Radius	15-Mile Radius
Households	17,376	62,280
Household Population	47,639	159,090
Avg. Household Size	2.74	2.55
Per Capita Income	\$21,790	\$23,330
Avg. HH Income	\$59,741	\$59,595

Note: The center of the 5-mile and 15-mile radius is located at the intersection of Main and East Streets.

Source: Stanley R. Hoffman Associates, Inc.
CACI Marketing Systems, *Trend Profile Report* prepared July, 2001.

Average and Median Housing Prices – Woodland and Area

Current information on housing sales prices was obtained from the listings of realtors in the Yolo County region during December 2001. As shown in Table 3-4, a single-family unit in the City of Woodland had an average price of \$229,634 and a median price of \$210,500, lower than the average and median home prices for Davis and the area. Home prices in Woodland ranged from \$163,500 to \$545,000. As shown, the average price for the area was \$356,178 and the median price was \$285,000.

Table 3-4
Home Prices in Yolo County Region: December, 2001

Jurisdiction ¹	Average Price	Median Price	Price Range	
Woodland	\$229,634	\$210,500	\$163,500	\$545,000
Davis	\$432,831	\$379,000	\$205,500	\$799,200
Area	\$356,178	\$285,000	\$163,500	\$799,200

1. Based on selection of home prices from current Coldwell Banker and RE/MAX realty listings for the Yolo County region.

Source: Stanley R. Hoffman Associates, Inc.
Realtor.com, December 2001.

Apartment Rental Rates

Listings for available apartments in the City of Woodland are presented in Table 3-5. As shown, the average monthly rents ranges from \$410 for a studio to \$585 for a 3-bedroom. Based on a total of 50 listings as of December 2001, the median rent ranged from \$390 for a studio to \$585 for a 3-bedroom. The overall rent range for this time period was \$300 to \$650 per month.

Table 3-5

Median and Average Rents by Number of Bedrooms: 2001

Number of Bedrooms	Number Listed	Median Rent	Average Rent	Rent Range
Studio	6	\$390	\$410	\$300-650
1	22	470	466	355-550
2	21	575	560	425-650
<u>3</u>	<u>1</u>	<u>585</u>	<u>585</u>	<u>\$585</u>
Totals	50	\$457	\$501	\$300-650

Source: Stanley R. Hoffman Associates, Inc.
www.springstreet.com, City of Woodland apartment rents for week beginning 12/18/01.

Employment in Yolo County by Industry Sector: 1990 to 2000

Although employment trends in the County are not necessarily an indication of growth patterns for the City of Woodland, they do provide a look at the economic setting of the greater region in which Woodland is located. Non-farm employment trends by industry sector for Yolo County are presented in Table 3-6. As shown, from 1990 to 2000 the fastest growing industry sector was Business Services, which grew at an annual average rate of 13.7 percent over this time period. Employment at General Merchandise stores experienced the second fastest growth, or an annual average rate of 13.3 percent. The Finance group experienced the third fastest growth at an average 11.2 percent annually. The rapid growth of Business Services and Finance could likely result in an increase in professional and technical businesses in Woodland and increase the demand for office space. These sectors also have higher than average salaries.

In terms of absolute growth from 1990 to 2000, the largest share of the growth was attributed to the Government sector at 24.3 percent of the total employment growth, closely followed by Services (23.9 percent) and by Retail Trade (18.6 percent).

3.2 Projected Population, Household and Employment Growth

Projections provided by the Sacramento Area Council of Governments (SACOG) from 2000 to 2020 suggest that Woodland will experience moderate growth in population, households and employment over the next twenty years. As shown in Table 3-7, population is projected to reach about 66,570 in 2020, representing an annual average growth rate of 1.7 percent over the

**Table 3-6
Non-Farm Employment Trends, Yolo County: 1990 to 2000 ¹**

Industry Sector	1990	2000	Numerical Change 1990-2000	% of Growth	1990 to 2000 Avg. Annual Growth
Construction	2,800	4,300	1,500	6.1%	4.4%
Durable Manufacturing	2,900	2,900	0	0.0%	0.0%
Non-Durable Manufacturing	3,500	3,200	-300	-1.2%	-0.9%
Food and Kindred	2,200	1,700	-500	-2.0%	-2.5%
Other	1,300	1,500	200	0.8%	1.4%
Transportation and Public Utilities	4,200	6,300	2,100	8.5%	4.1%
Transportation	3,400	5,200	1,800	7.3%	4.3%
Communications & Public Utilities	800	1,100	300	1.2%	3.2%
Wholesale Trade	4,600	7,000	2,400	9.7%	4.3%
Retail Trade	10,300	14,900	4,600	18.6%	3.8%
General Merchandise	600	2,100	1,500	6.1%	13.3%
Food Stores	1,800	3,400	1,600	6.5%	6.6%
Eating & Drinking Places	4,000	4,200	200	0.8%	0.5%
Other Retail	3,900	5,200	1,300	5.3%	2.9%
Finance, Insurance & Real Estate	2,100	4,600	2,500	10.1%	8.2%
Finance	1,000	2,900	1,900	7.7%	11.2%
Other FIRE	1,100	1,700	600	2.4%	4.4%
Services	9,100	15,000	5,900	23.9%	5.1%
Hotels and Other Lodging	400	400	0	0.0%	0.0%
Business Services	1,000	3,600	2,600	10.5%	13.7%
Amusement & Recreation	400	1,000	600	2.4%	9.6%
Health Services	3,000	3,200	200	0.8%	0.6%
Social Services and Member Orgs.	1,300	2,400	1,100	4.5%	6.3%
Other Services	3,000	4,500	1,500	6.1%	4.1%
Government	23,000	29,000	6,000	24.3%	2.3%
Total	62,500	87,200	24,700	100%	3.4%

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department.

1. Estimates are rounded by EDD.

Table 3-7
Population, Households and Employment: 2000 to 2020

Jurisdiction ¹	2000	2010	2020	2000 - 2020 Change	2000 - 2020 Avg Annual Growth
<u>City of Woodland</u>					
Population	47,150	57,010	66,570	19,420	1.7%
Households	16,665	20,372	24,326	7,661	1.9%
Employment	20,602	28,235	36,291	15,689	2.9%
Jobs/Household ratio	1.24	1.39	1.49	0.26	
<u>North Natomas</u>					
Population	2,002	26,994	41,526	39,524	16.4%
Households ²	707	9,429	14,649	13,942	16.4%
Employment	3,153	9,544	13,858	10,705	7.7%
Jobs/Household ratio	4.46	1.01	0.95	-3.51	
<u>Yolo County</u>					
Population	165,220	209,035	247,905	82,685	2.0%
Households	60,435	75,555	90,380	29,945	2.0%
Employment	93,367	127,233	157,979	64,612	2.7%
Jobs/Household ratio	1.54	1.68	1.75	0.20	

1. Based on SACOG projections by Regional Analysis District (RAD).
2. Based on vacancy rate for Sacramento City of 4.46%.

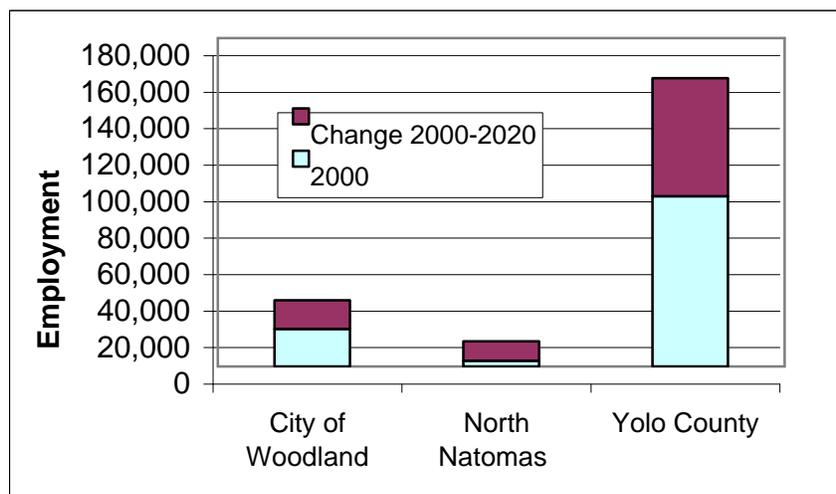
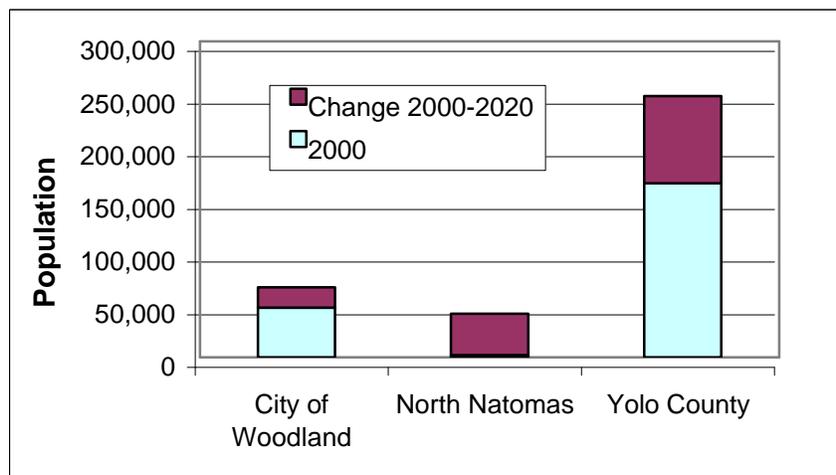
Source: Stanley R. Hoffman Associates, Inc.
Sacramento Area Council of Governments (SACOG), March 15, 2001.

twenty-year period from 2000 to 2020. Households are projected to grow at about the same rate as population, or 1.9 percent annually. It is projected by SACOG that employment in Woodland will increase from about 20,602 jobs in 2000 to 36,291 jobs by the year 2020. At an average annual growth rate of 2.9 percent, this is faster than the average annual population growth. The number of jobs per household or jobs-housing ratio of 1.24 in 2000 is projected to increase steadily to 1.49 in 2020 as more jobs are projected to move outward to the periphery of the Sacramento region relative to residential development.

The County population is projected to grow at a slightly higher rate than the City over this time period, or at an annual average rate of 2.0 percent. Like the City, the County's employment is projected to grow faster than its population, at an annual average rate of 2.7 percent. Similarly, the number of jobs per household in the County is projected to increase from 1.54 in 2000 to 1.75 in 2020.

The nearby North Natomas area in the northwest portion of the City of Sacramento is directly east of Woodland and is viewed as a secondary source of future retail demand for the City of Woodland. That is, as population and employment increase in North Natomas, some of these households and employees may shop in nearby Woodland. This area is projected to show significant growth from 2000 to 2020, increasing at an average annual rate of 16.4 percent in population and households. Employment in the North Natomas area is also projected to grow faster than in the City of Woodland and the County, at an average annual rate of 7.7 percent. However, once household growth stabilizes, the number of jobs per household is projected to be less than Woodland and Yolo County, or less than one job per household by 2020. Figure 3-1 shows the change in population and employment from 2000 to 2020 for the three areas.

Figure 3-1
Projected Population and Employment Growth: 2000 to 2020



Sources: Stanley R. Hoffman Associates, Inc.

SACOG, March 15, 2001.

3.3 Employment Characteristics of Woodland

As shown in Table 3-8, total employment in the primary market area within the City was about 19,550 in 2000. Most of the employment was in the Retail Trade and Service sectors, which comprised 25.7 percent and 20.8 percent of the total employment respectively. Communications and Public Utilities employees represented the smallest portion (0.4 percent) of the total employment in the primary market area. As shown, the employment base is more oriented towards local-serving industries, and does not reflect a strong market for office.

From 1996 to 2000, the largest job growth was in Retail Trade (693), Services (407), Construction (365) and Wholesale Trade (346). Finance, Insurance & Real Estate Group (-67) and Farm Production and Agricultural Services (-228) showed job decreases.

Table 3-8

Woodland Employment Summary: 1996 and 2000

Major Industry Group	1996	2000	2000 % of Total	Numerical Change 1990-2000	Percent Change
Farm Production & Agricultural Services	2,384	2,156	11.0%	-228	-9.6%
Mining	128	183	0.9%	55	43.0%
Construction	953	1,318	6.7%	365	38.3%
Manufacturing	2,598	2,705	13.8%	107	4.1%
Transportation	718	900	4.6%	182	25.3%
Communications & Public Utilities	78	77	0.4%	-1	-1.3%
Wholesale Trade	1,862	2,208	11.3%	346	18.6%
Retail Trade	4,336	5,029	25.7%	693	16.0%
Finance, Insurance & Real Estate	984	917	4.7%	-67	-6.8%
Services	<u>3,650</u>	<u>4,057</u>	<u>20.8%</u>	<u>407</u>	<u>11.2%</u>
Total	17,691	19,550	100.0%	1,859	10.5%

Source: Stanley R. Hoffman Associates, Inc.
California Employment Development Department, CACI, Bay Area Economics, 2002.

Chapter 4 - THE COMPETITIVE CONTEXT

This chapter discusses characteristics of the existing residential and non-residential building activity in the market area that may be competitive with the proposed land use alternatives. The primary market area is generally viewed as the City of Woodland plus its immediately adjacent areas. The growth in the North Natomas area is viewed as a secondary source of demand if Woodland can develop unique retail opportunities in the Downtown. Another source of demand, although viewed as less strong, will come from throughout unincorporated Yolo County and the City of Davis.

4.1 Retail Supply in the Market Area

The City's retail centers are primarily neighborhood and community centers, and one regional center as shown in Table 4-1. Typically, the neighborhood centers are small, neighborhood centers, providing convenience goods and services to local residents. They generally contain grocery and drug store anchors, one or more restaurants, small specialty stores, and personal and other services. Community centers provide a wider range of merchandise and may be built around a junior department store, supermarket or discount department store. The market area for a regional center is much larger than that of a neighborhood shopping center, providing a wider range of merchandise and services. It is usually anchored by one or two large department stores.

Table 4-1 lists the characteristics of the major retail centers located in the City of Woodland as reported in the 2000 Shopping Center Directory published annually by the National Research Bureau. The existing centers include a total of about 1.1 million square feet of anchor tenants and smaller retail shops.

The largest center is the County Fair Mall regional shopping center at 405,789 square feet or about 37 percent of the existing total square feet. This center includes anchors such as Mervyn's, JC Penney and Target. There is also a Wal-Mart and Staples located along Main Street at the I-5 Freeway. The Home Depot store at about 150,000 square feet is estimated for completion in late 2002 at this site as well. In addition, about 307,800 square feet of grocery stores and neighborhood centers are planned or under construction. This will bring the total existing and planned square feet to about 1.6 million square feet.

4.2 Commercial Building Activity

Table 4-2 presents new non-residential building activity trends in the City of Woodland from 1990 to 2000 in year 2000 dollars. As shown in Table 4-2, the total valuation of non-residential building permits grew from 1990 to 2000, increasing from about \$2.2 to \$17.4 million in real dollars. This represents an average annual valuation of about \$11.5 million. Average annual commercial valuation was about \$6.7 million, or almost 60 percent of the total, while average annual industrial valuation was about \$4.8 million. Commercial building activity has ranged from 8.4 percent of the total non-residential building activity annually to 100.0 percent of the total during the years in which development occurred.

**Table 4-1
City of Woodland Retail Centers**

Center Name/ Location	Type¹/Yr Built	Total Sq. Ft.	Anchor Sq.Ft.	Anchors	Other Tenants
<u>Existing Retail Centers</u>					
County Fair Mall E. Gibson & E St. 1264 E. Gibson Rd.	R 1986	405,789	46,012 49,723 60,618 81,313 237,666	Gottschalk's JC Penney Mervyn's Target	Fast foods, restaurants, toy stores, shoe stores, apparel stores, movie theaters, service, music, bookstores
Fairgrounds Shopping Center East St. & Gum Ave.	N 1986	46,000			
Town & Country Village 204 Main St.	N	80,000			
West Court Plaza West & Court Sts.	C 1971	119,816	N/A N/A N/A	Family Bargain Center Super Saver Grocery	
Westgate Center W. Main St. & County Rd. 98	C 1986	111,683	12,024 61,000 73,024	Fabricland Raley's Superstore	Hair salon, restaurant, apparel, medical office, video store
Woodland Crossroads	C 1984	136,000	21,000 87,000 108,000	Canned Foods Kmart	Hair salon, RTO Rents
Yolo Polo Center ² 1770 E. Main St.		200,000	150,000 50,000 200,000	Wal-Mart Staples	
Total		1,099,288			
<u>Future Retail</u>					
Yolo Polo Center		150,000	150,000	Home Depot (2002)	Anchored by grocery & drug stores
Spring Lake Specific Plan		120,000		Neighborhood center	
Gibson/Pioneer Center		116,000		Neighborhood center	
Safeway		56,800		Grocery store	Conversion will add 15,000 sq. ft.
SuperSavers to Albertsons ³		15,000		Albertsons	
Total		457,800			
Total Existing and Future sq. ft.		1,557,088			

1. C = Community, N = Neighborhood, R = Regional.
2. Square feet have been estimated for purposes of this analysis.
3. Conversion of existing SuperSavers to an Albertsons will expand the grocery store by about 15,000 sq. ft.

Sources: Stanley R. Hoffman Associates, Inc.
National Research Bureau, Shopping Center Directory 2000.
Bay Area Economics, 2000.

Table 4-2

**City of Woodland New Non-Residential Building Permit Valuation
(in thousands of constant 2000 dollars)**

Year	Commercial	% of Total	Industrial	% of Total	Total
1990	\$189	8.4%	\$2,058	91.6%	\$2,247
1991	4,054	35.0%	7,526	65.0%	11,580
1992	0	0.0%	346	100.0%	346
1993	2,076	55.9%	1,636	44.1%	3,712
1994	20,108	90.6%	2,089	9.4%	22,198
1995	5,287	79.0%	1,407	21.0%	6,694
1996	6,424	100.0%	0	0.0%	6,424
1997	3,639	21.9%	13,012	78.1%	16,650
1998	21,569	97.5%	550	2.5%	22,119
1999	1,608	9.4%	15,533	90.6%	17,141
2000	\$8,200	47.3%	\$9,152	52.7%	\$17,352
Annual Average	\$6,650		\$4,846		\$11,497

1. The building permit reports do not provide permitted square footage.

Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board, 1990 to 2000.

4.3 Residential Building Activity

Table 4-3 presents new residential building activity trends in the City of Woodland from 1990 to 2000. As shown in Table 4-3, the average number of units built annually during this time period was about 216. The number of multi-family units built annually has been less than single-family units, or an average of 51 units. Multi-Family development comprised a small percentage of the total residential volume during this time period, ranging from 0.7 percent to 70.5 percent annually of the total development. Multi-family residential building activity is significant because of its potential in mixed-use developments. In this context, multi-family development can provide a source of demand for downtown retail, restaurants and entertainment establishments as described in a later section of this report.

Table 4-3

City of Woodland Residential Building Activity: 1990 to 2000

Year	Single-Family	% of Total	Multi-Family	% of Total	Total Units
1990	153	54.1%	130	45.9%	283
1991	115	67.3%	56	32.7%	171
1992	58	90.6%	6	9.4%	64
1993	109	90.8%	11	9.2%	120
1994	128	95.5%	6	4.5%	134
1995	310	93.7%	21	6.3%	331
1996	293	99.3%	2	0.7%	295
1997	244	96.8%	8	3.2%	252
1998	260	97.0%	8	3.0%	268
1999	129	29.5%	309	70.5%	438
2000	22	100.0%	0	0.0%	22
Annual Average	166		51		216

Source: Stanley R. Hoffman Associates, Inc.
Construction Industry Research Board, 1990 to 2000.

4.4 Hotel and Motel Inventory

As shown in Table 4-4, the City of Woodland currently has several lodging places with a total of about 337 rooms as listed in the 2001 AAA Tour Book. The average number of rooms per establishment was estimated at 56 with overall average occupancy of about 60 percent. As shown, room rates in 2001 ranged from a low of \$42 per night to \$86 per night. The nightly room rates are in the moderate price range, catering more to the highway traveler than the business traveler. Business traveler lodging may provide amenities not provided in traveler lodging, including executive desks, voice-mail service, data port access, facsimile service and personal services such as dry cleaning.

A Holiday Inn Express hotel is planned for construction near the Interstate-5 Highway. There are also other moderate priced hotels as well as business-oriented lodging in the nearby North Natomas area and at the Sacramento Airport.

Table 4-4
City of Woodland Downtown/Master Site Plan
City of Woodland Lodging: 2001

Hotel/Motel	Number of Units	Rates	Occupancy Rates	Comments
Best Western Shadow Inn 584 N. East St.	123	\$62-\$80	59%	
Budget Inn 1021 Main Street	18	\$42-\$50	55%	Occupancy rate range is 50-60%.
Cinderella Motel 99 W. Main Street	30	\$45-\$75	42%	
Comfort Inn 1562 E. Main Street	51	\$54-\$86	55%	
Days Inn 1524 E. Main Street	53	\$52-\$86	70%	
Valley Oaks Inn 600 N. East Street	62	\$44-\$50	70%	Summer occupancy is 90%. Winter occupancy is 60-70%.
Total	337		60%	Estimated Overall Occupancy
Average Rooms per Hotel	56			

Source: Stanley R. Hoffman Associates, Inc.
AAA, *Tourbook, Northern California and Nevada*, 2001.
Telephone survey of Woodland hotels and City of Woodland data.

Chapter 5 - RETAIL MARKET TRENDS

This chapter provides an assessment of the retail market. This includes 1990 through 2000 taxable retail and non-retail sales, leakage analysis using comparative per capita taxable retail sales, and supportable floor area analysis.

5.1 Taxable Sales Trends

Taxable Sales for City of Woodland and Yolo County: 1990 and 2000

As summarized in Figure 5-1 and shown in detail in Table 5-1, total taxable retail sales in Woodland increased in real dollars from about \$384.6 million in 1990 to \$463.8 million in 2000, or about 20.6 percent. Taxable retail sales for Yolo County in 1990 and 2000 are shown in Table 5-2. As shown, total taxable retail sales have increased in real dollars during this time period by about \$322.0 million, or about 30.7 percent.

As shown in Table 5-1, total taxable sales for the City of Woodland have increased from about \$480.4 million to \$626.4 million from 1990 to 2000. All Other Outlets include taxable sales for non-retail categories such as business-to-business sales and business and personal services. As shown, the City's non-retail taxable sales increased by 69.6 percent during this time period. The County's non-retail taxable sales also increased during this time period, by about 43.0 percent.

Taxable Retail Sales by Category: 1990 and 2000

As shown in Table 5-1, the largest increase in the City's taxable retail sales during this time period occurred in Building Materials, which increased by 69.4 percent, followed by Service Stations at 40.7 percent. Other Retail (i.e., specialty shops and packaged liquor), ranked third. The Apparel category showed the largest decrease from 1990 to 2000, decreasing by over 50 percent. In the County, as shown in Table 5-2, only the Apparel category showed a decrease during this time period (19.5 percent). The County's performance in Home Furnishings was the most significant relative to the City, with taxable sales increasing by 62.9 percent over this time period, compared to the City's decrease of 32.1 percent.

**Figure 5-1
Change in Taxable Retail Sales: 1990 to 2000**

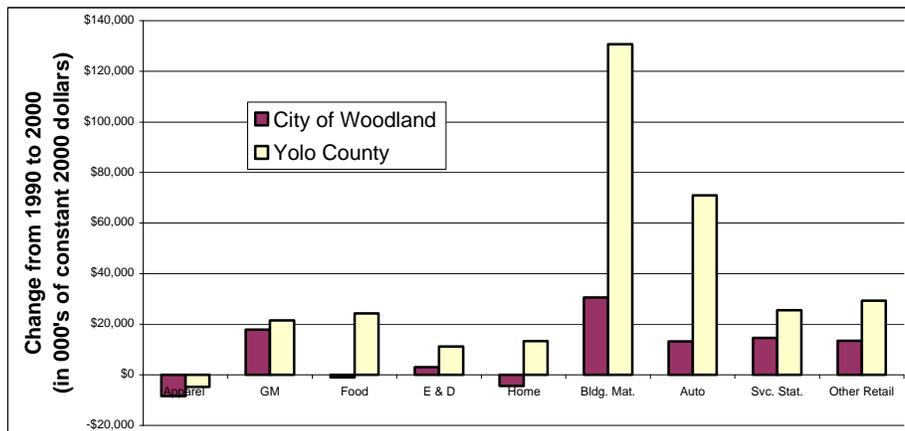


Table 5-1
City of Woodland Taxable Sales: 1990 and 2000
(in thousands of constant 2000 dollars)

Retail Group	1990	2000⁴	1990 to 2000 Change	Percent Change
Apparel Stores	\$15,890	\$7,492	-\$8,398	-52.9%
General Merchandise Stores ¹	86,858	104,765	\$17,907	20.6%
Food Stores	40,380	39,444	-\$936	-2.3%
Eating and Drinking Places	35,153	38,146	\$2,993	8.5%
Home Furnishings	13,467	9,148	-\$4,319	-32.1%
Building Materials & Farm Implements	44,001	74,540	\$30,539	69.4%
Auto Dealers and Supplies	77,091	90,374	\$13,283	17.2%
Service Stations	35,948	50,577	\$14,629	40.7%
Other Retail Stores ²	<u>35,776</u>	<u>49,338</u>	<u>\$13,562</u>	<u>37.9%</u>
Retail Subtotal	\$384,563	\$463,824	\$79,261	20.6%
All Other Outlets (Non-Retail) ³	<u>95,864</u>	<u>162,603</u>	<u>\$66,739</u>	<u>69.6%</u>
Total Taxable Sales	\$480,427	\$626,427	\$146,000	30.4%

Table 5-2
Yolo County Taxable Sales: 1990 and 2000
(in thousands of constant 2000 dollars)

Retail Group	1990	2000	1990 to 2000 Change	Percent Change
Apparel Stores	\$24,095	\$19,397	-\$4,698	-19.5%
General Merchandise ¹	118,705	140,177	21,472	18.1%
Food Stores	111,608	135,798	24,190	21.7%
Eating and Drinking Places	120,369	131,587	11,218	9.3%
Home Furnishings	21,317	34,728	13,411	62.9%
Building Materials & Farm Implements	58,867	189,555	130,688	222.0%
Auto Dealers and Supplies	254,729	325,640	70,911	27.8%
Service Stations	126,397	151,938	25,541	20.2%
Other Retail Stores ²	<u>213,210</u>	<u>242,450</u>	<u>29,240</u>	<u>13.7%</u>
Retail Subtotal	\$1,049,295	\$1,371,270	\$321,975	30.7%
All Other Outlets (Non-Retail) ³	<u>730,686</u>	<u>1,044,942</u>	<u>\$314,256</u>	<u>43.0%</u>
Total Taxable Sales	\$1,779,982	\$2,416,212	\$636,230	35.7%

1. Drug stores are included in General Merchandise beginning in 1997.
2. Packaged Liquor, Second-hand merchandise, and Fuel and Ice dealers were classified as Other Retail beginning in 1997.
3. Includes business-to-business and business/personal services taxable sales.
4. Year 2000 data for Woodland is provided by State Board of Equalization.

Taxable Retail Sales City and County: 2000

Taxable retail sales for the City of Woodland and Yolo County during 2000 are presented by retail group in Table 5-3. As shown, the City captures about one-third of the total taxable retail sales in the County, with a very large share of county-wide sales in General Merchandise (74.7 percent) and Building Materials (39.3 percent). As was noted in Chapter 3, the City accounts for slightly over 29.0% of the County population.

Table 5-3
Taxable Transactions (in Thousands) by Retail Group: 2000

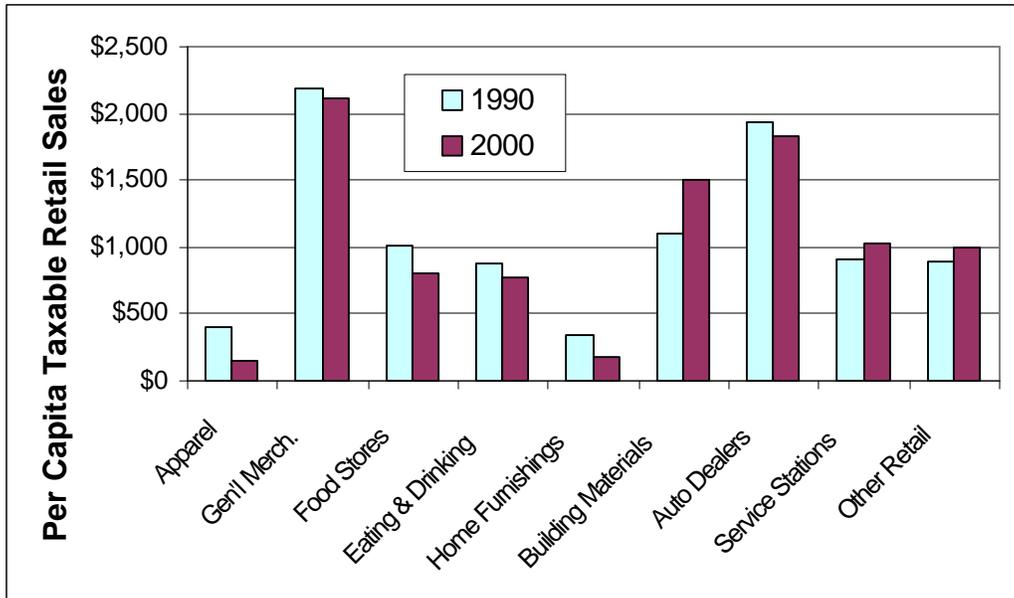
Retail Group	City	County	Percent of County
Apparel Stores	\$7,492	\$19,397	38.6%
General Merchandise Stores	104,765	140,177	74.7%
Food Stores	39,444	135,798	29.0%
Eating and Drinking Places	38,146	131,587	29.0%
Home Furnishings	9,148	34,728	26.3%
Building Materials & Farm Implements	74,540	189,555	39.3%
Auto Dealers and Supplies	90,374	325,640	27.8%
Service Stations	50,577	151,938	33.3%
Other Retail Stores	<u>49,338</u>	<u>\$242,450</u>	<u>20.3%</u>
Retail Subtotal	\$463,824	\$1,371,270	33.8%

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization.

Per Capita Taxable Retail Sales

Figure 5-2 shows per capita taxable retail sales for the City of Woodland from 1990 to 2000 in constant 2000 dollars. As shown, the City's total per capita taxable retail sales have decreased in real dollars from \$9,662 per capita in 1990 to \$9,367 in 2000. The largest decreases were in Apparel and Home Furnishings, which decreased by about 62.1 percent and 45.4 percent respectively during this time period. Building Materials & Farm Implements showed the greatest increase over this time period, increasing by about 36.2 percent

Figure 5-2
City of Woodland Per Capita Taxable Retail Sales: 1990 to 2000
(in constant 2000 dollars)



5.2 Retail Leakage Analysis

One way to assess the relative strength of the local retail sector is to perform a “leakage” analysis. A leakage analysis estimates the net capture by local retailers of the retail spending by local residents. The results of the leakage analysis using comparative per capita taxable retail sales are presented below.

Comparative Per Capita Taxable Retail Sales

This analysis compares per capita retail sales in Woodland to per capita retail sales in California. The notion is that if per capita sales are lower in Woodland than they are statewide, then Woodland is losing some of the retail spending by its residents to other areas. Conversely, if Woodland per capita retail sales are greater than statewide averages, then Woodland is capturing some purchases by non-residents. In other words, if Woodland’s retail sector was serving all of the retail needs of its residents and only the needs of its residents, then per capita retail sales in Woodland would be the same as per capita retail sales statewide (everything else being equal). While this approach ignores such factors as the effects of demographic differences between the city and the state and the effects of business-to-business sales, it provides a useful approximation.

The results of this approach are presented in Table 5-4 and in Figure 5-3. Table 5-4 presents per capita taxable retail sales for the City of Woodland and the State during 2000. Per capita sales indicate the strength of the purchasing power of the City’s residents compared with the State.

Table 5-4

**City of Woodland Downtown/Master Site Plan
Comparative Per Capita Taxable Retail Transactions: 2000**

Retail Group	City	State	Difference	Ratio
Apparel Stores	\$151	\$376	-\$224	0.40
General Merchandise Stores ¹	2,116	1,340	776	1.58
Food Stores	797	537	259	1.48
Eating and Drinking Places	770	1,037	-266	0.74
Home Furnishings	185	397	-213	0.46
Building Materials & Farm Implements	1,505	725	780	2.08
Auto Dealers and Supplies	1,825	1,658	167	1.10
Service Stations	1,021	737	284	1.39
Other Retail Stores ²	<u>996</u>	<u>1,585</u>	<u>-589</u>	<u>0.63</u>
Retail Subtotal	\$9,367	\$8,392	\$975	1.12
 Population	 49,518	 34,206,954		

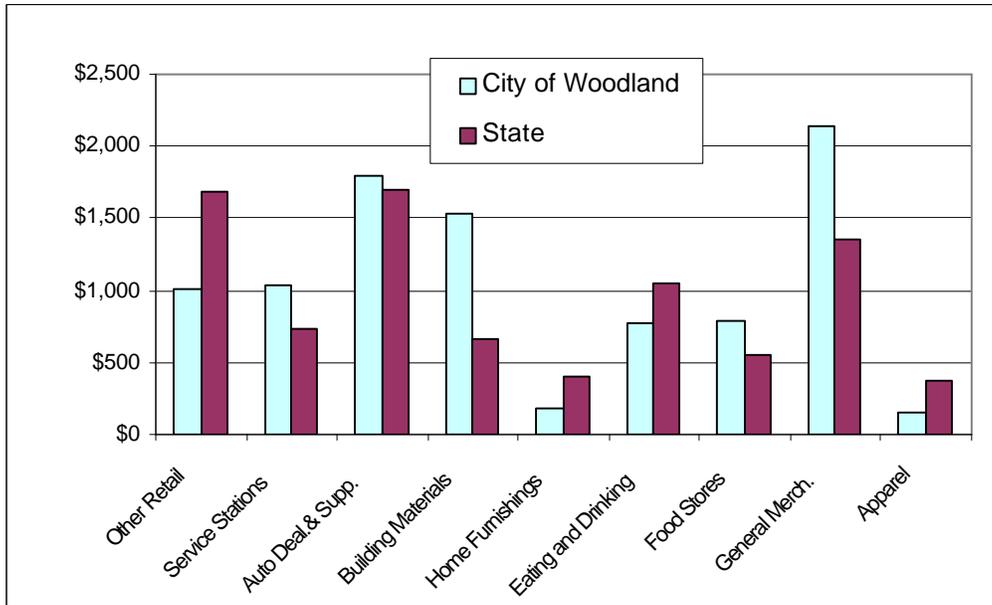
1. General merchandise includes drug stores.
2. Other Retail includes packaged liquor and second-hand merchandise.

Sources: Stanley R. Hoffman Associates, Inc.
California State Board of Equalization, 2000 Annual Report.
California State Department of Finance, January 1, 2000.

When compared to the State, Woodland had higher per capita retail sales overall as well as in several retail categories. As shown in Table 5-4, the City had per capita taxable retail sales of \$9,367 during 2000 compared to the State's \$8,392. Woodland had more than twice the per capita sales of the State in Building Materials, and was also strong in General Merchandise, Food Stores, Auto Dealers and Service Stations. However, the City shows significant leakages in Apparel, Eating & Drinking, Home Furnishings and Other Retail stores.

The city's underperformance in these latter retail sectors relative to statewide averages indicates that local residents are spending more outside the City than is being offset by non-resident spending within the city. These retail sectors provide opportunities for expansion within the City, including the Downtown area.

**Figure 5-3
Comparative Per Capita Taxable Retail Sales: 2000**



5.3 Projected Growth in Retail Demand

Table 5-5 presents an estimate of the additional retail floor area that would be supportable as the result of population growth in Woodland over the next 20 years. Consistent with the SACOG projections presented earlier, the estimates in Table 5-5 assume the addition of 7,661 households in Woodland from 2000 through 2020, or about 383 per year. The projection assumes that these new households will be the same size as those in the current 5-mile market area average, but will have slightly higher incomes. Based on these assumptions, approximately 1.1 million square feet of additional retail would be supportable somewhere in the market area to serve these new households. However, this doesn't imply that all of the demand would necessarily be captured in Woodland. About 83.2 percent of the total retail sales generated are estimated to be taxable, as shown in Table 5-5.

5.4 Projected Capture in Downtown Woodland

The projected capture of growth in an older, redeveloping downtown over a twenty year period is subject to a great deal of speculation and uncertainty. However, given this caveat, a projected range of retail development potential was prepared as a point of discussion. Strong economic conditions and the proactive responses of the public and private sectors could possibly generate even more development.

Table 5-5

Retail Expenditures by New Woodland Households: 2000-2020

Retail Category	Average Expenditure Per Household	Total Expenditures	Total Supportable Square Feet
Apparel	\$1,459	\$11,176,982	65,747
General Merchandise	\$4,294	\$32,895,101	193,501
Drug Stores	\$1,163	\$8,911,781	52,422
Food Stores	\$5,243	\$40,167,591	236,280
Liquor Stores	\$519	\$3,974,038	23,377
Eating & Drinking	\$3,042	\$23,307,734	137,104
Home Furnishings	\$1,050	\$8,047,427	47,338
Building Materials	\$952	\$7,292,360	42,896
Auto Dealers and Parts	\$4,020	\$30,798,796	181,169
Service Stations	\$1,602	\$12,269,843	72,176
Other Retail	\$1,148	\$8,792,560	51,721
Total Retail Sales	\$24,492	\$187,634,214	1,103,731
Total Taxable Sales³		\$156,130,423	918,414
Taxable % of Total Retail		83.2%	83.2%
Average Household Size	2.74		
Household Income¹	\$70,000		

Growth in Households 2000-2020	7,661
Estimated Average Sales per Square Foot ²	\$170

1. This estimate is based on the factor of 30 percent times the average home price of about \$230,000 under the assumption that new home buyers will have incomes relatively higher than existing households.
2. Based on data from the City of Woodland Finance Department.
3. Based on 70% of food and 38% of drug store sales estimated as non-taxable.

Source: Stanley R. Hoffman Associates, Inc.

The projected capture of retail development has been allocated by retail category as shown in Table 5-6 based on two capture scenarios. The focus of capture has been on those sectors that are judged to be compatible with the land and market opportunities in the downtown area, including: Apparel, Eating and Drinking, Home Furnishings and Other Retail or specialty shops. As shown in Table 5-6, the range of retail development in the Downtown is about 45,400 square feet to 75,400 square feet. This range represents about 4.1 percent to 6.8 percent of the total 1,103,731 supportable square feet. While the higher figure is less than the currently estimated vacant retail square footage in Downtown Woodland, it does not mean that all of the older space will recycle into new retail uses. It is more likely that there will be some

Table 5-6

Estimated Capture in the Downtown from New Woodland Households: 2000-2020

Retail Category	Total Supportable Square Feet	Estimated Downtown Capture ¹		Estimated Downtown Supportable Sq. Ft.	
		Scenario 1	Scenario 2	Scenario 1	Scenario 2
Apparel	65,747	15%	25%	9,900	16,400
General Merchandise	193,501	0%	0%	0	0
Drug Stores	52,422	0%	0%	0	0
Food Stores	236,280	0%	0%	0	0
Liquor Stores	23,377	0%	0%	0	0
Eating & Drinking	137,104	15%	25%	20,600	34,300
Home Furnishings	47,338	15%	25%	7,100	11,800
Building Materials	42,896	0%	0%	0	0
Auto Dealers and Parts	181,169	0%	0%	0	0
Service Stations	72,176	0%	0%	0	0
Other Retail	51,721	15%	25%	7,800	12,900
Total	1,103,731			45,400	75,400
Percent of Total Square Feet	100.0%			4.1%	6.8%
Sales per Sq. Ft.	\$170			\$170	\$170
Total Retail Sales	\$187,634,214			\$7,718,000	\$12,818,000
Total Taxable Sales	\$156,130,423			\$7,718,000	\$12,818,000
Sales Tax (@ 1 percent)	\$1,561,304			\$77,180	\$128,180
Average Household Size	2.74				
Growth in Households 2000-2020	7,661				

1. Estimations are based on what are considered to be conservative capture rates by the economic consultant.

Source: Stanley R. Hoffman Associates, Inc.

redevelopment into newer retail as well as office spaces and concurrently the construction of new retail development on vacant or underutilized parcels. This range of supportable square feet in the Downtown is estimated to generate from about \$77,180 to \$128,180 in sales tax for the City of Woodland.

This projection has concentrated about 45 percent of the retail capture in restaurants and other eating establishments. This orientation is based on the current lack of good eating establishments in the market area as reported during the interviews and the projected growth in households over the next twenty years. Also, a variety of eating establishments can serve as a draw for both the population of Woodland and from the surrounding market area.

While entertainment was not projected as part of this retail analysis, these types of uses are also seen as compatible with downtown eating and specialty retail establishments. These uses could range from the existing, historic Opera House to the downtown cinema to smaller, music or comedy venues. These types of uses will evolve as the population continues to grow and is attracted to the downtown.

One phenomenon that has been observed in the downtown is the occasional recycling of older buildings into mixed-use retail and office spaces. But this is very much dependent upon the economics of the project, including the land cost and the cost of seismic retrofitting. It was reported during the interviews that the latter cost could be significant depending upon the age and construction of the building.

5.5 Square Footage Ranges of Expected Downtown Retail Development

While downtown retail development is generally viewed as smaller shops and restaurants, they can vary in size as shown in Table 5-7 for various categories of retail development. For example, Apparel shops are shown to range from less than 1,000 square feet to about 6,100 square feet with the medians ranging from about 1,500 to 3,200 square feet. Initially, smaller spaces will probably be developed in order to reduce market risk until the downtown better establishes itself as a destination dining, entertainment and specialty shopping area.

Household Furnishings stores, including the existing antique stores in the downtown area, range from about 1,200 square feet to over 7,600 square feet. The medians range from about 2,300 to 3,600 square feet. Eating and Drinking establishments are generally expected to be smaller, in the 1,100 square foot to 3,000 square foot range. As the population growth increases the demand, it is expected that restaurants in the 3,000 square foot to 5,000 square foot range will be developed. And finally, Other Retail establishments come in a variety of sizes from about 1,200 square feet to 9,600 square feet. Again, it is not expected that the larger spaces would be developed initially, but eventually a sizable anchor may be attracted into the downtown.

Table 5-7

Square Footage Ranges of Expected Downtown Retail

Tenant Classification	Gross Leasable Area (sq. ft.) ¹		
	Lower	Median	Upper
<u>Apparel</u>			
Women's Specialty	874	1,509	3,171
Children's Wear	1,060	1,508	3,783
Men's Wear	1,578	3,200	6,098
<u>Household Furnshings</u>			
Home Accessories	1,218	2,299	3,793
Audio/Video	1,686	2,375	7,625
Kitchen Store	N/A	3,600	N/A
<u>Eating and Drinking</u>			
Sandwich Shop	1,100	1,300	1,800
Restaurant with Liquor	1,457	3,075	5,573
Pizza	1,100	1,500	3,280
Fast Food/Carry Out	559	1,700	3,795
Coffee/Tea	1,018	1,344	1,964
<u>Other Retail</u>			
Records/Tapes	1,164	1,820	8,915
Hobby	N/A	2,500	N/A
Books	1,203	2,400	9,580
Cards and Gifts	926	2,480	4,950
Jewelry	617	1,227	2,369
Other Retail	974	2,265	7,270

1. This data is based on surveys of U.S. Neighborhood Shopping Centers.

Sources: Stanley R. Hoffman Associates, Inc.

Dollars & Cents of Shopping Centers: 2000, Urban Land Institute.

Chapter 6 - OFFICE AND RESIDENTIAL PROJECTIONS

This chapter presents a range of projections for other potential downtown development types including office and higher density residential land uses. These projections are made with the same caveats expressed earlier about the speculative nature of these assumptions. However, they do provide a point of departure for discussion and, under the right market and public policy conditions, could even be exceeded.

6.1 Office Development

The office projection presented in Table 6-1 is focused on downtown office potential (including medical offices) and ranges from about 58,800 square feet to about 88,250 square feet. While it is possible that larger, regional offices could be developed, such as the approximately 300-employee Blue Shield facility in the Master Plan area, the projection below is viewed as moderate growth that could be exceeded as the office market becomes better established.

Table 6-1
Projected Office Demand in Downtown Woodland: 2000-2020

Assumptions/ Projections	Estimated Supportable Office Demand	Units
Projected Woodland Employment Growth: 2000-2020 (from SACOG, Table 3-7)	15,689	employment
Estimated office employment @ 15% ¹	2,353	employment
Projected Woodland Office Square Feet ² (Average for office employees @ 250 s.f.)	588,338	square feet
Estimated Capture in Downtown Woodland ³		
Scenario 1 @ 10%	58,834	square feet
Scenario 2 @ 15%	88,251	square feet

1. The estimated office employment proportion of total employment is derived from the mix of office employment in Finance, Insurance and Real Estate, Business and Medical Services, and a small proportion from the Government sector as shown for year 2000 in Table 3-6.
2. The office employment is estimated using an average of 250 square feet per employee.
3. The estimated capture rates are made by the economic consultant. As the office market in Woodland becomes better established, these forecasts might well be exceeded.

Source: Stanley R. Hoffman Associates, Inc.

This projection is based on the estimate that about 15 percent of the City of Woodland projected employment growth from 2000 to 2020 will be located in professional, corporate or medical offices as presented in Table 6-1. This results in the projection of 58,800 to 88,250 square feet under the assumption that 10 to 15 percent of the projected new demand from 2000 to 2020 is captured in the Downtown area. The increase in office employment is estimated to range from 235 to 353 based on an average of 250 square feet per office employee.

One of the factors limiting extensive office development in the Downtown is land availability and retrofitting costs of older buildings where large vacancies exist in the upper floors. The Master Plan area has the potential to offer larger, vacant sites that might attract larger users while the remainder of the Downtown Specific Plan area will have more of a focus on retrofitting older buildings.

6.2 Residential Development

Higher density residential and live-work units are seen as development that is compatible with the Downtown area. A limited number of live-work units (about 14) have been developed north of the Master Plan area adjacent to the former Rice Mill that has been converted into a bookstore and coffee shop. Higher density residential development is relatively limited in the Downtown area although citywide permit data from 1990 to 2000 indicates that about 24 percent of the units from 1990 to 2000 were multi-family.

Based on the projected growth of about 7,700 households from 2000 to 2020 and the assumption that about 24 percent of the units continue to be multi-family, as presented in Table 6-2, a projection of 90 to 180 multi-family units is projected to be captured in the Downtown area. The most likely residential development is viewed as occurring in the Master Plan area because of the existing vacant land and the relatively inexpensive industrial buildings that could be torn down.

This projection is based on market acceptance of the Downtown area as a viable, multi-family neighborhood. The growing professional employment, families with younger children and potential housing spillover demand from Davis could help drive the local multi-family market in Woodland.

6.3 Other Development Concepts

While hotel/motel development was not projected, during the interviews the lack of a business-oriented hotel was mentioned several times. While the overall occupancy rate of 60 percent is not a strong indicator of hotel/motel support, an exploratory survey of local business leaders by the Woodland Economic Renaissance Corporation did suggest the potential for market support of a smaller, business-oriented hotel in the Downtown, possibly with an upscale restaurant and smaller meeting facilities. This use may become more viable in the long-term as professional and governmental employment increases in the Downtown.

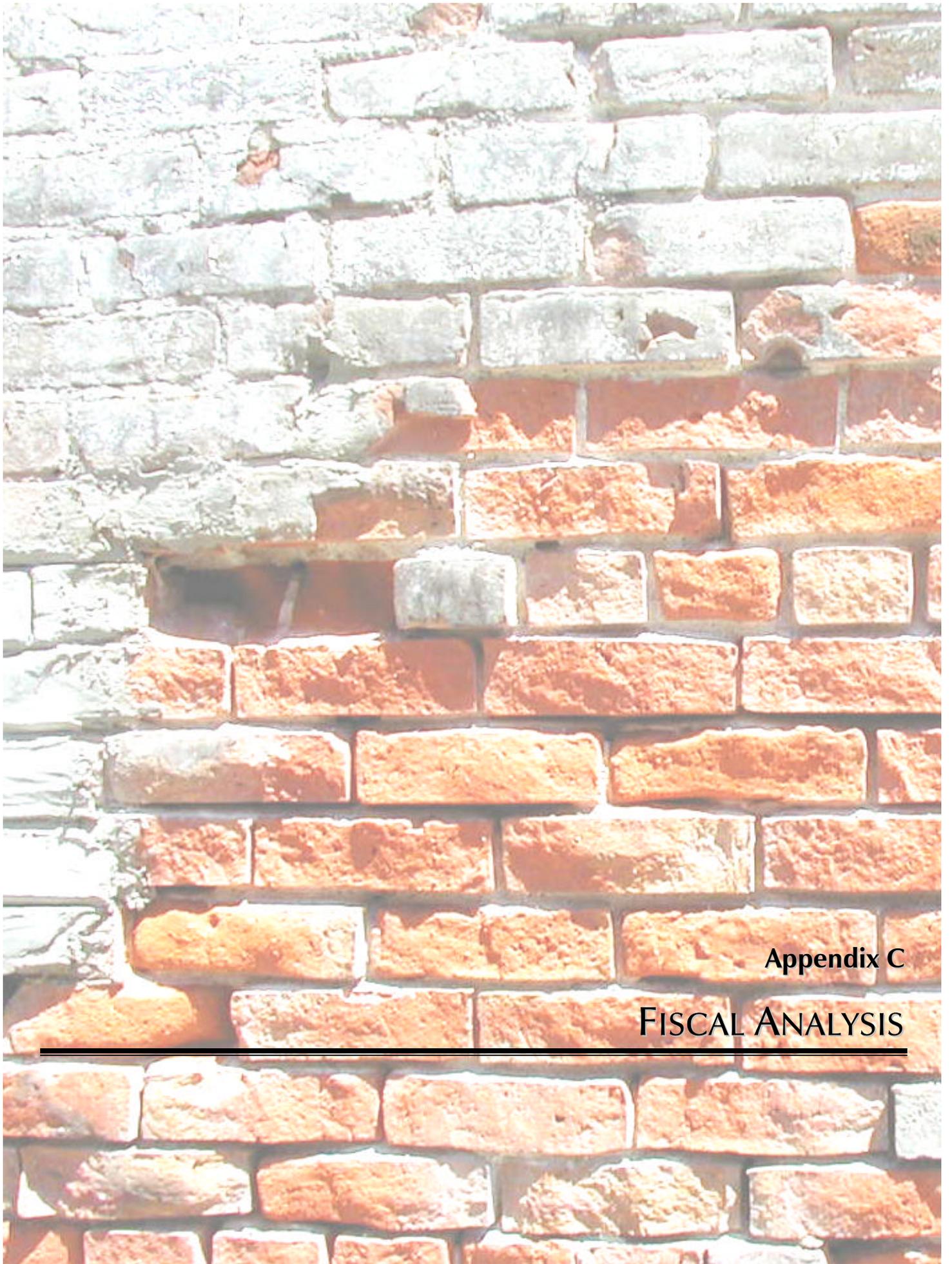
This land use is viewed as a compatible with Downtown development, particularly in the central area and less so in the Master Plan area. While a hotel size range has not been projected, the average room size of the six hotel/motel facilities surveyed in Woodland was about 56 rooms. However, a business-oriented hotel would likely have a smaller number of rooms.

Table 6-2
Estimated Demand in the Downtown from New Multi-Family Development: 2000 to 2020

Assumptions	Demand	Description
<u>Annual Average Residential Permits: 1990 to 2000</u>		
Single-Family	166	
Multi-Family	<u>51</u>	
Total	217	Average Annual Permits
<u>Estimated Demand: 2000 to 2020</u>		
Multi-Family Percent of Total		24% of Total Annual Permits
Total Projected Households: 2000 to 2000		7,661 Total Households
Estimated Multi-Family Units (24% of total households)		1,801 Multi-Family Households
<u>Estimated Demand Captured in Downtown¹</u>		
Projected Demand at 5.0% Capture		90 Multi-Family Units
Projected Demand at 10.0% Capture		180 Multi-Family Units

1. The capture range of 5.0 to 10.0 percent is made by the economic consultant based on acceptance of carefully designed, higher density housing in the Downtown area.

Source: Stanley R. Hoffman Associates, Inc.



Appendix C

FISCAL ANALYSIS

DOWNTOWN SPECIFIC PLAN FISCAL ANALYSIS CITY OF WOODLAND

Prepared for:

City of Woodland
300 First Street
Woodland, California 95695

September, 2002

Job # 970

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EXECUTIVE SUMMARY

The Downtown Specific Plan provides a range of potential fiscal benefits to the City of Woodland and specifically within the downtown area. This fiscal impact analysis projects recurring public revenues to the City's General Fund and other relevant funds resulting from the development of a preferred plan and an alternative plan. Property tax increment to the Redevelopment Agency is presented separately. Potential public cost impacts are discussed qualitatively. The analysis also estimates the potential increase in restaurant and retail spending of the projected office employment and includes a discussion of selected financing issues.

The overall development and fiscal results are summarized below, including the estimated annual net recurring General Fund revenues, Gas Taxes and Redevelopment property tax increment at buildout. A qualitative discussion of financing issues and possible financing sources concludes the analysis.

City of Woodland Downtown Specific Plan (in constant 2002 dollars)

ESTIMATED NET DEVELOPMENT

	Preferred	Alternative
Residential Units	117	117
Retail, Commercial and Industrial Square Feet	221,456	221,456
Hotel Rooms removed	(18)	(18)
Hotel Rooms added	0	60
Park Acres	0.8	0.8
Population	339	339
Employment	1,001	1,061
Taxable Sales	\$6,515,735	\$6,515,735
Net Assessed Valuation	\$42,684,538	\$48,684,538

FISCAL IMPACT ANALYSIS AT BUILDOUT

	Preferred	Alternative
Annual General Fund Revenues	\$137,430	\$263,046
Annual Gas Taxes	<u>\$6,681</u>	<u>\$6,681</u>
Total Annual Revenues to City	\$144,111	\$269,727
Redevelopment Agency ¹		
<u>Through 2008</u>		
Annual estimated property tax increment (@68% of 1% basic levy)	\$290,255	\$331,055
<u>After 2008</u>		
Annual estimated property tax increment (@88% of 1% basic levy)	\$375,624	\$428,424

1. This is the estimated property tax increment for the Downtown Specific Plan area. This does not take into consideration any costs related to the issuance of debt under future tax allocation bonds.

Chapter 1

INTRODUCTION

This report presents the fiscal impact analysis for the net new development of the Woodland Downtown Specific Plan. The fiscal impact analysis projects recurring public revenues to the General Fund and other relevant funds resulting from development of a preferred plan and an alternative plan. Property tax increment to the Redevelopment Agency is presented separately. Potential public cost impacts are discussed qualitatively. The analysis also estimates the potential increase in restaurant and retail spending of the projected office employment and includes a discussion of selected capital financing issues.

1.1 Background

The City of Woodland is currently preparing a Master Plan for a 27-acre area within the City's Redevelopment Area (RDA), which is part of the update to the Downtown Specific Plan. The Master Plan is a sub-area within the eastern portion of the Downtown Specific Plan. The focus of the Woodland Downtown Specific Plan is to create opportunity for the development of a mixed-use area primarily consisting of office, retail and housing in the City's downtown. The area will also include a new facility for the City's Police Department, encompassing about 43,000 square feet, on a site of about 3.7 acres currently owned by the City.

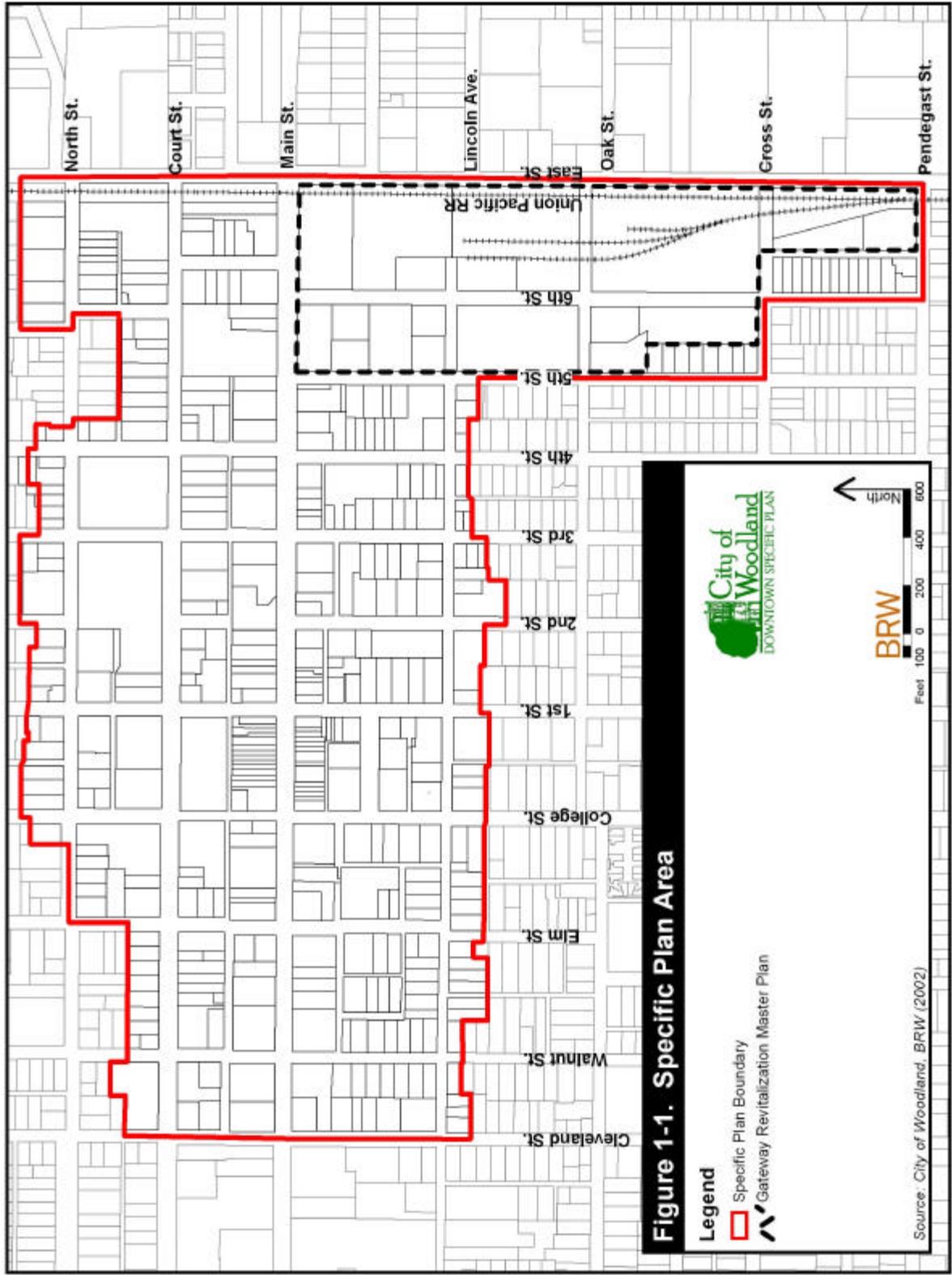
The Downtown Specific Plan area and Master Plan area are shown in Figure 1-1. The Specific Plan area is bound on the west by Cleveland Street and on the east by East Street. North Street and Lincoln Street form the general north and south boundaries of the Specific Plan area. The Master Plan area is generally bounded by Main Street on the north, Fifth Street on the west, Pendegast Street to the south, and East Street on the east.

1.2 Approach

The fiscal analysis is based on data and assumptions from the following sources:

- A field survey of the City of Woodland and the study areas;
- Traffic analysis data from the City of Woodland Traffic model;
- City of Woodland Operating Budget, 2002-2003;
- Population and housing estimates from the California Department of Finance (DOF), January 1, 2002;
- Sacramento Area Council of Governments (SACOG): Employment projections for 2000 – 2020 by Regional Analysis District (RAD);

Figure 1-1
City of Woodland Downtown/Master Site Plan



- Revenue factors from the January 1, 2002 City population and housing estimates from DOF and the 2000 employment estimate for Woodland from SACOG;
- Project valuation, infrastructure and land use assumptions based on data from the City staff and the lead consultant firm, BRW;
- Fiscal factors discovered through discussions with the appropriate City staff, including the Public Works and Finance Departments;
- Revenue factors are projected in constant 2002 dollars.

The analysis assumes that land uses and related fiscal impacts are presented for the incremental development after buildout of the City of Woodland Specific Plan and that public service levels currently prevailing in the City will be maintained.

1.3 Report Organization

Chapter 2 presents the proposed land uses, population and employment characteristics, valuation and taxable sales. Chapter 3 includes the fiscal analysis. Projected fiscal revenue impacts for the City's General Fund, Gas Tax Fund and Redevelopment Agency property tax increment and a schedule of Capital Impact Fees are presented. Cost impacts are discussed qualitatively, as well as financing issues. Chapter 4 presents the general and fiscal assumptions used in the analysis. Chapter 5 discusses issues relevant to the financing of capital facilities. Appendix A presents the persons and agencies contacted during the preparation of the fiscal analysis.

Chapter 2 PROJECT DESCRIPTION

This chapter presents the project description for the preferred plan and one alternative for the Woodland Downtown Specific Plan area. The preferred plan includes medium-density and high-density residential units, as well as retail, restaurant, office and service commercial uses. The alternative plan includes all of the uses in the preferred plan with the addition of a 60-room hotel.

2.1 Land Use Description

As shown in the land use summary presented in Table 2-1, both the preferred plan and alternative plan include a net increase of 117 residential units and 221,456 square feet of retail and other commercial uses. This includes a reduction in low-density residential units and square feet of industrial uses. However, the preferred plan proposes the removal of an existing 18-room hotel (the Budget Inn); the alternative plan proposes the construction of a new 60-room boutique style hotel.

Residential Units

As shown in panel A of Table 2-1, the 117 residential units include low, medium and high-density dwelling units. This includes medium density single-family attached units at an average 12 units per acre and high-density multi-family units at an average 25 units per acre. The removal of 4 low-density (average 8 units per acre) single-family detached units results in a net total of 117 units.

Non-Residential Development

As shown in Table 2-1, the net new development will include about 221,456 square feet of retail, restaurant, office, and service commercial uses. Office space comprises the largest portion of this new development, at 241,730 square feet. There is no change in medical office square feet. In addition, the removal of about 83,947 industrial square feet is proposed. A 0.8-acre park is also proposed. In the preferred plan, the estimated removal of the existing Budget Inn hotel is included, resulting in a decrease of 18 hotel rooms. In the alternative plan, a 60-room hotel is analyzed.

Population and Employment

Estimated population and employment for the Downtown Specific Plan area are presented in Panel B of Table 2-1. As shown, population is estimated at 339 persons based on persons per unit assumptions from the California Department of Finance estimates for January 1, 2002, of 2.898 persons per unit. In the preferred plan, there are job opportunities for about 1,001 employees in office, retail, restaurant and commercial service uses. It is estimated that about 967 jobs created would be office and/or professional jobs, while the remaining 34 would be in retail and service establishments.

Table 2-1
City of Woodland Downtown Specific Plan Fiscal Analysis
Net Development After Buildout¹

	Preferred Plan	Alternative Plan ⁴
A. UNITS AND SQUARE FEET		
<u>Housing Units</u>		
Residential (Low)	(4)	(4)
Residential (Med)	37	37
Residential (High)	<u>84</u>	<u>84</u>
Net total units	117	117
<u>Non-Residential Square Feet</u>		
Retail	40,173	40,173
Restaurant	10,500	10,500
Office	241,730	241,730
Medical Office	-	-
Service Comm	13,000	13,000
Industrial	<u>(83,947)</u>	<u>(83,947)</u>
Net total square feet	221,456	221,456
<u>Other Non-Residential</u>		
Hotel/Motel (Budget Inn)	(18)	(18) rooms
Hotel	-	60 rooms
Park	0.8	0.8 acres
B. PROJECTED POPULATION AND EMPLOYMENT		
<u>Population</u> ²	339	339
<u>Employment</u> ³	1,001	1,061

Notes:

1. Both plans assume the removal of some uses.
2. Projected based on 2.898 persons per household, per January 1, 2002 Department of Finance estimates.
3. Employment is estimated at 250 and 500 square feet per employee for office and retail uses respectively, and 1,000 square feet per employee for industrial uses. For the existing hotel, 0.5 employees per room are assumed. For the new hotel, 1 employee per room is assumed. Employment is not estimated for the proposed park.
4. The alternative plan includes a 60-room boutique style hotel.

Sources: Stanley R. Hoffman Associates, Inc.

This estimate is based on 250 square feet per office employee, 500 square feet per retail and service commercial employee and 1,000 square feet per industrial employee. The loss of 9 jobs is estimated from the removal of 18 hotel rooms, based on 0.5 employees per room. The estimated additional jobs in the alternative plan is due to the addition of a new 60-room hotel with an estimated 1 employee per room.

2.2 Valuation and Taxable Sales

Table 2-2 presents estimated valuation and taxable sales for the preferred plan. As shown in Panel A of Table 2-2, residential valuation is estimated at about \$11.7 million based on 117 units at an average valuation of \$100,000 per unit. Net non-residential valuation is estimated at almost \$31.0 million. This is estimated based on an average \$130 per square foot value for retail and restaurant uses, \$110 per square foot for office, and \$40 per square foot for industrial space. The existing hotel valuation was provided by the County Assessor's database.

Panel B of Table 2-2 presents projected annual taxable sales after buildout. As shown, annual taxable sales are projected at \$6.52 million based on \$170 per square foot for retail and restaurant, and \$25 per square foot for industrial uses. The removal of 18 hotel rooms, results in a projected loss of \$180.7 thousand in annual gross room receipts.

Table 2-3 presents estimated valuation and taxable sales for the alternative plan. The residential valuation is the same as for the preferred plan. However, the non-residential valuation is projected at almost \$37.0 million due to the addition of a 60-room hotel. Projected taxable sales are the same in both plans. The preferred plan estimates annual gross room receipts from the new hotel at \$1.53 million.

2.3 Infrastructure

According to the City's *Administrative Draft – Downtown Specific Plan*, implementation of the Downtown Specific Plan does not require any improvements to the existing infrastructure. Water, wastewater, storm drainage, sewer and public utilities are all in place and capable of providing service to the Downtown Specific Plan area.

No major infrastructure requirements have been specifically identified in the Downtown Specific Plan area. However, upgrades, signalization and beautification to existing roads will be required as a result of the new development. Also, public utilities may be under-grounded at this time.

Table 2-2
City of Woodland Downtown Specific Plan Fiscal Analysis
Preferred Plan: Net Valuation and Taxable Sales
(in constant 2002 dollars)

A. PROJECTED VALUATION

Land Use	Net Development	Projected Valuation	
		Per Unit/Sq. Ft.	Total
<u>Residential</u>			
Residential (Low)	(4) units	\$100,000	(\$400,000)
Residential (Med)	37 units	\$100,000	3,700,000
Residential (High)	<u>84</u> units	\$100,000	<u>8,400,000</u>
Total	117		\$11,700,000
<u>Non-Residential</u>			
Retail	40,173 sq. ft.	\$130	\$5,222,490
Restaurant	10,500 sq. ft.	\$130	1,365,000
Office	241,730 sq. ft.	\$110	26,590,300
Medical Office	- sq. ft.	-	0
Service Comm	13,000 sq. ft.	\$110	1,430,000
Industrial	(83,947) sq. ft.	\$40	(3,357,880)
Hotel/Motel ¹	<u>(18)</u> rooms	-	<u>(265,372)</u>
Total	221,456 sq. ft.		\$30,984,538
Total All			\$42,684,538

B. PROJECTED TAXABLE SALES

Land Use	Net Development	Projected Taxable Sales		Annual Gross Room Receipts	
		Per Sq. Ft.	Total	Room Rate	Total
Retail	40,173 sq. ft.	\$170	\$6,829,410		
Restaurant	10,500 sq. ft.	\$170	1,785,000		
Office	241,730 sq. ft.	-	0		
Medical Office	- sq. ft.	-	0		
Service Comm	13,000 sq. ft.	-	0		
Industrial	(83,947) sq. ft.	\$25	(2,098,675)		
Hotel/Motel ²	<u>(18)</u> rooms	\$0	<u>0</u>	\$50	<u>(\$180,675)</u>
Total	221,456 sq. ft.		\$6,515,735		(\$180,675)
		Total Retail	\$8,614,410		
		Total Industrial	(\$2,098,675)		

1. Total valuation from Yolo County Assessor database, 2002.

2. Gross receipts based on nightly room rate of \$50 x 365 days x current estimated 55% occupancy.

Sources: Stanley R. Hoffman Associates, Inc.
BRW.

Table 2-3
City of Woodland Downtown Specific Plan Fiscal Analysis
Alternative Plan: Net Valuation and Taxable Sales
(in constant 2002 dollars)

A. PROJECTED VALUATION

Land Use	Net Development	Projected Valuation	
		Per Unit/Sq. Ft.	Total
<u>Residential</u>			
Residential (Low)	(4) units	\$100,000	(\$400,000)
Residential (Med)	37 units	\$100,000	3,700,000
Residential (High)	<u>84</u> units	\$100,000	<u>8,400,000</u>
Total	117		\$11,700,000
<u>Non-Residential</u>			
Retail	40,173 sq. ft.	\$130	\$5,222,490
Restaurant	10,500 sq. ft.	\$130	1,365,000
Office	241,730 sq. ft.	\$110	26,590,300
Medical Office	- sq. ft.	-	0
Service Comm	13,000 sq. ft.	\$110	1,430,000
Industrial	(83,947) sq. ft.	\$40	(3,357,880)
Hotel/Motel	(18) rooms	-	(265,372)
Hotel/Motel ¹	<u>60</u> rooms	-	<u>6,000,000</u>
Total	221,456 sq. ft.		\$36,984,538
Total All			\$48,684,538

B. PROJECTED TAXABLE SALES

Land Use	Net Development	Projected Taxable Sales		Annual Gross Room Receipts	
		Per Sq. Ft.	Total	Room Rate	Total
Retail	40,173 sq. ft.	\$170	\$6,829,410		
Restaurant	10,500 sq. ft.	\$170	1,785,000		
Office	241,730 sq. ft.	-	0		
Medical Office	- sq. ft.	-	0		
Service Comm	13,000 sq. ft.	-	0		
Industrial	(83,947) sq. ft.	\$25	(2,098,675)		
Hotel/Motel	(18) rooms	\$0	0	\$50	(\$180,675)
Hotel/Motel ²	<u>60</u> rooms	\$0	<u>0</u>	\$100	<u>\$1,533,000</u>
Total	221,456 sq. ft.		\$6,515,735		\$1,352,325
		Total Retail	\$8,614,410		
		Total Industrial	(\$2,098,675)		

1. Valuation estimated based on industry "rule of thumb" which estimates the valuation of a room at .001 of its room rate.
2. Gross receipts based on nightly room rate of \$100 x 365 days x estimated future 70% occupancy.

Sources: Stanley R. Hoffman Associates, Inc.
BRW.

Chapter 3 FISCAL IMPACT ANALYSIS

Recurring revenues are projected for the City's General Fund, the City Gas Tax Fund and the City's Redevelopment Agency. The chapter concludes with a qualitative discussion of costs and other economic considerations associated with development of the Downtown Specific Plan.

3.1 City General Fund

The projected revenues to the City's General Fund for the preferred and alternative plans are presented in Table 3-1. This analysis focuses on the recurring revenues that impact the General Fund. Projections are presented in constant 2002 dollars. The fiscal factors used to project the recurring impacts are presented in Chapter 4. After buildout, the net projected revenues to the General Fund are \$137.4 thousand for the preferred plan and \$263.0 thousand for the alternative.

As shown in Table 3-1, projected revenues to the City's General Fund include property transfer tax; sales tax; transient occupancy tax; motor vehicle license fees; business license tax; fines and penalties and service charges.

For the preferred plan, the largest General Fund revenue source at buildout is sales tax at \$65.2 thousand, representing 47.4 percent of total projected revenues. Service charges are projected at \$52.3 thousand and represent 38.0 percent of recurring revenues. Motor vehicle license fees are projected at \$18.9 thousand, or 13.7 percent of recurring revenues. A loss of \$14.5 thousand in transient occupancy tax is projected due to the removal of the existing hotel. No property tax is projected to the City's General Fund because the Downtown Specific Plan is located in the City's Redevelopment Area (RDA). Other revenue sources include property transfer taxes at \$3.0 thousand; fines and penalties at \$6.9 thousand; and business license taxes at \$5.8 thousand.

For the alternative plan, the largest revenue source at buildout is transient occupancy tax at \$108.2 thousand, representing 41.1 percent of total projected revenues. This difference is due to the assumed addition of a new hotel. Sales tax is the second largest portion of the projected revenues, representing 24.8 percent of total projected revenues. Service charges represent 20.8 percent of recurring revenues.

3.2 Gas Tax Fund

As shown in Table 3-1, net new gas tax revenues for the preferred plan and alternative plan are estimated at about \$6.7 thousand based on the projected population of 339 for the Specific Plan area. This estimate is calculated by applying the City's current gas tax per capita factor of \$19.70 to the projected net population. Gas tax funds are a source of financing for both road capital facilities and ongoing maintenance.

Table 3-1
City of Woodland Downtown Specific Plan Fiscal Analysis
City of Woodland Projected Recurring Revenues
(in constant 2002 dollars)

Annual Recurring Revenues	Preferred Plan		Alternative	
	Net Amount	% of Total	Net Amount	% of Total
<u>GENERAL FUND</u>				
Property Taxes ¹	\$0	0.0%	\$0	0.0%
Property Transfer Tax	2,991	2.2%	3,321	1.3%
Sales Taxes ²	65,157	47.4%	65,157	24.8%
Transient Occupancy Taxes	(14,454)	-10.5%	108,186	41.1%
Motor Vehicle License Fees	18,852	13.7%	18,852	7.2%
Business License Taxes	5,775	4.2%	5,775	2.2%
Fines and Penalties	6,856	5.0%	7,163	2.7%
Service Charges	<u>52,252</u>	<u>38.0%</u>	<u>54,591</u>	<u>20.8%</u>
Annual General Fund Revenues	\$137,430	100.0%	\$263,046	100.0%
<u>OTHER FUNDS</u>				
Gas Tax	\$6,681		\$6,681	
Total Annual Revenues to City	\$144,111		\$269,727	
<u>REDEVELOPMENT AGENCY</u>				
Net assessed valuation ⁴	\$42,684,538		\$48,684,538	
<u>Estimated Through 2008</u>				
Annual property tax increment (@68% of 1% basic levy) ⁵	\$290,255		\$331,055	
<u>Estimated After 2008</u>				
Annual property tax increment (@88% of 1% basic levy) ⁵	\$375,624		\$428,424	

1. Property taxes are not projected for the General Fund since the Downtown Specific Plan is located entirely in a redevelopment area.
2. Sales taxes are projected for the incremental development based on sales per square foot factors provided by the City of Woodland Finance Department.
3. Final annual occupancy tax shown is 80% of the total occupancy tax rate based on an agreement with the County, where the county receives 20% of the total occupancy tax receipts.
4. Detailed valuation estimates shown on Tables 2-2 and 2-3.
5. This projection assumes buildout conditions for purposes of this analysis.

Source: Stanley R. Hoffman Associates, Inc.

3.3 Redevelopment Agency Tax Increment Revenues

The Downtown Specific Plan is located in the City's Redevelopment Area. About 68 percent of the total 1 percent of net new valuation for development (within this area) accrues to the RDA through 2008. After 2008, the Agency will receive about 88 percent of the property tax increment. Through 2008, as shown in Table 3-1, the annual property tax increment is projected at \$290.3 thousand for the preferred plan. The projected annual property tax increment is based on the net valuation of \$42,684,538 and the basic property tax levy of one percent. The annual property tax increment is projected at \$331.1 thousand for the alternative plan, based on the valuation of \$48,684,538. After 2008, the annual property tax increment revenues increase to about \$375.6 thousand for the preferred plan and \$428.4 for the alternative plan due to the change in the redevelopment pass through rate.

3.4 Cost Impacts

Recurring costs as a result of the net new development in the Specific Plan area include police and fire protection, as well as public works to maintain roads, parks and other public facilities. According to the City, implementation of the Downtown Specific Plan does not require any major improvements to the existing infrastructure other than roads and streetscape beautification. Water, wastewater, storm drainage, sewer and public utilities are all in place and are capable of providing service to the Downtown Specific Plan area.

Police

According to discussions with City Finance staff, the capital costs for expansion and relocation of its police facility headquarters are already programmed. This facility will benefit the entire City, not just the Downtown Specific Plan area. The costs of constructing a new police facility are partially funded (about 50.0 percent) by revenues from a Special District ½ cent Sales Tax (2000-2006) that is estimated to generate \$5 million for this purpose. This tax is a Special District tax that required a two-thirds vote for implementation. Development impact fees are scheduled to pay for the remainder of police facility costs. Proposed uses for the ½ cent sales tax revenues are shown in Table 3-2.

The City estimates that the new police headquarters will create a \$265,000 increase in annual operations costs. While this fiscal study has only addressed costs qualitatively, there will be annual costs related to the increased workload of police personnel. As residential and non-residential development occurs in the Downtown, net new increases in population and employment have the potential to create an additional burden on police services. These cost impacts need to be addressed in the future.

Fire

There are plans to relocate an existing fire station at Court and First Street (adjacent to City Hall) to the North and West outside the Downtown Specific Plan area. Capacity and response times

Table 3-2
City of Woodland
Special District 1/2 Cent Sales Tax Proposed Uses
 (July 1, 2000 through June 30, 2006)

Proposed Uses	\$ Millions
Repair and Rehabilitation of City Roads	\$10.0
New Police Facility	\$5.0
Community / Senior Center	\$5.0
Softball and Soccer Facilities	\$2.0

Source: Stanley R. Hoffman Associates, Inc.
 City of Woodland.

would remain essentially at the same level. It is therefore assumed, at least in the short-term, that any increased fire costs generated by new development could be handled by the existing fire station. However, increases in structures and population in the Downtown over time have the potential to create an additional burden on fire protection services. As with police services, these cost impacts need to be addressed in the future.

Public Works

Public Works maintenance of roads and drainage are assumed to have a relatively small impact on operations and maintenance costs. These costs generated by the new development in the downtown will at least partially be covered by increased gas taxes.

Community Services

The new Community Center/Senior Center funded through a Special District ½ cent Sales Tax will occupy approximately 40,000 square feet. This is an increase of 25,250 square feet from the City’s present facility. The location for the new Community/Senior Center facility has not been determined, though it is likely that it will not be located in the Downtown. The ½ cent sales tax, shown in Table 3-2, largely provides capital financing for the new Community Center. It is estimated that \$100,000 in increased annual operations and maintenance costs will be required to provide services at this facility. Like the police facility, the Center will benefit the entire City, not just the downtown.

Landscaping and Lighting

The City has three Landscaping and Lighting Districts that are located outside the Redevelopment Area for newly developing subdivisions. The City of Woodland is exploring the future establishment of a city-wide Landscaping and Lighting District. This may include the Downtown Area and provide a source of ongoing funds for the maintenance of landscaping, lighting and streetscape improvements. However, since a city-wide Landscaping and Lighting District would result in a benefit assessment on real property, its establishment is subject to majority approval by the Woodland electorate.

Parking Assessment District

The City of Woodland completed a Parking Assessment District Options Report (April, 1996) to document the work of a Downtown Parking Advisory Committee formed by the City Council in May of 1994. The report documented a proposal that the funding for a future parking facility be provided by an assessment district (57 percent), redevelopment funds (28 percent) and development mitigation fees (15 percent). However, opposition from merchants prevented any further work on the development of an assessment district. This is currently being revisited. The City's draft Downtown Parking Management Plan (July 2001) proposes a three-stage parking strategy to address the long-term parking facility needs of downtown Woodland based on current development plans. The third stage of developing parking facilities involves the construction of a parking structure along Main Street, which will be partially funded by an assessment district.

3.5 Other Economic Considerations

Restaurant and Retail Demand from Office Workers

The proposed office development is assumed to generate taxable sales from office worker expenditures at existing and new eating and drinking establishments in the City of Woodland. Table 3-3 presents an estimate of this demand based on data derived from a study published by the International Council of Shopping Centers (ICSC), *Office Worker Spending*. The ICSC study involved a survey of 2,400 office workers in both downtown and suburban locations in eight large metropolitan markets in the US. As shown in Table 3-3, off-site taxable sales are projected based on estimated total annual expenditures of \$3,145 per office worker or about \$12.60 per day for 250 workdays per year. These estimates are based on national averages and might actually be lower in Woodland.

The table shows that a typical office worker would be expected to spend an average of \$1,393 annually on lunches during the workday and on dinner and/or drinks after dinner. The typical suburban office worker in an area with ample retail opportunities would be expected to spend an average of \$1,438 on retail merchandise during the workday. These expenditures would be largely for apparel items and other comparison goods. In addition to the expenditures during the workday, office workers would also be expected to make retail purchases after work, contributing some additional demand to local retailing.

Table 3-3
City of Woodland Downtown Specific Plan Fiscal Analysis
Retail Demand Generated by Office Workers
(in Constant 2002 Dollars)

Retail Group	Annual Spending Per Worker ¹
Eating & Drinking Establishments	\$1,393
Lunches	1,224
Dinner/Drinks	168
Work Day Retail	\$1,438
Comparison Goods	1,148
Apparel & Accessories	612
Other Shoppers Goods	535
Convenience Goods	290
Incidentals	137
Food Stuffs	107
Other	45
After Work Retail	\$314
Food & Groceries	188
Other	125
Total Annual	\$3,145
Total Per Day Per Worker³	\$12.58

1. Spending per worker derived from International Council of Shopping Centers' survey. The study assumes that the office worker may not live in the same City where they are employed. These estimates are based on national averages and might actually be lower in Woodland.
3. Based on 250 work days annually.

Sources: Stanley R. Hoffman Associates, Inc.
International Council of Shopping Centers, *Office Worker Retail Spending*.

Chapter 4 FISCAL ASSUMPTIONS

4.1 General Assumptions

The general assumptions used to project revenues for the City of Woodland are presented in Table 4-1. These assumptions include population, housing unit, and employment estimates for the City of Woodland. These assumptions are based on Department of Finance (DOF) population and housing estimates and employment projections from the Sacramento Area Council of Governments (SACOG).

Population. The City of Woodland's population of 50,370 is based on the State Department of Finance (DOF) estimates as of January 1, 2002. The DOF total City population is used for calculating certain State subventions, such as Motor Vehicle License Fees (MVLFF).

Housing Units. For calculating per housing unit factors, the City housing unit estimate of 17,486 from the California Department of Finance (DOF) for January 1, 2002 is used.

Employment. The current employment estimate from SACOG is 20,602. This estimate is used to calculate revenues based on employment.

Population and Employment. Both new population and employment growth generate additional revenues for the City. Factors used to project these types of revenues are calculated as proportions of the sum of the population (50,370) and employment (20,602), or 70,972.

Population per Household. Population is projected at 2.898 persons per housing unit according to DOF estimates for January 1, 2002.

4.2 Revenue Assumptions

Table 4-2 presents the revenue assumptions used to project recurring revenues generated by the proposed Downtown Specific Plan development. These assumptions are based on the revenues adopted by the City in its Preliminary Budget (2002-2003) and discussions with City staff.

Projected recurring revenues to the City General Fund include property tax; property transfer tax; sales tax; transient occupancy tax; motor vehicle license fees; business license taxes; and service charges. The City will also receive additional revenues from its Gas Tax Fund and capital fees. Property tax revenues to the City's Redevelopment Agency are also projected. The following discusses the methodology for calculating these recurring revenue factors.

Table 4-1
City of Woodland Downtown Specific Plan Fiscal Analysis
Summary of General Assumptions

Assumption	Description
50,370	Total population - 2002 DOF
49,580	Household population - 2002 DOF
790	Group quarters - 2002 DOF
20,602	Total city employment - 2000 (SACOG, March 15, 2001)
70,972	Total population plus employment
71%	Population as a share of total population plus employment
17,109	Occupied housing units - 2002 DOF
2.898	Average persons per dwelling unit - 2002 DOF
17,486	Total housing units - 2002 DOF

Source: Stanley R. Hoffman Associates, Inc.
California Department of Finance, estimates as of January 1, 2002.

General Fund Sources

Property Tax. No property tax is projected to the City’s General Fund because the Downtown Specific Plan is located in the City’s Redevelopment Area (RDA). The fiscal analysis assumes that through 2008, 68.0 percent of the 1% basic property tax levy goes to the RDA, with the remaining 32.0 percent going to other agencies. After 2008, the RDA’s share of the 1% will increase to 88.0 percent.

Property Transfer Tax. Sales of real property are taxed by Yolo County at a rate of \$1.10 per \$1,000 of property value. For property located in the City, sales of real property are also taxed at a rate of \$1.10 per \$1,000 of transferred property value. As presented in Table 4-2, residential development is assumed to change ownership at an average rate of about 10.0 percent per year and non-residential development is assumed to change ownership at a rate of 5.0 percent per year.

Sales Tax. On-site sales tax revenues are generated from the proposed retail and restaurant land uses. An estimate of \$170 per square foot was used to estimate taxable sales, based on the average sales per square foot for retail uses provided by the City. The City receives one percent of the taxable sales of most goods occurring within City limits.

Table 4-2
City of Woodland Downtown Specific Plan Fiscal Analysis
Summary of Revenue Assumptions
(in constant 2002 dollars)

Revenue Source	Recurring Revenue	Projection Basis and/or Assumptions	Projection Factor
<u>GENERAL FUND</u>			
Property Taxes ¹	\$7,000,000	Valuation assumptions	0% General Fund allocation of basic 1% levy
Property Transfer Tax	\$270,000	Valuation and turnover	10% estimated residential turnover rate 5% estimated non-residential turnover rate \$1.10 per \$1,000 valuation to City
Sales Taxes ²	8,200,000	Taxable sales per square foot	\$170 sales per square foot
Transient Occupancy Taxes ³	500,000	Room and occupancy rates	10% of room receipts x 80%
Utility Users Taxes	350,000	Not Projected	100% for Carnegie Library debt service
Revenues from Other Agencies ⁴	390,500	Not Projected	
Motor Vehicle License Fees	2,800,000	Per capita	\$55.60 Per capita
Licenses and Permits ⁵	1,842,800	Not Projected	
Business License Taxes	150,000	Per non-retail establishment Per retail establishment	\$50.00 Annual fee per establishment \$100.00 Annual fee per establishment
Use of Money & Property	72,000	Not Projected	
Other Revenues	37,500	Not Projected	
Fines and Penalties	363,000	Population and Employment	\$5.11 Per capita or per employee
Service Charges	<u>2,766,700</u>	Population and Employment	\$38.98 Per capita or per employee
Total General Fund Revenues	\$24,742,500		
<u>OTHER FUNDS</u>			
Gas Tax	<u>992,500</u>	Per capita	\$19.70 Per capita
Total Other Revenues	\$992,500		
<u>REDEVELOPMENT AGENCY</u>			
Redevelopment Agency and Housing Fund	\$445,000	Valuation Assumptions	68% of 1% property tax increment until 2008 88% of 1% property tax increment after 2008

1. Property taxes are not projected for the General Fund since 100% of the property tax revenues from the incremental development will go to the Redevelopment Agency.
2. Sales taxes are projected for the incremental development based on sales per square foot factors provided by BRW.
3. Based on a perpetual agreement with Yolo County, 80% of the total TOT goes to the City and 20% goes to the County.
4. Revenues From Other Agencies includes grants and one-time subventions less \$2.8 million for MVLF.
5. Total Licenses and Permits less \$150,000 for business license taxes.

Source: Stanley R. Hoffman Associates, Inc.
City of Woodland, 2002-2003 Preliminary Budget.

Transient Occupancy Taxes (TOT). The City's total TOT is 10 percent of gross annual room receipts. However, Woodland's Southeast Area Tax Sharing Agreement (SEA) allocates 2 percentage points of the total transient occupancy tax to Yolo County. Since the current share is 10 percent, this results in 20 percent of TOT going to the County, leaving 80 percent of the total for the General Fund as a permanent agreement. This percentage of the total would change if a measure was put before the voters to increase the rate, such as from 10 percent to 12 percent. To estimate the net revenue for the preferred plan, calculations estimated current 55 percent occupancy and an average room price of \$50 for the 18 rooms to be removed. For the alternative plan, a 70 percent occupancy rate and average room price of \$100 and 60 new hotel rooms were estimated.

Utility Users Tax. The City levies a utility user tax on its utility users. However, revenues are presently dedicated to the repayment of Carnegie Library Bonds, which expire in 2004. If continued for other capital purposes after 2004, the tax requires a two-thirds vote by the electorate. Therefore, no projection was made for this revenue. However, the Utility Users Tax, subject to voter approval, is a potential source for future financing of capital facility improvements in the downtown area.

Licenses and Permits. This source includes one-time fees generated primarily by new buildings and construction activities as well as business license taxes. It is assumed that these one-time fees offset processing costs. As such, no projection was made for these one-time fees. Projections are made for business license taxes based on the following.

Business License Taxes. The collection of this tax is based on type of business. Manufacturing and non-retail businesses and offices pay according to the number of workers employed. Businesses with 4 to 20 employees pay \$50 annually, while those with 21 to 99 employees pay an annual fee of \$100. The 1999 County Business Patterns data indicates that most Woodland businesses have 1 to 19 employees. Businesses are assumed to average 10 employees each. Therefore, an annual fee of \$50 is used to estimate business license tax for the net new development that is primarily office employment.

Retail businesses pay business license tax as a percentage of gross receipts. In 2000, the State Board of Equalization reported that Woodland's 457 permitted retail stores yielded \$463,824,000, or an average of \$1,014,932 per retail establishment. Based on the City's business license tax formula, businesses with gross receipts ranging from \$500,000 to \$3.0 million pay an annual fee of \$100. Therefore, an annual fee of \$100 per retail business is used to estimate business license taxes for an estimated 8.5 new retail businesses based on projected taxable gross receipts of about \$8.6 million.

Use of Money and Property and Other Revenues. Because Woodland is without significant investment funds and has few other revenue sources, revenue increases in these areas will be minimal. Therefore no projections have been made for revenues invested.

Fines and Penalties. This General Fund category consists primarily of court-related fines and library fines that are Countywide. Based on 2002-2003 revenues of \$363,500 and total City population and employment of 70,972, these revenues are projected at \$5.11 per capita and

employee. Traffic-related fines are collected in an enterprise fund and used to cover parking-related costs on a self-funding basis.

Service Charges. This category includes indirect cost recovery charges to various enterprise funds to recover the costs of administrating these funds. Projected revenues are \$38.98 per capita and employee, based on estimated 2002-2003 revenues of \$2.77 million and a total City population and employment of 70,972.

City Gas Tax Fund

State gasoline tax revenues are projected at \$19.70 per capita based on estimated 2002-2003 revenues of \$992,500 and total City population estimate of 50,370. These revenues are earmarked for public works.

Redevelopment Agency

The fiscal analysis assumes that through 2008, 68.0 percent of the 1% basic property tax levy goes to the RDA, with the remaining 32.0 percent going to other agencies. After 2008, the RDA's share of the 1% will increase to 88.0 percent. Of the RDA revenues, 80 percent are used for capital improvements and ongoing costs of administrative staffing and operations, while the remaining 20 percent are allocated for housing set-aside requirements.

Proposed Parking District

As discussed earlier, the City of Woodland completed a Parking Assessment District Options Report (April, 1996) to document the work of a Downtown Parking Advisory Committee formed by the City Council in May of 1994. The report documented a proposal that the funding for a future parking facility be provided by an assessment district (57 percent), redevelopment funds (28 percent) and development mitigation fees (15 percent). However, opposition from merchants prevented any further work on the development of an assessment district. This is currently being revisited. The City's draft Downtown Parking Management Plan (July 2001) proposes the establishment of a Downtown Parking Operations & Maintenance (O&M) Fund. Also, any revenues generated from future in-lieu fees, as well as any potential user fees, would be placed in a new Parking Capital Fund.

4.3 Land Use and Market Assumptions

Table 4-3 presents the detailed land use and market assumptions used to estimate net new population and employment, as well as taxable sales and valuation by type of land use.

Table 4-3
City of Woodland Downtown Specific Plan Fiscal Analysis
Land Use and Market Assumptions

Land Use	Sq. Ft. Per Employee	Employees Per Room	Persons Per Household	Sales Per Sq.Ft./Room	Valuation Per Sq.Ft./Unit
Retail	500	-	-	\$175	\$130
Restaurant	500	-	-	\$175	\$130
Office	250	-	-	-	\$110
Medical Office	-	-	-	-	-
Service Comm	500	-	-	-	\$110
Industrial	1,000	-	-	\$25	\$40
Hotel/Motel (Existing) ¹	-	0.50	-	\$50	\$14,743
Hotel/Motel (Proposed) ¹	-	1.00	-	\$100	\$100,000
Park	-	-	-	-	-
Residential (Low) ²	-	-	2.898	-	\$100,000
Residential (Med) ²	-	-	2.898	-	\$100,000
Residential (High) ²	-	-	2.898	-	\$100,000

1. Existing hotel valuation is estimated at \$265,372 based on Assessor records. Proposed hotel is estimated according to an industry standard: 0.001/nightly room rate x number of rooms.
2. Low Density = 8 units/acre; Medium Density = 12 units per acre; High Density = 25 units per acre.

Sources: Stanley R. Hoffman Associates, Inc.
BRW.

Chapter 5 FINANCING ISSUES

The public cost analysis suggests that the major issues will involve selected capital funding with some attention to landscape and lighting and operations and maintenance costs. The City is considering a Business Improvement District (BID) to assist businesses with safety, beautification, marketing and promotion. This effort is currently in the incubation stage as the Redevelopment Agency works with Downtown businesses to establish a BID. These issues are discussed below.

5.1 Operations and Maintenance

To increase revenues for operations and maintenance, the City may consider the potential application of a city-wide Landscape Maintenance District for streetscape and landscape enhancements. Since this would result in benefit assessments on real property, it is subject to majority voter approval.

The City has also committed to funding a feasibility study and providing two years of matching funds to assist downtown businesses and property owners in setting up a Business Improvement District. There are two types of BIDs, one that is assessed on the business and the other that is assessed on the property owner. All BIDS are subject to majority voter approval of the business or property owners depending upon the type of BID. The City will establish the business-based BID. The BID would be controlled by the business owners in the approved downtown district. It could be used to create a more competitive market environment through increased public safety, lighting, streetscape and signage improvements and marketing and promotion.

The City has indicated that its Pavement Maintenance program is adequate to cover the operations and maintenance costs associated with increased road usage in the downtown at buildout conditions.

5.2 Capital

The Downtown Specific Plan may receive funding for capital facilities through existing and potential sources, that might include the following:

- The RDA future property tax increment is available for funding capital facilities and improvements in the City's Redevelopment area, as well as acting as a financing mechanism. The Downtown Specific Plan is located entirely in the Redevelopment area.
- An extension of the User Utilities Tax could be used to finance capital facilities once its current obligations for Carnegie Library debt service expire in 2004. Extension of this tax for special purposes would require two-thirds voter approval.
- An extension of the Special District 1/2 cent Sales Tax could also provide additional funding. This would also require the support of a majority of the electorate.

- The City should continue to require development agreement negotiations from new “big box” retail approved outside the downtown area in order to provide funding revenues for downtown facilities and programs. Recently, the City has required each “big box” developer coming to Woodland to make a contribution to the Downtown. Typically, “big box” retail draws activity away from smaller retail businesses and downtown areas that don’t have the land, parking or amenities to compete effectively. This additional source of revenue can assist downtown retailers in achieving a more competitive position.
- A portion of available funds from outside sources through Community Development Block Grants (CDBG) and other HUD resources should continue to be directed into the downtown area. The City is currently working on becoming eligible for Economic Development Agency grants as well.
- Funds could be sought through transportation sources, such as the Transportation Efficiency Act for the 21st Century (TEA-21) for pedestrian and transit oriented development in the downtown area.
- Grants and loans may be available from other various sources for seismic retrofit and structural upgrades of older buildings.
- City of Woodland Development Impact fees from new development are used for the implementation of the Major Projects Financing Plan (MPFP). These fees are used to cover a wide range of capital facilities and are summarized in Table 5-1. Future capital projects in the Downtown should be considered for addition to the MPFP for future completion and funding.
- Gas taxes from the City’s Gas Tax Fund could continue to be used as both a source for operations and maintenance costs as well as to fund some road capital improvements.
- A Parking District should be established to support the dedication of funding for parking improvements. Currently, new businesses do not have to provide parking. The City’s draft Downtown Parking Management Plan (July 2001) indicates that an in-lieu fee may be established in the future. This fee would be used for those cases where it is either not feasible or undesirable to construct on-site parking.

Table 5-1
City of Woodland Downtown Specific Plan Fiscal Analysis
Development Impact Fees
(in constant 2003 dollars)

Fee Categories	RESIDENTIAL		COMMERCIAL			INDUSTRIAL
	Single-Family DU	Multi-Family DU	Retail per Sq. Ft.	Service per Sq. Ft.	Office per Sq. Ft.	Industrial per Sq. Ft.
General City Facilities	\$492	\$408	\$0.41	\$0.38	\$0.38	\$0.10
Fire Facilities	\$337	\$253	\$0.67	\$0.63	\$0.63	\$0.12
Library Facilities	\$215	\$178	\$0.06	\$0.06	\$0.06	\$0.02
Parks & Recreation	\$2,034	\$1,688	\$0.31	\$0.28	\$0.28	\$0.08
Police Facilities	\$751	\$624	\$0.62	\$0.58	\$0.58	\$0.16
Traffic System	\$1,870	\$1,309	\$5.67	\$2.24	\$3.37	\$0.94
Waste Water	\$3,700	\$3,071	\$2.18	\$2.26	\$1.81	\$1.70
Water	\$246	\$189	\$0.32	\$0.31	\$0.30	\$0.27
Estimated Total	\$9,645	\$7,720	\$10.24	\$6.74	\$7.41	\$3.39
Storm Drainage Area II ¹	\$1,266	\$494	\$1.10	\$1.10	\$1.10	\$0.71
Storm Drainage Area III ¹	\$1,924	\$750	\$1.67	\$1.67	\$1.67	\$1.08
Storm Drainage Area V ¹	\$100	\$39	\$0.09	\$0.09	\$0.09	\$0.06
Storm Drainage Area VI ¹	\$1,506	\$587	\$1.31	\$1.31	\$1.31	\$0.84

1. These drainage areas cover the Downtown Specific Plan area.

Source: Stanley R. Hoffman Associates, Inc.
City of Woodland, Department of Public Works.

APPENDIX A - PERSONS AND AGENCIES CONTACTED

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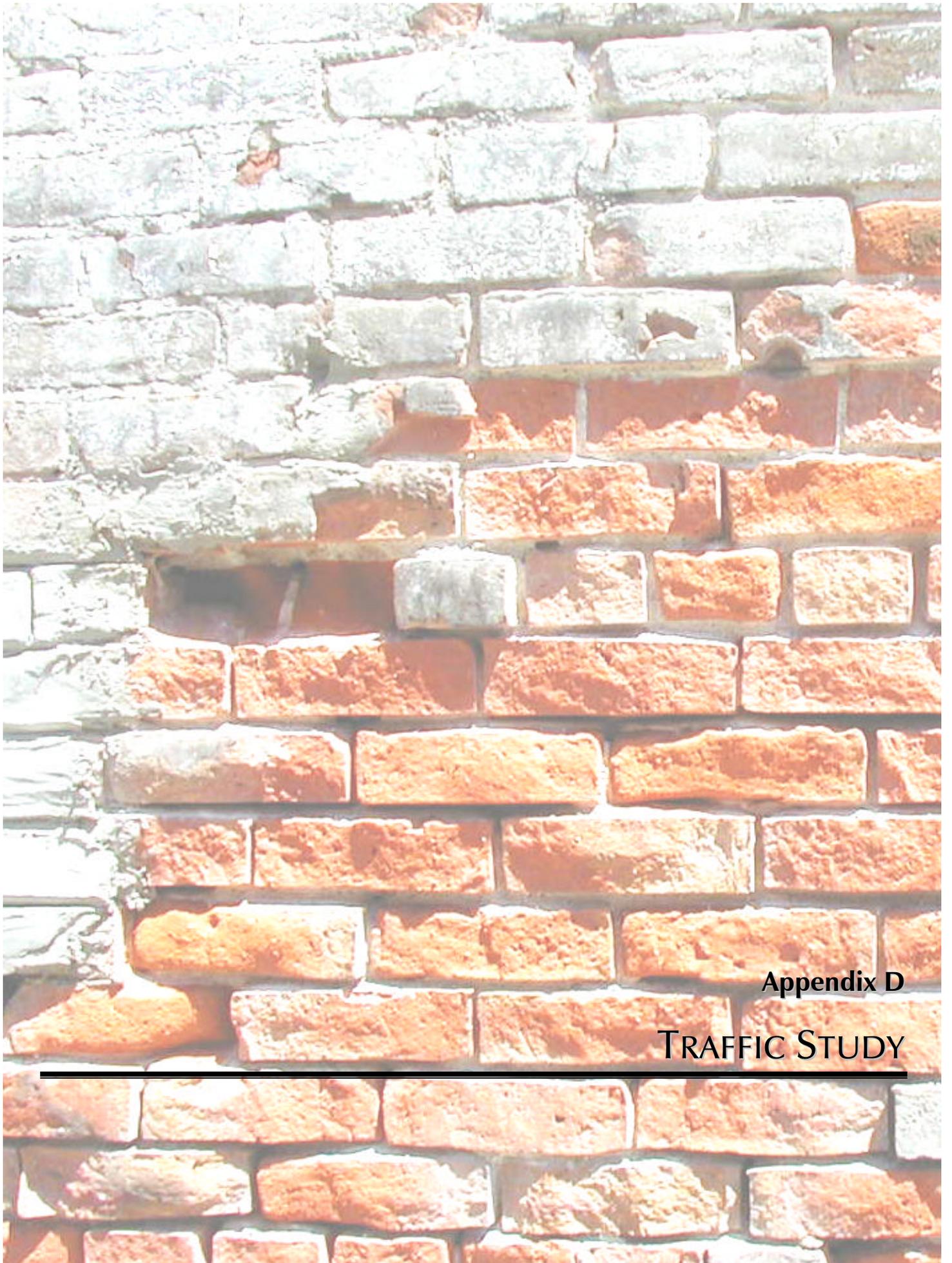
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Appendix D

TRAFFIC STUDY



Due to its large size, the Traffic Study prepared for the Downtown Specific Plan is not bound with the Plan. This study is available from the City's Department of Community Development.

