



THE RIVER DISTRICT



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SACRAMENTO METROPOLITAN
CHAMBER OF COMMERCE

City of
SACRAMENTO

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RESULTS RELEASED: BUSINESS SURVEY FINDS OPTIMISM AT THE RIVER DISTRICT

Five years, a rebounding economy and plenty of new real estate development have been very good to the River District. The results of a May “business walk” survey of more than 100 companies have been released and show a dramatic upward shift compared to a similar study in 2010.

“It’s a tale of two surveys that reflects the economic doldrums of 2010 against greatly renewed optimism in 2015,” said Patty Kleinknecht, executive director of The River District Property and Business Improvement District.

In 2010, just 22 percent of the companies surveyed indicated business was great or good. In 2015, that number jumped to 70 percent, but perhaps the more telling statistic is at the other end of the spectrum. In 2010, 51 percent of the 82 companies surveyed said business was slow or poor. That number dropped to just five percent in 2015.

“It is a great reflection of both the national economy and the advancement of new projects in the River District,” said Steve Goodwin, president of The River District PBID and developer of the Township Nine mixed-use community that now includes a new apartment community and is planned for townhomes, retail and restaurants at the end of the light rail Green Line. Recent projects in the River District include the Greyhound bus station, the California Lottery Headquarters, and the Township 9 light rail station and RT Green Line.

Those location-driven uses are indicators of a statistic that has remained mostly steady over the years. In 2010, 71 percent of respondents listed “location” as a key characteristic considered for locating their business in The River District. In 2015, that number was 73 percent.

“With the extension of North 7th Street into downtown, access to major freeways, light rail connections, and the location close to regional amenities such as the airport, state capitol and Cal Expo, location was listed as a very positive attribute,” said Kleinknecht. “Many business owners also recognized their customers’ easy access to products and services in the River District.”

Jerry Way, the city’s public works director, cites the extension of North 7th Street as a “game-changer that unleashed opportunity” by allowing the addition of light rail into the area and the system’s eventual extension to the airport. “We can now see how the River District, with its new synergy, is developing into another attractive focal point for the city,” he said.

The business walk surveys are conducted by 40 to 60 volunteers recruited by the Sacramento Metropolitan Chamber of Commerce and the City of Sacramento.

“Getting out, pounding the pavement and speaking directly with local businesses to learn their concerns and achievements is a core foundation and service of the Metro Chamber and something we are thrilled to facilitate, said Scott Leslie, Director of the Capital Region Small Business Development Center for the Metro Chamber. “Through our partnerships with volunteers and civic leaders our Business Walks aim to survey economic conditions and strengthen business relationships throughout the Capital Region.”

The River District, located north of the Railyards, south of the American River, east of the Sacramento River and west of Sutter’s Landing Park, is evolving into an eclectic, mixed-use, central city neighborhood.

“The River District is riding the wave of urban development that is growing in popularity as people look to move closer to employment centers and as urban living spaces become more in vogue,” said Goodwin. “The business walk results prove that, barring any economic calamities, we are on the right track for a lucrative future.”

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ABOUT THE RIVER DISTRICT

The River District is an 830-acre central city district that is quickly transitioning from a light industrial, low intensity commercial area into one of Sacramento’s up and coming vibrant, mixed use, transit oriented communities. The historic commercial area will combine an eclectic mix of residential, office and commercial land uses designed to take advantage of multimodal transportation options, riverfront views and open space. www.riverdistrict.net

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The Sacramento Metro Chamber, together with Business Bridge conducted the River District Business Walk on May 14, 2015. The premise behind the Business Walk is to “identify the successes and obstacles of the local business community, track that information over time and provide assistance in any way possible.” In total, 192 businesses based in the River District were targeted for interviews during the Walk.

- Business Walk interview conversations are focused on three basic questions:
- How is business?
- What do you like about doing business in the area?
- What should be done to improve business in the area?

Summary Results

How is Business?

As with business across the country, the local business climate has experienced economic challenges over the past few years. Overall, when asked, “How is business,” 70% of the River District businesses visited responded, “Business is good.” This is a significant increase from the 2010 Business Walk when twenty-two percent responded, “Business is good.” While the economy had a strong impact on business five years ago, it appears that the area is experiencing recovery.

What do you like about doing business in the area?

Several factors were noted when asked about what businesses liked about doing business in the area. With its central location, proximity to downtown, and access to regional transportation hubs and amenities, location is the top feature creating value to businesses in this area. Other issues frequently mentioned were proximity to clientele and area growth and development.

What should be done to improve business in the area?

Businesses in the River District are looking for ways to prosper. When asked should be done to improve business, the most often noted responses included addressing homelessness, improved security and traffic & road improvements. While such issues present challenges to business, very few indicated plans to close or relocate.

The remainder of this report provides detail on responses to each of the interview questions.

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How Is Business?

When asked, “How is business,” respondents provided answers ranging from, “Business is great,” to “There has been a slight decrease in sales, but we’re still in business.” Very few reported that business is poor or that the business may close.

Seventy percent of businesses interviewed stated that business is Great/Good indicating that the majority of businesses in the River District are succeeding and that the past year has been productive. Area growth and development is making the River District an attractive place to do business and clients and customers have responded to recent changes that have taken place. Business activity has increased over the last few years as the overall economy has improved and as the efforts to improve aesthetics and cleanup in the area have been successful. During the 2010 Business Walk, 22% indicated that business was Good/Great so we see significant improvement over the past five years.

Twenty-five percent of businesses interviewed state that business is Steady/Fair. Some are still recovering from the overall economic downturn, some have experienced ups and downs over the past few years and are seeing an upward trend as the economy recovers and as the River District receives more attention. During the 2010 Business Walk, 24% indicated that business was Steady/Fair indicating a correlation with the statistic from 2010.

Only five percent cited that business has been Slow/Poor. During the 2010 Business Walk, 51% indicated that business was Slow/Poor. This year’s Walk shows an impressive recovery that that indicates improvements in the River District provide a promising future to business owners.

Note: Percentages stated for the 2010 Business Walk add to 97%, 3% did not provide a response to the question.



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What do you like about doing business in the area?

Responses to this question were varied and many cited multiple reasons for locating their business in the River District. Based on all of the responses recorded, Location was cited most frequently as the reason for doing business in the River District. Specifically, proximity to downtown, access to major freeways, access to regional amenities (such as the airport, government offices, Cal Expo) were pointed out. The location makes it easy for customers and clients to access the business and easy for business to provide services to their clients.

Closely related to location, Clientele was mentioned by many businesses. The ability for the business' clientele to have easy access to products and services or to be located in an area with demographics suitable for business is important. This is especially evident with the number of restaurant supply businesses who enjoy their location near the thriving central city restaurant scene.

Also mentioned was the Growth and Development taking place in the central city, especially the Entertainment and Sports Center and a potential Major League Soccer stadium. Businesses feel that they will benefit from central city development and some are already experiencing the benefits from the development and improvements taking place in the River District.

Other positive features include a Low Cost of doing business (in some cases lower rents) and availability of free nearby Parking, while others mentioned that Longevity at their current location is beneficial. Most respondents reported to be very happy in the River District and are not considering leaving the area.

What do you like about doing business in the River District?	
Location/access	43%
Clientele/demographics	12%
Area growth & development	10%
Parking availability	5%
Cost of doing business	4%
Longevity at location	4%
Close to river & trails	4%
Other	18%

These responses correspond to input received in the 2010 Business Walk when Location, Low Cost and Clientele/Demographics were noted business advantages in the River District.

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What should be done to improve business in the area?

When asked what should be done to improve business, addressing Homeless issues was high on the list, an issue that is frequently noted during Business Walks in commercial corridors throughout the region. With the large number of social services agencies located either in the River District or nearby, businesses in the District have been highly impacted by the homeless population and have seen the effects of recent agency budget cuts for social services. In addition to addressing homeless issues, improving Security and Police presence was mentioned by many businesses. The River District PBID provides private security and maintenance services to assist in mitigating the impacts of homelessness in the area and the organization participates in programs designed to provide solutions. In addition, several businesses were complimentary of the job done by the Sacramento Police Department.

Traffic and Road improvements, including the addition of bike lanes, should also be addressed based on comments received. The Richards/12th/16th intersection experiences traffic backup that can limit access to local businesses. Some intersections appear hazardous to pedestrians. There was a concern about plans for a median on Richards Boulevard that could impact business access.

Other concerns mentioned include various Government/Bureaucracy issues (such as taxes, fees and permits), the desire for more Restaurants and additional Maintenance and Beautification.

What should be done to improve business in the River District?	
Address homelessness	45%
Improve security/police presence	16%
Traffic/road improvements	9%
Government/bureaucracy	9%
More restaurants	4%
Maintenance/beautification	4%
Other	13%

These findings are similar to comments from the 2010 Business Walk that indicated a need to address homelessness, provide greater security and improve traffic. It is interesting to note that in 2010, the economy was number three on the list of needed improvements, but did not appear on this year's comment list.

The Sacramento Metro Chamber and Business Bridge would like to thank the City of Sacramento, The River District, SMUD, Safe Credit Union, Pacific Gas and Electric, the office of Councilmember Jeff Harris, the office of Councilmember Steve Hansen and the participating volunteers for their assistance with the River District Business Walk.

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