

BUSINESS MATTERS

TAKING THE PULSE OF BUSINESS IN DOWNTOWN SAC

PRODUCED BY  DOWNTOWN SACRAMENTO PARTNERSHIP  SACRAMENTO PRESENTED BY  tri counties bank

Summary Results | September 27, 2017

To foster a prosperous business climate in downtown Sacramento, on September 27, 2017, 53 volunteer walkers, consisting of business and civic leaders led by Downtown Sacramento Partnership and the City of Sacramento, set out to visit 346 businesses to interview owners and managers about their sentiments of doing business in downtown Sacramento. Capturing data from 182 businesses, conversations focused on three basic questions:

- How's business?
- What do you like about doing business in downtown?
- What should be done to improve doing business downtown?

With a majority of answers – 72 percent – coming from owners, supervisors or managers directly involved with the daily business operations, responses are indicative of today's business climate.

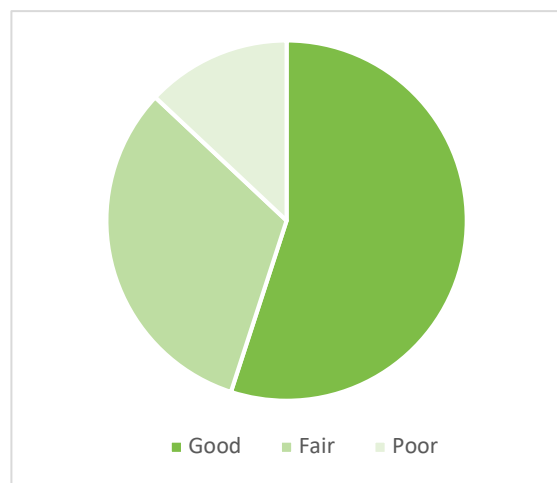
HOW'S BUSINESS?

Just over half of the businesses surveyed, 55 percent, reported that business is good or better than previous years. Most accredited their success to the high foot traffic from events as well as the great community and location, in particular proximity to new businesses, Golden 1 Center and the Crest Theatre. Anecdotally, we heard...

"Business is amazing." -- Cafeteria 15L

"Business is booming." -- Mother Sacramento

"We are experiencing record occupancies and forecast they will continue into 2018."
-- Sheraton Grand



By comparison, roughly 32 percent of the businesses surveyed stated business is fair and 13 percent stating business is poor. Many of these responses cited construction blocking the connectivity between the Golden 1 Center and Old Sacramento.

- Of the 84 businesses reporting business as fair or poor, half are located in Old Sacramento.

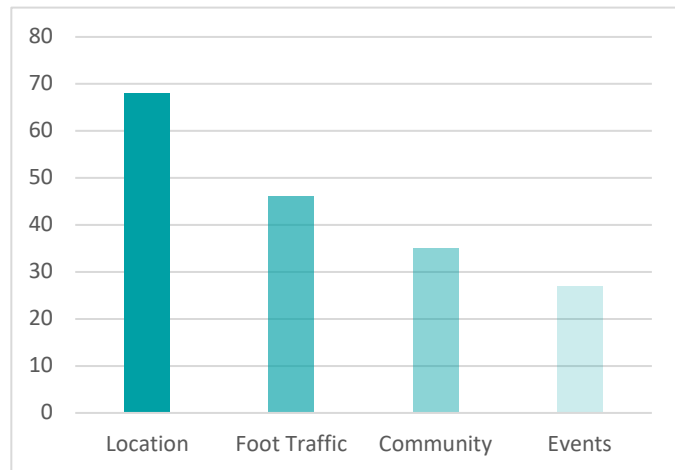
WHAT DO YOU LIKE ABOUT DOING BUSINESS DOWNTOWN?

The main reason why businesses stay in downtown Sacramento is because of the location, followed by foot traffic and community.

“We are happy with our location. We have high expectations!”
-- Whired Wine

“It’s exciting to be part of the rebuilding of downtown Sacramento.”
-- The Allspicery

“Character of the district and excitement around downtown make us hopeful for the future.”
-- Ten 22



Other respondents stated the unique and diverse mix of customers, energy and vibe of downtown and nearby events were all positive parts of doing business in downtown. Additionally, Old Sacramento businesses cited the mix of regular customers sprinkled with tourists.

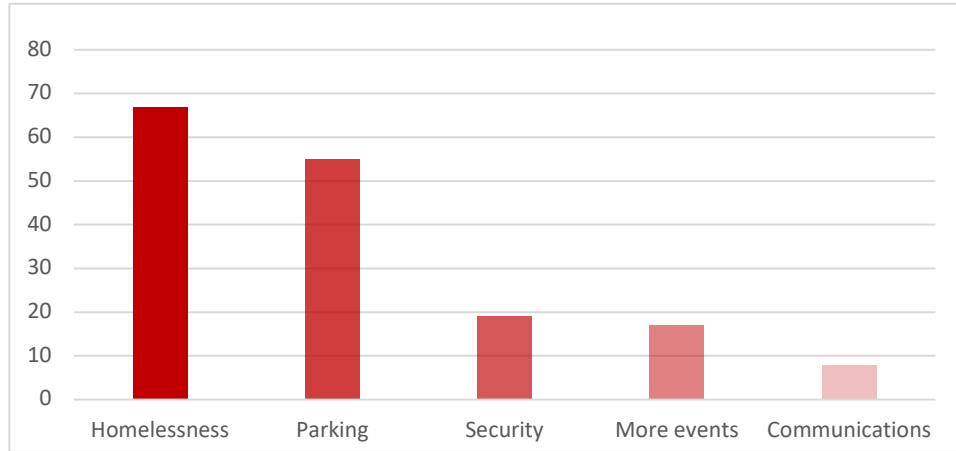
WHAT SHOULD BE DONE TO IMPROVE BUSINESS DOWNTOWN?

Overwhelmingly, homelessness and parking topped the list for opportunities to improve business downtown. While concerns related to parking focused on price increases to metered street parking and event night parking in garages in Old Sacramento, challenges specific to homelessness were heard across downtown.

Similar to businesses surveyed in 2016, just over two thirds specifically cited concerns about sanitation and security. However, comments specific to feces and outdoor restroom use increased. Security is also one of the main issues for the businesses. Some of them complained about thefts and homeless entering into their stores. Sometimes employees are afraid of being alone because homeless can get aggressive at times. Many businesses also mentioned vacant buildings give a feel of a deserted location that diverts clients from their business altogether. People feel unsafe around these areas because of the emptiness and increased homeless and crime activity on these blocks.

Even with the continuing struggle with homelessness in downtown, many reported they are hopeful that the City will continue the efforts to improve homeless activity. Downtown

Partnership was very well known among businesses and their participation and continued efforts to clean the area of litter and loitering.



Businesses talked about parking being unaccommodating to their customers and employees. They often field complaints about limited parking availability and fees. In particular, Old Sacramento customers struggle with arena event parking in Old Sacramento garages since customers patronizing their businesses become subject to the higher pricing and less likely to come into the district.

Some of the businesses surveyed would like to see more events in downtown to attract more customers.

SURVEY DEMOGRAPHICS

To understand the businesses surveyed and what makes them unique, demographics questions were added to the survey this year.

How long have you been in business?

| | |
|-------------|--------|
| <1 year | 5.52% |
| 1-5 years | 20.44% |
| 6-10 years | 19.34% |
| 10-15 years | 11.60% |
| 16+ years | 43.09% |

81 percent are locally-owned businesses.

Are you open past 8 p.m.?

| | |
|-----|-----|
| Yes | 47% |
| No | 53% |

By comparison, only 35 percent were open past 8 p.m. when surveyed in 2016, prior to the opening of Golden 1 Center.

How many locations do you have?

| | |
|--|--------|
| One location in downtown Sacramento | 57.61% |
| Multiple locations in the region | 23.91% |
| Locations statewide/nationwide/worldwide | 18.48% |

Almost all businesses do little to no online sales. If online sales were part of their business, they primarily did so in partnership with a third party delivery app like Door Dash or Foodjets.

What is your employee mix?

| | |
|---------------|--------|
| Full-Time | 49.02% |
| Part-Time | 48.61% |
| Temp/Seasonal | 2.37% |

Businesses surveyed collectively employ approximately 3000 people.