

# GPAC Meeting 2-27-08



**CHICO 2030**  
GENERAL PLAN UPDATE

Part 1  
Existing Conditions  
Vision Book  
(30 minutes)

Part 2  
Local Economy and  
Economic Development  
(2 hours)

# Meeting Plan

## Part 1: (Project Snapshot)

- Existing Condition Highlights
- Vision Book Overview

## Part 2: (Local Economy/Econ Dev)

- GP Framework/Context
- Key Issues for Chico
- GPAC Issues, Opportunities, and Constraints

# Part 1: Project Snapshot

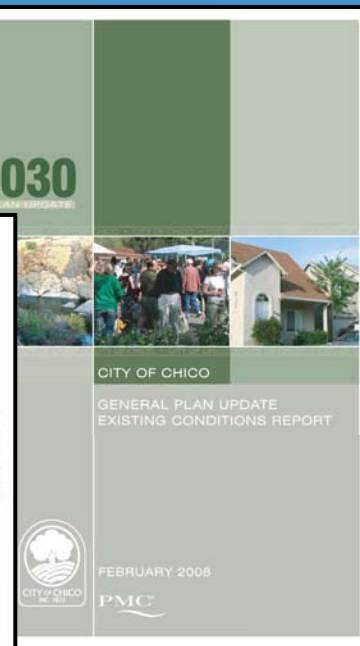
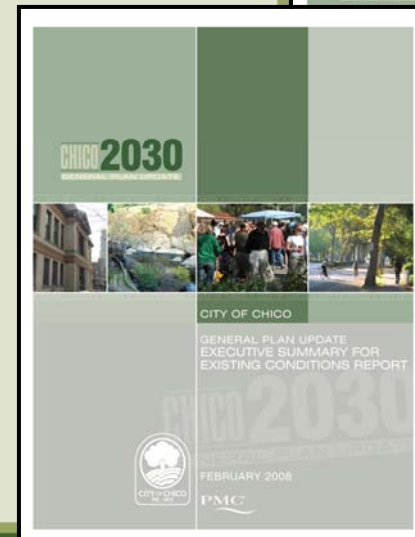


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# Existing Conditions Highlights

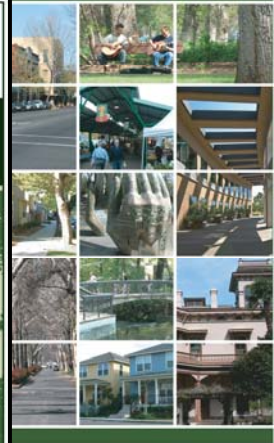
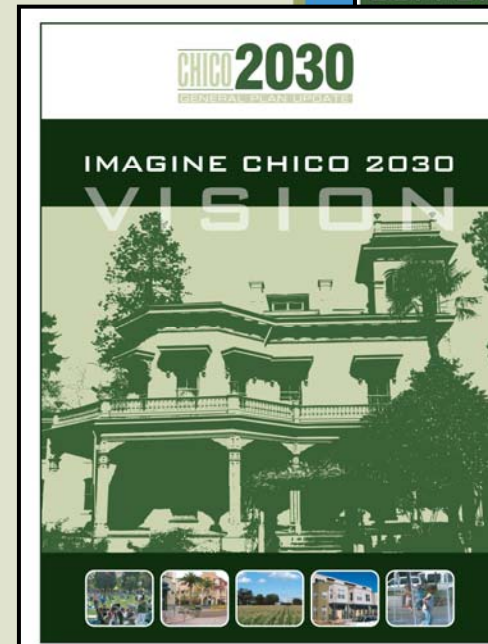
- Document purpose
  - GP background report
  - Existing conditions for CEQA analysis
- Document organization and use
- Highlights
  - Economic Development Chapter

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# Vision Book Overview

- Document purpose
- Where did the ideas come from?
- How will the document be used?
- Joint Study Session PC/CC on March 18<sup>th</sup>



**Questions?  
Comments?**

# Part 2: Local Economy and Economic Development



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# General Plan Framework/Context

## Local Economy/Economic Development

- Optional GP Element
- Relationship to other elements
- Chico Economic Development Element (1994)
  - Guiding policies and key components
  - Other considerations

# Key Issues for Chico's Economy

## What we've heard so far (1 of 2)

- Fiscally viable General Plan
- Strengthen economic base
- Need for higher paying jobs
- Improve business opportunities  
Downtown
- Several commercial cores –  
neighborhood centers
- Need land ready-to-go for industry  
and job growth
- Incentives for green building
- Increase tourism

# Key Issues for Chico's Economy

## What we've heard so far (2 of 2)

- Maximize partnerships with CSUC and others to capture and keep intellectual capital
- Attract new business/reduce barriers
- Improve business environment for small and big business
- Expand transport and improve infrastructure
- Update/equitize fee structure

# Think Tank Issues, Opportunities, and Constraints

1. Structural Budget Deficit
2. How to Maintain Quality of Life While Accommodating Growth
3. Residents' Skills/Local Job Availability Match

# #1 Structural Budget Deficit

## Key Concerns:


- Chico's eroding retail dominance
- Service expectations, costs, and financial resources

# City of Chico Fiscal Condition

City of Chico Per Capita Retail Sales Over Time



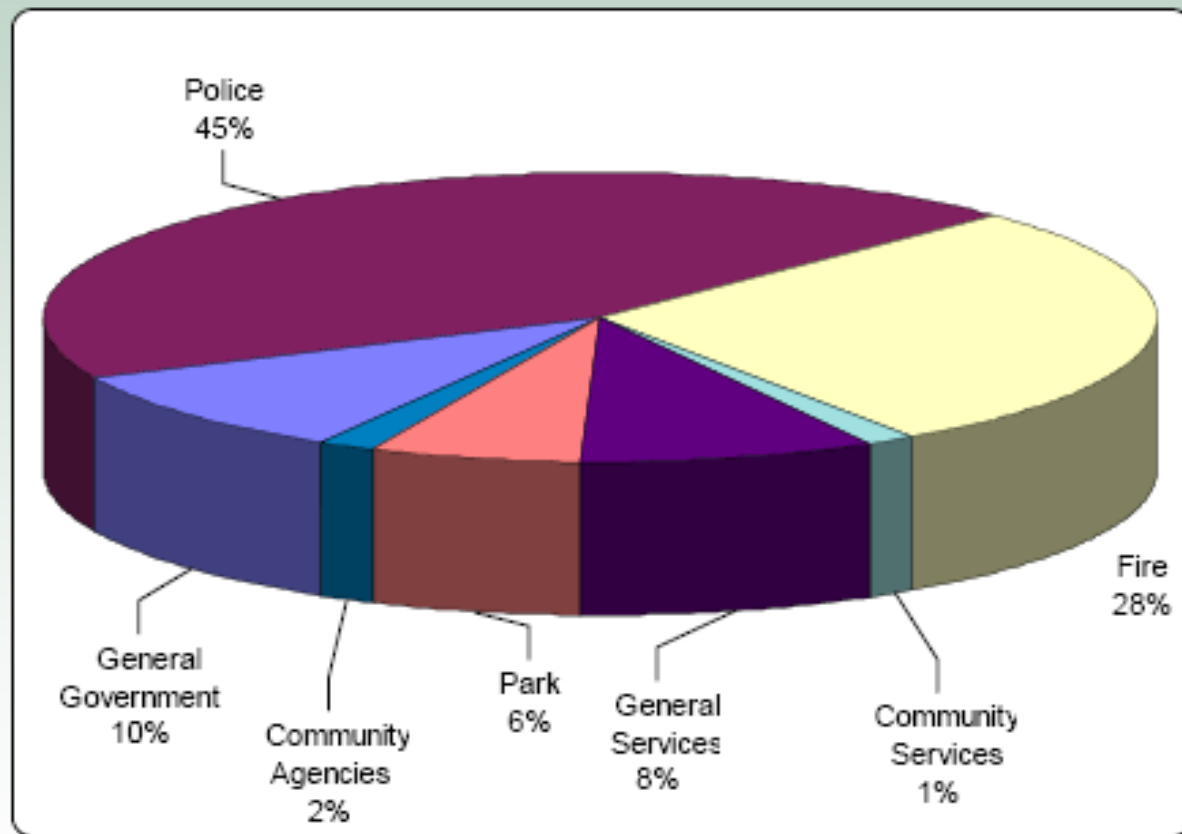
Source: State Board of Equalization. \*Note: 2006 is Q1-Q3



# Focusing in on the General Fund

The majority of the City's services are funded by the General Fund.

	<u>FY2007-08</u>
General Government	\$4,781,859
Police	\$22,087,995
Fire	\$13,915,557
Community Services	\$727,544
General Services	\$4,218,166
Park	\$3,077,309
Community Agencies	\$820,755
Vacancy Factor	(\$989,427)
<b>Total</b>	<b><u>\$48,639,758</u></b>

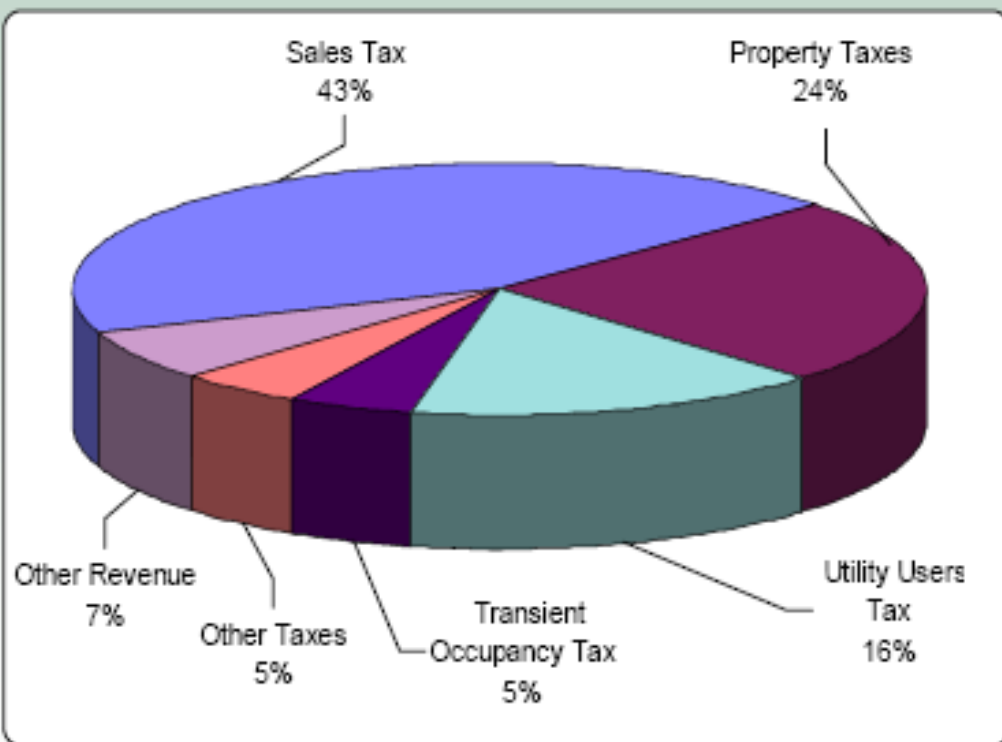


**73% of General Fund is spent on Public Safety.**



# Focusing in on the General Fund

The majority of the City's services are funded by the General Fund.



	<u>FY2007-08</u>
Sales Tax	\$18,264,100
Property Taxes	\$10,046,348
Utility Users Tax	\$6,617,900
Transient Occupancy Tax	\$1,986,600
Other Taxes	\$1,890,460
Other Revenue	\$2,801,310
<b>Total</b>	<b>\$41,606,718</b>

93% of General Fund revenue is from taxes.



# Focusing in on the General Fund

**What is the overall fiscal health of the General Fund?**



Revenues are inadequate to meet the Community's demand for services.

# Some Factors Contributing to City's Current Fiscal Situation

- Increasing demand for services from growth
- Over 300% increase in expenditures on public safety (Police/Fire) since 1990
- State takeaways of local revenue since 1990s
- Increased health insurance costs, retirement costs and accounting for retiree benefits

# #1 Structural Budget Deficit

## GPAC Think Tank Questions:

- 1a. Are community expectations about levels of public services practical given budget realities?
- 1b. Is the City operating as efficiently as possible in providing services economically?
- 1c. Should the City be trying to develop new revenues in order to address the structural budget deficit? If so, what compromises on other community values are justified in the name of increasing revenues?

# #2 Quality of Life/Growth

## Key Concerns:

- Deteriorating housing affordability
- Viability of neighborhood retail center concept
- Preserving and enhancing downtown as community focal point
- Attractiveness of Chico as a business location

# Housing Price Increases vs. Household Income Increases

Location	Median Owner-Occupied Home Value			Average Annual Change '90-'00	Average Annual Change '00-'06	% Change '90-'06
	1990	2000	2006			
Chico Urban Area	\$109,600	\$134,900	\$334,200	2.1%	16.3%	205%
Butte County	\$94,000	\$116,200	\$273,700	2.1%	15.3%	191%
California	\$194,300	\$198,900	\$535,700	0.2%	18.0%	176%
Median Renter-Occupied Unit Rent						
Chico Urban Area	\$455	\$590	\$848	2.6%	6.2%	86%
Butte County	\$439	\$563	\$783	2.5%	5.7%	78%
California	\$620	\$747	\$1,029	1.9%	5.5%	66%

# Balancing Mixed Use Neighborhood Concept with Big Box Retail Trends

- Mixed Use Neighborhood Center (MU-NC) Assessment
  - Current GP includes 11 MU-NC sites not yet developed
  - Projected community growth may support 1 – 2 more supermarkets
  - Proposed Wal-Mart Supercenters alone will likely absorb that demand
  - This leaves most MU-NC sites without prospects for traditional grocery anchor

# Estimated Market Impact of Proposed North Chico Supercenter

**TABLE 4.11-3 MAXIMUM NORTH SUPERCENTER RETAILERS SALES IMPACTS UPON STABILIZATION**

	2008 Dollars, in millions		
Retail Category	Supercenter Sales	Maximum Sales Diverted From Chico Retailers	Minimum Net New Sales to Chico
General Merchandise	\$69.9	\$39.4	\$30.5
Food Stores	\$26.7	\$9.3	\$17.4
<b>Total</b>	<b>\$96.5</b>	<b>\$48.7</b>	<b>\$47.8</b>

Source: Sedway Group.

# #2 Quality of Life/Growth

## GPAC Think Tank Questions:

2a. What level of priority should the City put on ensuring that new housing production includes housing affordable to all income levels?

*Note: issues associated with viability of neighborhood retail, ensuring Downtown viability, and business attraction are also addressed in Questions 1c and 3a.*

# #3 Job Skills/Availability Mismatch

## Key Concerns:

- Perception that “college grads have to deliver pizzas to find work in Chico”
- Need to better leverage CSUC as an asset for recruiting new employers and as a source of entrepreneurial energy and expertise

# Major Business Recruiting Concerns for City of Chico

- Access to needed talent - talent with experience to help companies move to the next level.
- Lack of easy connectivity in and out of Chico - particularly commercial air service.
- Lack of skilled labor - regional workforce is described as low/underskilled
- Inability for workers to own homes in Chico - due to cost
- Lack of ready to go zoned land
- Lack of interest on the part of businesses to get into the development process

# Chico Labor Skills/Job Opportunities Mismatch

Highest Educational Level Reached	Chico Urban Area		Butte County		California	
	Number	Percent	Number	Percent	Number	Percent
Less than 9th grade	1,959	3.6%	5,925	4.4%	2,462,134	10.6%
9th to 12th grade, no diploma	3,374	6.1%	14,386	10.6%	2,143,220	9.3%
High school graduate (includes equivalency)	10,898	19.8%	34,555	25.5%	5,368,962	23.2%
Some college, no degree	14,482	26.2%	35,732	26.4%	4,684,571	20.3%
Associate degree	4,988	9.0%	11,705	8.6%	1,767,989	7.6%
Bachelor's degree	13,790	25.0%	22,295	16.5%	4,311,428	18.6%
Graduate or professional degree	5,687	10.3%	10,809	8.0%	2,394,870	10.4%
<b>Total</b>	<b>55,178</b>	<b>100.0%</b>	<b>135,407</b>	<b>100.0%</b>	<b>23,133,174</b>	<b>100.0%</b>
<i>High school graduate or higher</i>	<i>49,845</i>	<i>90.3%</i>	<i>115,096</i>	<i>85.0%</i>	<i>18,527,820</i>	<i>80.1%</i>
<i>Bachelor's degree or higher</i>	<i>19,477</i>	<i>35.3%</i>	<i>33,104</i>	<i>24.4%</i>	<i>6,706,298</i>	<i>29.0%</i>

# Chico Labor Skills/Job Opportunities Mismatch

Occupation	Chico Urban Area		Butte County		California	
	Employed Residents	Percent of Total	Employed Residents	Percent of Total	Employed Residents	Percent of Total
Management, professional, and related	7,701	15.6%	12,424	13.7%	3,591,650	22.0%
Service	16,583	33.6%	28,893	31.8%	4,035,306	24.7%
Sales and office	13,713	27.8%	24,160	26.6%	4,370,751	26.8%
Farming, fishing, and forestry	1,089	2.2%	2,713	3.0%	273,708	1.7%
Construction, extraction, and maintenance	5,375	10.9%	12,123	13.3%	1,968,825	12.1%
Production, transport., and material moving	4,928	10.0%	10,594	11.7%	2,083,955	12.8%
<b>Total</b>	49,389	100.0%	90,907	100.0%	16,324,195	100.0%

# #3 Job Skills/Availability Mismatch

## GPAC Think Tank Questions:

3a. Should quality job creation/attraction take precedence over accommodating residential demand?

**Questions?**  
**Comments?**

# Public Comment and Next Steps



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# Public Comment

# Project Next Steps

- Key Issues Workshops
  - March 11 (Land Use and Local Economy)
- Downtown Meetings
  - Ad Hoc Committee February 28
  - Vision Workshop March 25
- GPAC Meetings
  - March 26 (Land Use and Growth)
- Land Use Map Ideas
  - March 1 – June 30

# The End! Thank you!

## Project Contacts:

- Holly Keeler, City of Chico Project Manager
- Pam Johns, PMC Project Manager
- Kendall Flint, PMC Outreach

[www.chicogeneralplan.com](http://www.chicogeneralplan.com)