

Chico Chamber says ‘lower development fees’

A report released Tuesday offers recommendations to increase the city’s sales-tax revenues

By [Meredith J. Cooper](#)

Sales tax is a big deal in Chico. Revenues feed into the city’s general fund, which goes to police and fire protection, among other needs. The bad news, however, is that Chico’s retail-fueled revenue has remained stagnant over the past couple years. And it shows no signs of revival.

Such was the topic of conversation Tuesday morning at the Chico Chamber of Commerce, where selected members presented the final report of the Retail Improvement Task Force, which looked at the history and potential for retail development in Chico.

“Sales tax is hugely important to this community—it’s 42 percent of the general fund,” said Georgie Bellin, of The Group Real Estate Brokers. Bellin, who is also a former councilwoman, was one of more than a dozen Chamber members who made up the task force.

The key findings show that sales tax has actually dropped the past two years (the revenue is around \$17.5 million annually), and that may be due to stores like Home Depot opening in nearby Oroville, or it may be a result of city policies that make it difficult for big retailers to move in.

“We need to create policy that plans for success,” said Jim Goodwin, Chamber president and CEO.

Chain stores and car dealerships, in particular, bring in tons of sales tax. On the report’s list of top-25 sales-tax producers, big-box retailers and department-store chains fill half the spots, and six are auto dealers.

Despite some hesitation to invite the big chain stores to locally minded Chico, “national retailers drive our economy,” Goodwin said. “We need to not create roadblocks that keep those kinds of businesses out of our community.”

So, what should the city do? Rather than raising the sales tax, which the Chamber spoke out against in December, the city should restructure its policies regarding development. Right now, while Chico is in the midst of drafting the general plan update, is the perfect time for such an overhaul, Goodwin said.

Among the policy changes recommended: Offer fast-track permitting for substantial sales-tax producers who want to develop in Chico; clarify design standards so as not to discourage potential builders; allocate an adequate amount of land for future retail growth; use redevelopment funds to offset impact fees when possible.

The report also recommends that, in downtown Chico, a parking structure be built to attract larger businesses; police be more visible to increase safety; and the Downtown Chico Business Association drop the “Business” to include all

downtown interests.

“We’re obligated to take this city forward,” said Councilman Larry Wahl, who also represents UPS Stores.
“Otherwise we’re at risk of becoming Fortress Chico.”