

Study suggests city will suffer land shortage

By JENN KLEIN-Staff Writer

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CHICO — A study compiled for the General Plan update process found that if nothing changes, office space in Chico may be harder to find and come at a higher premium.

This study, looking at market opportunities and land projections, also found Chico is losing out on potential retail profits of \$200 million a year through retail "leakage," particularly in the area of clothing and clothing accessory stores and gas stations.

Prepared by Bay Area Economics, the study found that the office market is likely to continue to expand and be filled by doctors, stockbrokers, insurance agents and lawyers.

- [VIEW the market opportunities and land projections report](#)

"Though the current supply of office space sufficiently meets demand, local real estate professionals are concerned that land prices, driven by competition with other real estate sectors for limited land, are too high to make office development feasible," the report cites. "With the demand for office expected to grow continuously, Chico may face a shortage of supply of new offices if adequate land is not available."

City Planner Brendan Vieg said the study looks at the amount of residential, commercial and office land the city would need if Chico continues to grow

in same way it's grown during the last 20 years. He said it looks at the existing supply of land and suggests that we don't have enough to meet the needs of providing jobs and homes for 40,000 projected new people by the year 2030. And if there's not enough supply, prices for retail and office space will go up, he said.

Vieg said the study does not take into account that Chico needn't grow as its history dictates, but rather could look at the option of "growing up" by having more buildings and residences in an area, or stretching higher by adding more stories.

"Those are going to be the hard questions for the community and the council to grapple with here," Vieg said.

Vieg said the intent of the study is to provide further information to elected officials and the community as the city moves toward picking a growth alternative to study for the General Plan update.

Vieg said the study also looks at opportunities and ways to focus on capitalizing on economic development, such as improvements along Highway 99. Critical freeway frontages are a premium if looking to attract large retailers or capitalizing on the money spent by college students.

But Planning Commission chairman Jon Luvaas said he's concerned the study does not provide enough information. Luvaas said he didn't see an analysis of future economic or demographic trends and how the anticipated changes in climate, the economy, water, fire risks, and population change are going to play in the new General Plan.

Luvaas said he's going to be asking for a look at future changes based on what's likely to be "coming our way," rather than on past needs and

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assumptions.

The Chico City Council and the Planning Commission will talk about the study during a joint meeting tonight.

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